

IESBA and IAASB Joint Stakeholder Survey – Other Areas or Trends or Matters that You Believe the SSBs Should Consider that are not Covered

16.01. Adoption, Implementation Capacity and Post-Implementation Support

05. Regulators and Oversight Authorities

Public Company Accounting Oversight Board (PCAOB) – Views of the PCAOB Chief Auditor

Additional Matter for Consideration

I draw your attention to another potential matter for your consideration that is not addressed in the survey: supporting the implementation of new standards. During the period before the effective date of new standards, questions may arise regarding the application of those new standards. After the effective date, audit regulators conducting oversight activities may observe practices that they believe are inconsistent with the new standards or areas where the standards are not being applied consistently. I believe it is important to audit quality and to investor protection for the SSBs to have a mechanism to monitor early implementation efforts and input from audit regulators that could result in guidance or potential changes when a standard may not be working as intended.

10. Member Bodies or Other Professional Accountancy Organizations

Accountancy Europe (AE)

4 – Slightly increasing in importance

A key area for further focus is the adoption and implementation of standards across jurisdictions. There are increasing signs of fragmentation, with some jurisdictions not adopting, or only partially adopting, recent standards. Understanding the reasons for this lack of adoption would be highly valuable, as it may highlight challenges related to complexity, operability or relevance in practice.

Rather than relying solely on formal post-implementation reviews, standard setters could consider more targeted and timely engagement with profession, national standard setters and regulators to identify barriers to adoption. This could support a more effective and globally consistent framework.

Adoption, implementation and trust in global standards

O.2

Association of Chartered Certified Accountants (ACCA)

4 – Slightly increasing in importance

From an IAASB perspective, this trend may be particularly relevant given the significant volume of recent and ongoing developments across auditing, quality management, and sustainability assurance standards. While these initiatives respond to important public interest needs, sufficient time for implementation experience, translation, monitoring activities, and post-implementation review may be important to assess whether the standards are operating as intended in practice and to support consistent application across jurisdictions and firms of different sizes and complexity.

From an IESBA perspective, the increasing breadth of ethical and independence-related developments, including sustainability-related initiatives and technology-related revisions, may similarly create challenges regarding implementation, operability, and consistent application. This may be particularly relevant in jurisdictions and practice environments where translation, adoption, and interaction with local ethical or regulatory frameworks require additional time and implementation support. In this context, continued focus on implementation support, monitoring, and evidence based assessment of emerging issues may help

ensure that the Code remains clear, proportionate, and capable of effective application across different jurisdictions and practice environments.

O.2 Implementation Fatigue

The increasing pace, volume, and interconnectedness of standard-setting and regulatory developments creates implementation and operational challenges for firms, practitioners, regulators, and other stakeholders. As standards continue to evolve in response to emerging developments such as sustainability reporting, technology, and changing business models, consideration may increasingly be needed regarding prioritisation, sequencing, scalability, transition periods, translation, and implementation support to help ensure that changes are capable of being effectively and consistently embedded in practice across different jurisdictions and practice environments.

Chartered Accountants Ireland (CAI)

6 – Strongly increasing in importance

In our response to Question 4, we highlighted several matters we believe the SSBs should be considering, including proportionality, scalability, effective implementation, post-implementation evidence-gathering and greater use of guidance where appropriate. We do not identify wholly new trends beyond those already outlined in the survey.

However, drawing together the global risks and trends identified, we encourage the SSBs to use this strategy period to pursue greater interoperability between global standards and frameworks, supported by more coordinated and joint initiatives across standard setters, not only between IESBA and IAASB, but also with other bodies such as the IASB and ISSB where there is a natural intersection in remit.

In this context, strategic focus should be placed as much on improving the applicability, robustness and internal coherence of standards, as on their development. Ensuring that standards are understandable and usable by all stakeholders, including preparers, practitioners, regulators and users of information, is critical to reinforcing trust and ensuring global standards continue to serve as effective, credible benchmarks.

O.1

CPA Australia

O.1 – Adoption, Implementation Capacity and Standard Usability

While the survey identifies a range of important external trends, it does not sufficiently capture a critical cross cutting issue affecting the SSBs' ability to deliver public interest outcomes: the growing gap between the pace, volume and complexity of standard setting and the capacity of jurisdictions, firms, and practitioners to adopt and implement those standards effectively.

Across audit, ethics and sustainability assurance, there is increasing evidence of:

- Implementation fatigue, particularly following successive major reforms;
- Challenges in operability and scalability, especially for SMPs and resource constrained jurisdictions;
- Standards becoming longer, more complex, and harder to navigate, including for non accounting specialists working in multidisciplinary teams; and
- Uneven adoption and acceptance across jurisdictions, despite formal endorsement.

This is a call for greater strategic attention to how standards are understood, applied, and embedded in practice. Without sufficient focus on implementation, usability and acceptance, even high quality standards risk failing to achieve their intended public interest outcomes.

For the 2028–2031 period, the SSBs should therefore explicitly consider:

- Adoption and implementation capacity as a strategic driver;
- Whether existing standards are being given sufficient time and support to bed down before further expansion; and
- How feedback from post implementation reviews and implementation groups is systematically used to improve both standards and the standard setting process itself.

Recognising this trend would help position the SSBs to be both forward looking and disciplined—ensuring that new initiatives are grounded in evidence of need, implementability and real world impact.

O.1 – Adoption, Implementation Capacity and Standard Usability

Rating: 6 — Strongly increasing in importance

Adoption, implementation capacity, and usability have become critical determinants of whether international standards achieve their public interest objectives. Evidence of implementation fatigue, uneven adoption, operability challenges (particularly for SMPs), and growing complexity of standards indicates that without explicit strategic focus, even high quality standards risk failing in practice. This issue now warrants the highest level of attention in 2028–2031, primarily through disciplined pacing of new initiatives, strengthened post implementation review, and enhanced implementation and educational support rather than additional standard setting.

O.1 – Adoption, Implementation Capacity and Standard Usability

6 – Strongly increasing in importance

12. Others

AIDS Committee of Toronto

5 – Increasing in importance

Auditors should be responsible for historical reporting, but should have a role in helping the Finance Committees and Boards of Directors of their clients to plan for the future.

O.1

16.02. Audit Evidence and Third-Party Reliance

01. Monitoring Group

International Federation of Independent Audit Regulators (IFIAR)

10. IFIAR would also like to take this opportunity to emphasize the importance of standard setting projects in the areas of:

- Materiality for Audits
- Audit Evidence and Risk Response

Audit Evidence and Risk Response Project

20. IFIAR stresses the importance of completing the audit evidence and risk response project in a timely manner, ensuring due process and consideration of IFIAR's previous comments and feedback. Sufficient resources should be allocated to deliver high-quality standards that will help to enhance audit quality.

05. Regulators and Oversight Authorities

Committee of European Auditing Oversight Bodies (CEAOB)

Audit Evidence and Risk Response Project

27. In the same vein, there is limited guidance in ISAs (and ISSA5000) on how to respond to identified and assessed risk of omissions or incomplete disclosures that may be material. This response should be based on a more robust framework. This comment is also relevant in the context of sustainability information (ISSA5000).

28. The CEOB stresses in this regard the continued importance of the “audit evidence and risk response” project, ensuring due process and consideration of CEOB comments and feedback. Sufficient resources should be allocated to deliver high-quality standards that will help to enhance audit quality.

06. Jurisdictional and National Standards Setters (JSS)

Institut der Wirtschaftsprüfer (IDW)

O.1 Third-party reliance – particularly the limited availability, accessibility, and reliability of evidence from external parties, is an increasing concern (see our response to Question 4).

There is an increasing reliance on information obtained from third parties, driven by advancements in technology, evolving data ecosystems, and more complex value chains (for example in sustainability reporting and supply chain data). This development gives rise to important considerations for both audit and assurance, particularly regarding the reliability of externally sourced information and the appropriate level of assurance to be applied. These considerations are relevant not only for reporting entities but also for practitioners, including in the design and operation of their own quality

Yes

10. Member Bodies or Other Professional Accountancy Organizations

Accountancy Europe (AE)

Yes

There is a growing trend towards increased reliance on information from third parties, driven by developments in technology, data ecosystems and extended value chains (e.g. sustainability reporting and supply chain data). This

raises important considerations for both audit and assurance, including the reliability of external data sources and the appropriate level of assurance over such information. This trend is relevant both for reporting entities and practitioners themselves and their own quality management systems.

While this topic is relevant to the IAASB, we do not consider that it necessarily requires the development of new standards at this stage. Existing principles-based frameworks should be capable of addressing these developments as well as more timely, practical and non-authoritative guidance, including use cases and examples, to support consistent application in practice.

This trend is primarily relevant to the IAASB. Efforts to identify solutions for optimising the application of existing assurance standards would be helpful. We also see potential for exploring ways of better sharing assurance reporting within networks and the broader reporting ecosystems to enable quality and efficiency improvements.

O.1

Increased reliance on third-party information and need for more responsive, practical guidance

4 – Slightly increasing in importance

Global Accountancy Alliance (GAA)

6 – Strongly increasing in importance

O.2 Evidence from third parties.

O.2 Reliance on third parties is becoming more challenging, particularly due to limitations in the availability and reliability of externally sourced evidence. Increasingly complex ecosystems—spanning value chains, cloud and blockchain environments, and external service providers—are driving greater interdependence. At

the same time, reliance on third party confirmations is growing alongside heightened assurance expectations, which may ultimately require more scalable "one-to-many" reporting solutions.

Institute of Chartered Accountants of Scotland (ICAS)

0.2 There is an increasing reliance on information being held on behalf of an entity by third parties. With increased digitalisation and the resultant increased cyber threats, this is presenting greater challenges to professional accountants, due to the need to navigate increasingly complex ecosystems

6 – Strongly increasing in importance

O.2 Increasing reliance on information being held on behalf of an entity by third parties

16.03. Standard-Setting Process Effectiveness, Governance and Due Process

07. Accounting Firms

Krzysztof Burnos

6 – Strongly increasing in importance

change the model of SSBs. Currently the model does not address the changing world. SSB acts traditionally and is recognised as the burden and the institution that takes the project to find the work for itself.

PricewaterhouseCoopers International Limited (PWC)

We believe the following additional trend requires consideration during the 2028–2031 strategy period, related to reinforcing trust in the effectiveness and outputs of the standard setting system.

We consider it a key priority for the SSBs in the upcoming strategy period to strengthen stakeholder trust in the due process and governance that underpin standard-setting activities. This includes demonstrating sufficiently broad and balanced participation in the standard-setting process, including appropriate input from the profession, to maximise the quality and operability of standards in the public interest. Further confidence would be supported by greater transparency about how stakeholder feedback—particularly concerns about the clarity, understandability and operability of requirements—has been evaluated and addressed when reaching key decisions and finalising proposed and final pronouncements.

6 – Strongly increasing in importance

O.1 – Effective governance and transparency of due process

RSM International Limited

4 – Slightly increasing in importance

O.1: Seeking a broader range of voices outside of accounting

O.1: We believe that diversity in the standard-setting process should not be interpreted solely in terms of demographic or geographic representation, but also in terms of technical and professional expertise. We believe the SSBs would benefit from increased input from experts in areas such as technology, AI and digital assets, where deep practical understanding is critical. In this context, targeted expertise may be more valuable than broader, but more general, participation.

We recognise that there are long-standing challenges in engaging investors and other non-traditional stakeholders to participate in audit, other assurance and ethics standard-setting. Unlike financial reporting standards, audit, other assurance and ethics topics may be perceived as more indirect or less immediately relevant to such stakeholders, resulting in lower levels of engagement. We understand this to be a structural

challenge, rather than a lack of outreach as the SSBs already undertake targeted outreach to these stakeholders.

We also observe that investors and preparers tend to engage more actively when proposals directly affect them, such as stakeholders who respond only to consultations that have clear operational or economic impacts. This suggests that the level of engagement is more closely linked to the perceived relevance of the issue than to the breadth of outreach efforts.

Rather than broadly seeking more voices, we encourage the SSBs to adopt a more targeted approach to stakeholder engagement, for example, engaging investors when there is clear investor relevance or involving technology experts in the development of technology-related guidance. We believe this targeted approach may enhance the quality, relevance and usefulness of stakeholder input.

O.1: We believe that seeking a broader range of voices can be beneficial to the standard-setting process; however, we consider this issue to be a lower priority compared to other key issues, such as emerging technologies, fragmentation or the need for practical guidance.

10. Member Bodies or Other Professional Accountancy Organizations

International Federation of Accountants (IFAC)

6 – Strongly increasing in importance

IFAC believes the effectiveness of the standard-setting process itself should be treated as a strategic issue for the 2028 - 2031 period, not simply as an internal operational matter.

Future work plans should be based on clear problem statements, evidence of public-interest need, identification of specific standards gaps, robust cost-benefit analysis, and early input from those who will apply and be affected by the standards. This is particularly important where proposed projects may affect SMEs, SMPs, jurisdictions with different implementation capacities, or stakeholders facing significant cost and complexity.

The SSBs should also consider whether their funding, resourcing and project-selection processes create sufficient discipline around prioritization, cost-benefit analysis and the cumulative impact of standard-setting. The ability to undertake more projects should not, in itself, drive expansion of the standards. Future work plans should be constrained by clear public-interest need, evidence of a standards gap, implementation capacity and proportionality.

IFAC also encourages the SSBs to strengthen feedback loops throughout the standard-setting cycle, including root cause analysis before projects begin, clearer assessment of whether issues arise from gaps in standards or from application of existing standards, and timely review of whether standards are achieving their intended purpose after issuance.

O.2: Effectiveness of the standard-setting process itself

The effectiveness and public-interest responsiveness of the standard-setting process, including how the SSBs identify priorities, evidence the need for action, assess cost-benefit and implementation impacts, engage affected stakeholders, and review whether standards achieve their intended outcomes.

Malaysian Institute of Accountants (MIA Malaysia)

6 – Strongly increasing in importance

O.1 – Effective Governance and Transparency of Due Process

A primary objective for the SSBs in the upcoming strategy period should be the enhancement of stakeholder confidence in their governance and due process. Achieving this necessitates demonstrating broad and

balanced participation in standard-setting, including substantive input from the profession, to ensure the resulting standards are of high quality and practically implementable. Furthermore, confidence would be bolstered by increased transparency. The SSBs should articulate how stakeholder feedback—especially comments concerning the clarity, comprehensibility, and practicality of proposed requirements—has influenced key decisions and shaped the final text of their pronouncements.

Pan African Federation of Accountants (PAFA)

5 – Increasing in importance

Inclusive and Scalable Implementation of Digital and Ethical Standards in Emerging Markets (African Priority Trend) This is a strongly increasing trend in importance, particularly from an African perspective, where the effectiveness of global standards is significantly influenced by implementation capacity, scalability, and contextual relevance across diverse jurisdictions.

While emerging issues such as cybersecurity, AI governance, and digital transformation are already well recognised, a critical additional dimension is the need to ensure that standards are practically implementable in emerging and developing economies, where audit firms are often SMEs or SMPs, regulatory capacity varies, and access to advanced technical expertise is uneven. Excessive complexity and cumulative regulatory burden may disproportionately affect SMEs, SMPs, and lower-capacity jurisdictions, making scalability and proportionality critical public-interest considerations.

For the IAASB, this requires a stronger focus on scalable audit and assurance frameworks, supported by practical implementation tools, illustrative guidance, and phased application approaches that reflect varying levels of technological and institutional maturity. This is particularly important for emerging digital areas such as AI systems, cybersecurity assurance, and data-driven audit techniques.

For the IESBA, there is a need to ensure that ethical requirements are understood and applied consistently across diverse professional environments, including where multidisciplinary teams, limited technical capacity, and evolving regulatory oversight may present additional challenges to maintaining competence, independence, and professional skepticism.

A key African priority is also the need for meaningful involvement of African stakeholders in standard-setting processes, including early-stage agenda setting, technical development, and implementation feedback loops. This would enhance legitimacy, improve practical relevance, and ensure that standards reflect the realities of different market structures. In addition, both Boards should strengthen capacity-building initiatives in partnership with regional bodies such as PAFA and African PAOs, including tailored training, implementation support materials, and "train-the-trainer" approaches to ensure sustainable knowledge transfer.

Overall, this trend highlights that the future effectiveness of IAASB and IESBA standards will depend not only on technical quality, but equally on inclusive development processes, scalable implementation models, and tailored support for emerging markets, particularly in Africa.

16.04. Materiality (Audit and Sustainability Assurance)

01. Monitoring Group

International Federation of Independent Audit Regulators (IFIAR)

10. IFIAR would also like to take this opportunity to emphasize the importance of standard setting projects in the areas of:

- Materiality for Audits
- Audit Evidence and Risk Response

Materiality for Audits

19. IFIAR believes that a project on materiality should be given priority as an additional workstream for the IAASB as IFIAR Members continue to raise concerns regarding the application and concept of materiality under the current international standards. Materiality is a fundamental principle in auditing, and additional guidance or targeted clarifications in the ISAs would help to promote more consistent application by auditors. Given the priority attached to this topic, it is important that the project is taken on board and progresses without further delay.

International Organization of Securities Commissions (IOSCO) Committee

Other Trends

Evolving Application of Materiality in an Expanded Reporting Landscape

As financial and non-financial reporting frameworks evolve and place greater emphasis on qualitative information and disclosure-related judgments, the application of materiality is becoming increasingly complex. These developments may create circumstances where interpretations vary in practice for entities with similar characteristics and risks. We encourage the Boards to carefully monitor this area, and stand ready to support consistent and high-quality assessments of material disclosures and misstatements as reporting expectations evolve across jurisdictions. We support strategic use of non-authoritative material, when appropriate, to promote consistent application of materiality in practice.

03. Preparers or Issuers of Financial Statements or Other Information

Business Europe

6 – Strongly increasing in importance

A key practical issue is the application of materiality within assurance processes, including how effort is allocated across different elements of sustainability reporting so that work remains focused on the matters that are most important. Contrary to financial assurance, this implies allocation across different types of impacts, risks and opportunities without necessarily comparable numerical / quantitative indicators across the topics, but which in a European context is supported by a double materiality analysis. Preparers report this as a key topic of relevance in their discussions with auditors.

O1 is rated "6" as it is extremely important from an efficiency perspective

Application and allocation of materiality in sustainability assurance work, including how materiality is determined and allocated across different topics and disclosures, particularly in the context of double materiality and fair presentation. Please also refer to the above comments under C.1

O1 Application and allocation of materiality in Sustainability Assurance work

05. Regulators and Oversight Authorities

Canadian Public Accountability Board (CPAB)

CPAB would also like to emphasize considerations related to the following specific projects:

Materiality for audits

Firm culture and governance

Materiality for Audits

CPAB continues to observe inconsistent application of materiality in audit practice under the current international standards. Materiality is a fundamental concept and requires significant professional judgment. In CPAB's view, ISA 320 is outdated and no longer fit for purpose as we continue to observe differing interpretations and outcomes across audits. For example, paragraph A5 of ISA 320 states that profit before tax is often used as the benchmark for profit-oriented entities. However, this does not reflect CPAB's experience in Canada. CPAB has observed frequent use of revenue, total assets, net assets and expenses as benchmarks, with significant variation in the percentages applied across firms and similar entities.

CPAB encourages the IAASB to prioritize work in this area as part of its future strategy and work plan, given the importance of materiality to audit quality and the protection of the public interest.

Other Specific Projects

Against this broader strategic context, we want to highlight the following observations on specific areas where we see the need for focused attention.

Committee of European Auditing Oversight Bodies (CEAOB)

Materiality

25. The CEOB considers materiality to be a continued priority for the standard-setting agenda. Concerns continue to arise regarding how materiality is currently interpreted and applied in practice, suggesting that the existing requirements may not provide auditors and sustainability assurance providers with sufficiently clear or operational guidance. Because materiality is a foundational concept in auditing and sustainability assurance, ambiguity in its application can have significant implications for engagement quality and for the consistency of auditors' judgments across jurisdictions.

26. Furthermore, materiality should explicitly cover the risk of omission or incomplete disclosure of material information. The ISAs and ISSA5000 acknowledge that omissions or incomplete disclosures may be material, but they offer limited guidance on how to determine if a qualitative disclosure is materially misstated. As a result, the determination relies primarily on professional judgment and should be based on a more robust framework. This is also relevant in the context of sustainability information (ISSA 5000).

16.05. AI Governance, Explainability and Other Ethical Issues Related to AI

06. Jurisdictional and National Standards Setters (JSS)

Accounting Professional & Ethical Standards Board (APESB)

6 – Strongly increasing in importance

Matters for the IESBA - O.1:

APESB assesses O.1 (AI Governance and Explainability) as strongly increasing in importance (6). While trend A.1 addresses the use of AI as a tool, the emergence of AI systems as subjects of assurance and ethical scrutiny in their own right represents a distinct and rapidly evolving development that, in APESB's view, warrants specific consideration in the SSBs' work plans.

O.1 – AI Governance and Explainability:

The survey appropriately addresses the use of AI tools by practitioners within trend A.1. However, a distinct and emerging trend is the rise of AI governance, model risk management, and AI explainability as subjects of assurance and ethical scrutiny in their own right – going beyond the use of AI as a tool. Regulatory developments, including the EU AI Act and emerging guidance in other jurisdictions, are creating demand for assurance over AI systems: their inputs, outputs, decision logic, and controls.

This raises important questions about practitioners' competence and independence, and whether existing assurance standards are sufficient to address matters that extend beyond those contemplated by trend A.1. It also raises significant ethical considerations. Practitioners who rely on opaque automated systems in performing their work may face heightened obligations regarding professional competence and due care, professional scepticism, and accountability for AI-assisted outputs. APESB considers that the SSBs should assess, as a matter of priority, whether existing frameworks remain adequate for these purposes or whether targeted guidance or standard-setting activity is required to address AI governance and explainability as a distinct topic of interest.

07. Accounting Firms

Baker Tilly International

6 – Strongly increasing in importance

O.1 – Pressure from audited entities to be more efficient, making better use of technology in the audit.

O.2 - There may be expectation to reduce fees while the costs of the technology increase.

BDO International Limited

O.1 Digital transformation - Impact on interpretation of extant standards/the Code

Although technology and increasing use of technology has been highlighted earlier on in this survey – as noted in our response to A.1 – both SSBs should reconsider how advances in technology use (by auditors when procedures are performed by technology as well and by the entity in their operations including system of internal control relevant to financial reporting the entity's use of emerging technology) could have a direct impact on interpretation of extant standards/the Code.

10. Member Bodies or Other Professional Accountancy Organizations

European Federation of Accountants and Auditors for SMEs (EFAA)

5 – Increasing in importance

EFAA believes that the growing use of AI-enabled tools and data analytics to support continuous audit and continuous assurance should be considered as an additional trend by the SSBs.

Advances in artificial intelligence, machine learning, and real-time data processing are increasingly enabling more continuous forms of risk assessment, transaction monitoring, anomaly detection, and control testing. This development has the potential to transform traditional periodic assurance models toward more dynamic and technology-enabled approaches that provide more timely insights and strengthen the detection of errors, fraud, and emerging risks.

From EFAA's perspective, this trend raises important considerations for both boards. For the IAASB, continuous audit powered by AI may have implications for audit methodology, audit evidence, documentation, professional judgment, and the application of standards in environments where testing and monitoring occur on an ongoing basis. For the IESBA, it raises ethical considerations relating to professional competence, professional skepticism, accountability for AI generated outputs, confidentiality, and the risk of overreliance on automated tools.

EFAA therefore encourages the SSBs to consider whether existing standards and guidance remain fit for purpose in a more continuous and AI-enabled assurance environment and whether further guidance or targeted standard-setting activities may be needed.

O.1. Continuous Audit powered by AI

Pavel Dimitrov (Union of Accountants in Bulgaria)

O.4 – Integration of AI into audit methodologies and professional workflows

The rapid adoption of AI-enabled tools in audit and accounting requires guidance on appropriate use, documentation, explainability, and the boundaries of professional judgment.

O.7 – Ethical implications of data-driven business models in the profession

As firms adopt data monetization, analytics services, and platform-based models, new ethical considerations arise regarding independence, conflicts of interest, and responsible data use.

16.06. Cumulative Complexity, Volume and Cost of Standards (“Over-Regulation”)

02. Users of Financial or Non-Financial Information

Jane Wilson (Wilsojay Investments)

0.1 Cost of compliance 0.2 Effect on public markets

0.2

5 – Increasing in importance

5 – Increasing in importance

The costs are borne by shareholders.

The enormous cost of these disclosures is crushing our public stock markets with little or no benefit.

There will be more resistance as the Standards Boards' overreach continues.

The European Federation of Investors and Financial Services Users (BETTER FINANCE)

The public-interest objective should not be limited to increasing the amount of information disclosed, but should also ensure that information remains decision-useful, understandable and capable of supporting informed judgments.

From an investor perspective, excessive complexity, overlapping requirements and inconsistent reporting practices may contribute to information overload and reduce the practical usefulness of reporting and assurance outputs. This challenge may become increasingly important as sustainability information, technological disclosures and assurance requirements continue to expand and interact.

O.1

6 – Strongly increasing in importance

Information complexity & Decision-usefulness

06. Jurisdictional and National Standards Setters (JSS)

Institut der Wirtschaftsprüfer (IDW)

6 – Strongly increasing in importance

In recent years, financial and sustainability reporting and assurance requirements have been subject to significant expansion, often channeled through standard-setting initiatives. This has resulted in a level of complexity and volume that places a disproportionate and increasingly unsustainable strain on the ecosystem, with the resulting burden now difficult to justify.

O.2 Standard-setting inflation – there is a trend towards increasing complex, regulatory-driven standard-setting

10. Member Bodies or Other Professional Accountancy Organizations

Association of Chartered Certified Accountants (ACCA)

4 – Slightly increasing in importance

From an IAASB perspective, this trend is reflected in ongoing discussions relating to scalability, implementation challenges, and the operability of increasingly interconnected auditing, quality management,

and sustainability assurance standards. Recent and ongoing initiatives, including the ISA for Less Complex Entities and post implementation activities relating to revised standards such as ISA 315 and ISA 540, further highlight the importance of considering complexity and practical application in standard-setting activities.

From an IESBA perspective, increasing complexity may arise through the growing interconnectedness of ethical, independence, and sustainability-related requirements, as well as the challenges of applying the Code consistently in multidisciplinary and evolving business environments. As the Code continues to expand to address emerging topics, maintaining clarity, navigability, and operability will remain important to support effective implementation and consistent application in practice.

O.1 Increasing Complexity and Understandability of Standards

The increasing volume, complexity, and interconnectedness of international standards may create challenges for consistent interpretation, implementation, and scalability across different jurisdictions and types of firms and engagements. Ensuring that standards remain understandable, operable, and proportionate will continue to be important in supporting audit and assurance quality, ethical compliance, and broader global adoption.

International Federation of Accountants (IFAC)

O.1: Cumulative over-regulation, complexity and cost

6 – Strongly increasing in importance

Cumulative complexity, cost and over-regulation in international standards, and their impact on adoption, implementation, scalability and proportionality.

IFAC believes cumulative complexity, cost and over-regulation should be treated as public-interest issues, not merely as practitioner concerns. Standards that become excessively long, complex or costly to apply can undermine adoption, implementation, scalability and global consistency. They can also have disproportionate effects on SMEs and SMPs and increase costs for the clients and stakeholders the standards are intended to serve without adding commensurate benefits.

The SSBs should place greater emphasis on proportionality, cost-benefit analysis, implementation burden and practical operability when developing their strategies and work plans. This includes assessing whether new or revised standards are necessary, whether existing standards are being applied as intended, and whether additional complexity would deliver benefits that justify the cost.

16.07. Scalability and Proportionality for SMPs, SMEs and Less Complex Entities

03. Preparers or Issuers of Financial Statements or Other Information

Business Europe

O3 PIE vs. Non-Pie and SMEs

O3 is rated "5" as it is an important – but not new – area and hence should already be high on the radar screen of the SSB's

5 – Increasing in importance

A better articulation of differences and expectations between PIE's and NON-pie's including SMEs is needed. The comments above is generally based on an MNE perspective, but even though some of the themes are also relevant for SME's (and assurance on SMEs), the practical implications and availability of

resources, data availability and use of technology will be different. Hence, it is important that the standards acknowledge this in order to also be relevant outside the PIE-market.

07. Accounting Firms

Jack Schoeman (PWC)

5 – Increasing in importance

O.1

Scalability for Smaller Practices

The main issue here is that as standards become more complex for global firms, they risk becoming unusable for smaller practices. We do not need more legislation or more layers of regulation that treat every audit the same regardless of size. Instead the boards should ensure that every new rule is scalable and offers a clear, simplified path for less complex entities. This is the only way to maintain a single global standard without driving smaller firms out of the profession or compromising quality at the lower end of the market.

10. Member Bodies or Other Professional Accountancy Organizations

Chamber of Hungarian Auditors (MKVK)

O.1

4 – Slightly increasing in importance

At this stage, we do not propose an additional separate trend. However, we encourage the SSBs to treat scalability and proportionality for small and medium-sized practices and less complex entities in all projects and implementation activities

The development of international standards primarily addresses issues encountered by large companies, and scalability is of greater importance for jurisdictions where the audit market consists of mainly SMPs.

Consejo General de Economistas de España

To make decisive progress in the acceptance and adoption of the NIA-EMC, avoiding unnecessary delays that could generate regulatory divergences between Member States and harm the competitiveness of the European audit market.

O.1. Changes in the Geopolitical and Regulatory Landscape - Making the ISA for LCE a Strategic Priority

However, it needs to be understood within the normative framework of ISAs and not independently
Actions:

- Strengthen the definition of LCE.
- Link references in ISAs to less complex entities to the ISA for LCE. When mentioning less complex entities, explicitly indicate the ISA for LCE and even related requirements or sections.
- To promote actions and studies on the implementation of the ISA-LCE in the different jurisdictions, a comparative study of the implementation of the ISA-LCE in the different geographical areas (around the European Union, America, Africa, Asia and Oceania).
- Conduct the first revisions to the standard – in those jurisdictions where it has been adopted – which would commence from 15 December 2028 in accordance with the IAASB 2024 work plan for the ISA for LCE.

6 – Strongly increasing in importance

Pan African Federation of Accountants (PAFA)

5 – Increasing in importance

Inclusive and Scalable Implementation of Digital and Ethical Standards in Emerging Markets (African Priority Trend) This is a strongly increasing trend in importance, particularly from an African perspective, where the effectiveness of global standards is significantly influenced by implementation capacity, scalability, and contextual relevance across diverse jurisdictions.

While emerging issues such as cybersecurity, AI governance, and digital transformation are already well recognised, a critical additional dimension is the need to ensure that standards are practically implementable in emerging and developing economies, where audit firms are often SMEs or SMPs, regulatory capacity varies, and access to advanced technical expertise is uneven. Excessive complexity and cumulative regulatory burden may disproportionately affect SMEs, SMPs, and lower-capacity jurisdictions, making scalability and proportionality critical public-interest considerations.

For the IAASB, this requires a stronger focus on scalable audit and assurance frameworks, supported by practical implementation tools, illustrative guidance, and phased application approaches that reflect varying levels of technological and institutional maturity. This is particularly important for emerging digital areas such as AI systems, cybersecurity assurance, and data-driven audit techniques.

For the IESBA, there is a need to ensure that ethical requirements are understood and applied consistently across diverse professional environments, including where multidisciplinary teams, limited technical capacity, and evolving regulatory oversight may present additional challenges to maintaining competence, independence, and professional skepticism.

A key African priority is also the need for meaningful involvement of African stakeholders in standard-setting processes, including early-stage agenda setting, technical development, and implementation feedback loops. This would enhance legitimacy, improve practical relevance, and ensure that standards reflect the realities of different market structures. In addition, both Boards should strengthen capacity-building initiatives in partnership with regional bodies such as PAFA and African PAOs, including tailored training, implementation support materials, and "train-the-trainer" approaches to ensure sustainable knowledge transfer.

Overall, this trend highlights that the future effectiveness of IAASB and IESBA standards will depend not only on technical quality, but equally on inclusive development processes, scalable implementation models, and tailored support for emerging markets, particularly in Africa.

16.08. Private Equity, Alternative Ownership and Firm Governance and Culture

05. Regulators and Oversight Authorities

Canadian Public Accountability Board (CPAB)

CPAB would also like to emphasize considerations related to the following specific projects:

Materiality for audits

Firm culture and governance

Firm Culture and Governance

CPAB supports the IESBA's focus on firm culture and governance as a fundamental driver of audit quality and public trust. Culture and governance shape how ethical values are embedded and acted upon across firms. Accordingly, the primary objective of this project should be to influence behaviour, rather than introduce additional compliance-focused requirements that may not result in meaningful change in practice. Ethical culture, firm governance, and systems of quality management have a direct and inseparable relationship. ISQM 1 requires firms to demonstrate a firm-wide commitment to quality, the public interest,

and professional ethics. In Canada, CPAB has observed that some firms have operationalized several firm culture and governance concepts reflected in the IESBA Viewpoints through their implementation of ISQM 1. In considering whether enhancements to the IESBA Code or a new framework are necessary, CPAB encourages:

Close coordination between the IESBA and the IAASB to ensure alignment, avoid duplication, and support effective implementation. This includes a holistic assessment of how existing requirements in the IESBA Code interact with ISQM 1 and related standards, to identify genuine gaps and avoid layering additional requirements.

Disciplined assessment of the objectives of the project, including the intended outcomes. In CPAB's view, a new or expanded mandatory framework risks adding complexity without proportionate benefit and would be challenging to enforce across diverse firm structures and jurisdictions. Any approach to firm culture and governance should remain principles-based, scalable, and proportionate.

Development of robust non-authoritative guidance including scenario-based case studies and guidance focused on ethical dilemmas and governance challenges. This could include illustrating good practices that support making informed judgments and decision-making

Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)

6 – Strongly increasing in importance

It is a strategic opportunity for the PE to introduce new governance structures in order to ensure that audit firms maintain an effective system of governance providing sound and prudent management; and that decisions are made to ensure high-quality audits. They depend on individuals, acting in the public interest, with experience, integrity, independence, professional judgement, and specialized skills so audits must be conducted in an environment that attracts, develops, and retains the best talent while adhering to the highest ethical standards. This can be achieved by establishing a Board of Directors with external seats (i.e. Independent Board Chairs with no financial ties to the PE firm) and strict corporate governance rules. Together with the Audit Committees, trust in audit quality can be strengthened.

Post PE investment, the firm has the responsibility to design, implement and operate a system of quality management under ISQM 1 taking into consideration the private equity arrangements.

PE investment (and influence over firm operations/management) can lead to a change in culture that places less emphasis on partnership, stewardship and public interest, which are the distinguishing characteristics of many firms, especially smaller practices.

Post PE investment, some firm leaders, as well as employees, may experience a loss of control over decision-making, especially in cross border transactions where PE leadership is not local. There can be resistance to operational changes, different client and service priorities, and a more "corporate" and commercial-focused approach to firm governance and performance.

The primary goal of a PE firm is a high return on investment (ROI) within five to seven years. This can clash with the audit firm's duty to provide unbiased, public-interest reporting and profitability may mean compromising firm culture, talent, independence and values.

PE firms often look for an "exit." This might lead to aggressive cost-cutting—like offshoring or reducing staff counts—that could potentially degrade audit quality over time.

Another important aspect is how are PE-backed firms detailing their governance structure and how they manage potential conflicts of interest between their audit clients and their PE owner's other investments. Failure of the new firm leadership under the private equity arrangements to establish new governance structures and strong controls for independence requirements and conflicts of interest could prove detrimental to audit quality over time and deteriorate ethical culture.

O1. Transformation

The entry of Private Equity (PE) and other Alternative Forms of Investment into the audit profession is not merely a change in ownership but a transformation of the audit professional services.

07. Accounting Firms

Baker Tilly International

O.3 – In the context of global accounting networks, control of entities can be affected by the evolving landscape of PE investment and alternative corporate structures.

11. Academics

European Accounting Association (EAA) Auditing, Assurance and Ethics Standard Committee

5 – Increasing in importance

O.1. Private equity in Accounting firms

16.09. Assurance Scope Expansion Beyond Traditional Financial or ESG Information

02. Users of Financial or Non-Financial Information

Impax Asset Management

O.2 Assurance over Forward-Looking and Narrative Information

Investors increasingly rely on forward-looking disclosures (e.g. transition plans, targets, assumptions, scenario analysis). Assurance over such information raises complex questions around professional judgment, liability, use of estimates, and ethical behaviour. While touched upon indirectly, Impax believes this area merits more explicit strategic focus given its growing importance for capital allocation.

06. Jurisdictional and National Standards Setters (JSS)

American Institute of Certified Public Accountants - Professional Ethics Executive Committee and Auditing Standards Board (AICPA PEEC & AICPA ASB)

O.2 Changing Information needs of users (IAASB)

- External reporting is evolving, with report users increasingly looking for information beyond financial statements (for example, cybersecurity, governance, and related controls) and seeking assurance thereon.
- Evolving user needs require that assurance standards be sufficiently flexible to permit performance across a broader range of subject matters and that standard setters respond appropriately and timely.

GLASS Group of Latin American Accounting Standard Setters (GLENIF)

- 0.3 Assurance of non-financial information beyond ESG.

07. Accounting Firms

Deloitte Touch Tohmatsu Limited

5 – Increasing in importance

O.1 – Global baseline for other assurance

We continue to see increasing demand globally for independent assurance over subject matters other than historical financial information. We also recognize that the value of assurance reporting is largely dependent on users' understanding of the nature and level of assurance being provided. As such, it is important to have a robust global framework for assurance engagements that can be applied consistently across a broad range of subject matters. We are supportive of the IAASB's proposed information-gathering exercise on other assurance to inform their 2028-2031 SWP and would suggest that the outreach specifically address whether ISAE 3000 is still fit-for-purpose as a global baseline assurance standard or if revisions are needed.

16.10. SSB Mandate Boundaries and Scope of Standard-Setting Remit

06. Jurisdictional and National Standards Setters (JSS)

American Institute of Certified Public Accountants - Professional Ethics Executive Committee and Auditing Standards Board (AICPA PEEC & AICPA ASB)

6 – Strongly increasing in importance

O.1 Improving understanding and use of the IESBA code (IESBA)

- Develop a targeted, implementation focused initiative that enhances professional accountants' understanding of how to apply the IESBA code to practical ethical challenges across diverse firm sizes, service lines, organizations and jurisdictions, with the goal of strengthening ethical decision making and reinforcing confidence in the code's principles based approach.

Other IESBA trends

O.1 The effectiveness of the code depends far more on how well it is understood and applied than on the continual expansion of requirements. By focusing on helping professional accountants connect real world challenges back to the fundamental principles and conceptual framework, IESBA reinforces the strengths of a principles based approach, supports consistent global application, and advances ethical behavior in a way that is scalable, proportionate, and durable. This focus enhances public trust, strengthens adoption and convergence, and positions IESBA as a global leader in ethical application.

Institut der Wirtschaftsprüfer (IDW)

In our view, both standard-setting boards should refrain from extending their activities beyond their core mandates. Recent discussions and initiatives indicate a growing tendency to address areas such as firm culture, governance arrangements, and broader preparer-related matters, including proposals to expand ethical requirements to individuals who are not professional accountants (e.g. CFOs without a professional accounting designation). We believe these areas fall more appropriately within the remit other relevant stakeholders, rather than the standard setting boards. Furthermore, we consider that greater effort should be given to identifying opportunities to streamline and simplify existing standards in joint projects, rather than predominantly focusing on adding new requirements in parallel.

Royal Netherlands Institute of Chartered Accountants (NBA)

6 – Strongly increasing in importance

O1. Evaluation of ongoing and proposed projects

We encourage the IESBA and IAASB to critically evaluate whether ongoing and proposed projects are necessary and add value within a principles-based framework for accountants. A key consideration should be whether identified issues are already addressed by existing principles, and whether additional requirements result in unnecessary complexity or leaning more to rules based.

We strongly support maintaining a clear focus on rules and guidance for accountants providing audit, assurance or related services, rather than broadening the scope to other professional groups (e.g. CFOs regarding the Role of the CFO project or all assurance practitioners regarding the IESSA).

If new requirements are nevertheless proposed, it is essential to clearly articulate the specific gap in the current principles, and to explain how any new material logically derives from, and is anchored in, the existing fundamental principles of the Code.

10. Member Bodies or Other Professional Accountancy Organizations

Accountancy Europe (AE)

O.3

We consider that both the IAASB and IESBA should avoid further expanding their activities into areas that fall outside their core mandates. Recent discussions and projects suggest a trend towards addressing topics such as firm culture, governance structures or broader preparer-related matters, including extension of ethical requirements beyond professional accountants (e.g. to roles such as CFOs who are not professional accountants). These topics are more appropriately addressed by firms or other stakeholders.

We therefore encourage both Boards to place greater emphasis on prioritisation, including identifying areas where less work is needed, and to focus their efforts on their core responsibilities in audit, assurance and ethics standard setting.

4 – Slightly increasing in importance

Expansion of standard-setting beyond core mandate – topic that should not be prioritised

16.11. Cybersecurity, Digital Resilience and Data Governance

05. Regulators and Oversight Authorities

Botswana Accountancy Oversight Authority (BAOA)

- Data Quality, Integrity, and Data Governance

As organizations rely increasingly on large, complex, and interconnected datasets, the risks of poor data quality, and weak governance intensify. The Standard Setting Bodies must focus on standards for evaluating data governance and data controls.

- O.1 Data Quality, Integrity, and Data Governance

6 – Strongly increasing in importance

06. Jurisdictional and National Standards Setters (JSS)

GLASS Group of Latin American Accounting Standard Setters (GLENIF)

- O.2 Cybersecurity and digital resilience.

10. Member Bodies or Other Professional Accountancy Organizations

Pavel Dimitrov (Union of Accountants in Bulgaria)

O.5 – Cyber-resilience expectations for professional accountants and assurance providers

Increasing cyber threats demand clearer expectations regarding the role of auditors and professional accountants in evaluating cybersecurity controls, incident reporting, and digital resilience.

16.12. Investor and System-Level Risk, Trust and Expectation Gap

02. Users of Financial or Non-Financial Information

International Corporate Governance Network (ICGN)

5 – Increasing in importance

O.1 Audit market governance, incentives and accountability

The SSBs should consider audit market governance, incentives and accountability as a cross-cutting trend affecting trust in audit and assurance. Investor confidence depends not only on high-quality technical standards, but also on whether auditors are sufficiently accountable to the users of audited information and whether firm governance, culture and incentives support the auditor's public interest role.

This does not necessarily require broad new standard-setting, but it may warrant targeted consideration in areas such as firm governance, audit firm culture, independence, quality management, public interest responsiveness and post implementation review

This trend is increasing in importance because repeated concerns about audit quality suggest that technical requirements alone may not be sufficient if governance, incentives and accountability mechanisms are misaligned. The SSBs should consider how their work can better reinforce the auditor's responsibility to users of audited information, including investors, while preserving independence, due process and global operability.

Takeshi Kimura (Nippon Life Insurance Company (Board Member, PRI) (Steering Committee Member, TISFD))

There is a growing recognition among highly diversified, long-term investors that sustainability-related risks extend beyond individual entities and may affect the broader economic and market system.

This reflects a shift in investor focus from entity-level financial risks toward system-level risks arising from the accumulation of corporate externalities.

Emerging initiatives such as the TISFD illustrate this development, particularly in the social domain, where corporate impacts may have systemic implications.

This trend is likely to become increasingly important because it changes the nature of information demanded by investors.

As sustainability information is used not only to assess individual entities but also to analyze risks at the system level, there is growing demand for information that is reliable, comparable and suitable for aggregation across firms and over longer time horizons.

This may have implications for assurance. In particular, assurance may need to place greater emphasis on the evaluation of processes, assumptions and supporting evidence, rather than focusing solely on the verification of quantitative data.

In my view, this development could be relevant for both the IAASB and the IESBA in considering the future scope and conceptual foundations of assurance and ethics standards.

6 – Strongly increasing in importance

O.1 – Growing Investor Focus on System-Level Risks and the Implications for Sustainability Assurance

06. Jurisdictional and National Standards Setters (JSS)

American Institute of Certified Public Accountants - Professional Ethics Executive Committee and Auditing Standards Board (AICPA PEEC & AICPA ASB)

O.3 Expectations of stakeholders (IAASB)

- An increase in stakeholder expectations about the auditor's/practitioner's responsibilities — for example, in relation to the detection of fraud — may widen or perpetuate expectation gaps regarding the scope of a reasonable or limited assurance engagement.
- Auditing and assurance, ethics, and independence standards are expected to be interoperable and able to be consistently applied through common definitions and complementary performance requirements

16.13. Digital Reporting Infrastructure and Real-Time or Structured Reporting

01. Monitoring Group

International Federation of Independent Audit Regulators (IFIAR)

13. The evolution in the timeliness of entities' reporting, and the implications for the audit thereon should also be taken into consideration in setting the strategy. As reporting increasingly relies on digital formats (e.g. digitized financial statements, sustainability related information or other information that is used in financial reporting), there is a need for continued consideration of the related assurance implications.

03. Preparers or Issuers of Financial Statements or Other Information

Business Europe

6 – Strongly increasing in importance

O2 Reporting infrastructure

Reporting infrastructure, including structured digital reporting such as XBRL and the broader move beyond static print or PDF-based reporting. Even though current reporting practices continuous to favour static reports, technology and trends move rapidly. Therefore in 2028-2031 more pressure on other ways of reporting – or the combination of static and online reporting – may be more evident.

The question is how to assure and communicate the assurance of for instance videos and webpages in order to ensure that the assurance industry will not pose as a hindrance for the developing of new reporting. Elements may include the use of "block-chain technology" for instance but could equally well factor in other technologies. Other factors to consider is also a potential change to real-time reporting that we are seeing in certain specific areas, including the upcoming implementation of VIDA (VAT in the Digital Age) in Europe.

O2 is rated "6" as it may pose a structural hindrance for the innovation in financial reporting (O2) if not addressed

05. Regulators and Oversight Authorities

Committee of European Auditing Oversight Bodies (CEAOB)

15. In addition, the CEOB continues to call for the development of provisions that address assurance over the digitalization of information, which is relevant for EU reporting requirements for both financial and sustainability information.

06. Jurisdictional and National Standards Setters (JSS)

GLASS Group of Latin American Accounting Standard Setters (GLENIF)

- 0.4 Advanced automation and continuous auditing.

10. Member Bodies or Other Professional Accountancy Organizations

Pavel Dimitrov (Union of Accountants in Bulgaria)

O.6 – Assurance over hybrid information ecosystems (financial + non-financial + real-time data)
Organizations increasingly publish integrated, real-time, and technology-generated information, requiring new approaches to assurance that address data provenance, system reliability, and continuous reporting.

16.14. Pace of Standard-Setting vs. Pace of Market and Technological Change

05. Regulators and Oversight Authorities

Irish Auditing & Accounting Supervisory Authority (IAASA)

0.1

The SSBs should remain alert to the emergence of new trends and their implications for the standard setting environment, including technological, regulatory and market developments. The continued pace of change reinforces the need for the SSBs to remain agile to respond in a timely and appropriate manner.

07. Accounting Firms

BDO International Limited

5 – Increasing in importance

We also note that there may be an opportunity (linked to earlier questions about geopolitical environments) for both SSBs to collaborate in a more coordinated and timely way (through some sort of urgent issues task force, shared projects) especially when events such as global/regional conflict have the potential to create instability within capital markets and resulting in a need for further timely guidance when applying professional standards

10. Member Bodies or Other Professional Accountancy Organizations

CPA Australia

O.2 – Timing Mismatch Between Standard Setting Cycles and Market Change

Rating: 6 — Strongly increasing in importance

The mismatch between the speed of market, technological, and regulatory change and the multi year international standard setting cycle is becoming increasingly acute. For many rapidly evolving areas identified in the survey, traditional standard setting responses are unlikely to be timely or effective. Recognising this constraint is now essential to credible strategy setting, realistic expectation management, and effective use of alternative response mechanisms. This trend should be treated as strongly increasing in importance, as it directly affects the SSBs' ability to deliver meaningful public interest outcomes within a four year strategy period.

O.2 – Timing Mismatch Between Standard Setting Cycles and Market Change

A further cross cutting issue not sufficiently captured in the survey is the growing mismatch between the pace of market, technological, and regulatory change and the length of international standard setting cycles. Many of the trends identified in this survey—particularly digital transformation, sustainability reporting, and technology enabled risks—are rapidly evolving over a matter of months rather than years. By contrast, the development, exposure, finalisation and adoption of international standards typically span multiple years. In practice, this means that for a number of rapidly evolving issues, a traditional standard setting response is

unlikely to be timely or effective and may arrive only after practices and regulatory responses have already moved on. However, practice alerts/education material could be provided in a more responsive manner.

This timing mismatch does not suggest a need for faster or more reactive standard setting. Rather, it highlights the importance of disciplined decision making about when standard setting is the appropriate tool, and when other mechanisms—such as implementation guidance, education, interpretive support, collaboration with regulators, and structured post implementation feedback—are more effective.

Explicitly recognising this trend would help the SSBs:

- Set more realistic expectations about what international standards can achieve within a four year strategy period;
- Avoid over committing to standard setting projects that cannot deliver timely public interest outcomes; and
- Strengthen alternative, more agile forms of response that preserve the durability and authority of principles based standards.

Addressing the timing mismatch directly would support a more credible, transparent, and effective strategic positioning for the SSBs during 2028–2031.

O.2 – Timing Mismatch Between Standard Setting Cycles and Market Change

6 – Strongly increasing in importance

16.15. Talent, Education and Skills Development

05. Regulators and Oversight Authorities

National Association of State Boards of Accountancy (NASBA)

5 – Increasing in importance

Ensuring that auditors/practitioners are well versed in not only how to use the emerging tools and technologies in providing professional services but also to be critical as far as the answers that the tools are providing. Many experienced professionals require "upskill" training to fill in gaps.

Firms are challenged in appropriately training personnel in the shift from performing manual tasks to becoming the reviewers of AI-processed information. Training should emphasize validating AI outputs, analyzing anomalies and developing professional judgement to interpret high-risk, complex areas.

Other key areas for upskilling include data analysis, communication, problem-solving and emotional intelligence.

There should also be a continued focus in educating auditors in learning the business/industry of clients. Learning and understanding the business/industry lends credibility to the auditor/practitioner and makes their advice more readily accepted and adopted.

O.1. Evolving Educational/Training Needs of Professionals

11. Academics

European Accounting Association (EAA) Auditing, Assurance and Ethics Standard Committee

5 – Increasing in importance

O.2. Related to D3 is the issue of attracting and training students to accounting courses in universities

16.16. Public Oversight, Enforcement and Regulatory Interaction

02. Users of Financial or Non-Financial Information

Impax Asset Management

O.1 Enforcement, Supervision and the "Expectation Gap"

While the SSBs are not enforcement bodies, the effectiveness of standards increasingly depends on how well they are understood, supervised, and enforced across jurisdictions. From an investor perspective, persistent gaps between standard-setting, supervision, and enforcement risk undermining trust in both audit and sustainability assurance outcomes. Greater attention to supervisory dialogue, post-implementation insights, and expectations management would enhance the public-interest impact of standards.

10. Member Bodies or Other Professional Accountancy Organizations

Polish Chamber of Statutory Auditors (PIBR)

6 – Strongly increasing in importance

O.1 Public Oversight System for the Audit Profession

Public oversight that fails to fulfil its role undermines the work of statutory auditors. It usurps the right to interpret standards and treats them as legal rules. It ignores scalability, the language of the rules and the subjectivity of judgement. It also calls into question professional judgement.

There is excessive bureaucratic scrutiny of auditors' work under public oversight.

This leads to inspectors overstepping their authority, which, among other things, results in a decline in the profession's prestige and discourages people from entering the field.

16.17. Jurisdiction-Specific and Regional Economic Considerations

10. Member Bodies or Other Professional Accountancy Organizations

Asociación Interamericana de Contabilidad (AIC)

5 – Increasing in importance

Economías digitales (sin territorialidad)
Tributos globales (sin territorialidad específica)

12. Others

Cristian Emmanuel Munarriz

O.1 Hyperinflation

Recently, more economies are hyperinflationary economies than before under IFRS accounting standards. I think IAASB should consider addressing implementation challenges of applying ISAs for audits of financial statements of entities from hyperinflationary economies.

16.18. Changing Information Consumption, Communication

04. Those Charged With Governance

Kaori Ito (Yourmysyar Inc.)

O.1

Across many of the trends identified, a common underlying risk is the unintentional degradation of professional judgment as information is filtered through multiple layers of communication and escalation. While independence and formal pathways remain essential, repeated indirect exchanges can dilute context, timing, and accountability, particularly in complex and fast-moving environments.

This trend suggests a need for the SSBs to more explicitly consider how early, context-rich concerns can be surfaced and addressed without compromising independence or professional boundaries.

Degradation of Professional Judgment Through Indirect Communication and Escalation

06. Jurisdictional and National Standards Setters (JSS)

New Zealand Auditing and Assurance Standards Board (NZAuASB)

5 – Increasing in importance

The way information is being consumed is shifting towards short-form or bite-sized content and clips, rather than reading and digesting long or complex documents. Often longer documents are summarized into key points by AI tools rather than the document being read in its entirety. There is a view that focus on short content could affect attention span and cognitive engagement. This will be a challenge for SSBs in the future to keep standards accessible and understandable by the next generation

16.19 Incremental, Agile Standard-Setting Mechanisms

07. Accounting Firms

KPMG International Limited

5 – Increasing in importance

An additional trend to consider is the growing importance of enabling incremental, meaningful updates and clarifications to standards, rather than relying primarily on large scale standards revisions. In a rapidly evolving environment, standards need mechanisms that allow them to be refined, adjusted and simplified as practice develops, with greater focus on how existing standards can be improved.

Matters related to this trend include:

- More timely post implementation reviews, with a pathway to targeted amendments that are developed more quickly where issues are identified, without compromising technical quality and due process; and
- Standard-setting projects on a more regular update cycle, where appropriate, but which are of a more limited nature than the current approach under which the focus is on comprehensive revision to standards on an infrequent basis. This would enable certain standards to be enhanced at a more appropriate cadence in a rapidly changing environment. Such an approach, with changes made more frequently, but which are narrower in scope, may be similar to the IASB annual improvements process, or the activities of the FASB's Emerging Issues Task Force (EITF).

This approach would allow the Boards to focus limited resources on areas of greatest public interest impact, such as technology and AI, while ensuring existing standards remain relevant, interoperable, and capable of consistent adoption. Importantly, this mindset should begin influencing current work plan prioritization, rather than waiting until the 2028– 2031 period.

IAASB – 5 Increasing in importance, IESBA – 5 Increasing in importance

O.1 – Need for incremental, ongoing improvement of standards

16.20 Other Matters

01. Monitoring Group

International Federation of Independent Audit Regulators (IFIAR)

10. IFIAR would also like to take this opportunity to emphasize the importance of standard setting projects in the areas of:

- Materiality for Audits
- Audit Evidence and Risk Response

Audit Evidence and Risk Response Project

20. IFIAR stresses the importance of completing the audit evidence and risk response project in a timely manner, ensuring due process and consideration of IFIAR's previous comments and feedback. Sufficient resources should be allocated to deliver high-quality standards that will help to enhance audit quality.

Materiality for Audits

19. IFIAR believes that a project on materiality should be given priority as an additional workstream for the IAASB as IFIAR Members continue to raise concerns regarding the application and concept of materiality under the current international standards. Materiality is a fundamental principle in auditing, and additional guidance or targeted clarifications in the ISAs would help to promote more consistent application by auditors. Given the priority attached to this topic, it is important that the project is taken on board and progresses without further delay.

International Organization of Securities Commissions (IOSCO) Committee

Other Trends

Evolving Application of Materiality in an Expanded Reporting Landscape

As financial and non-financial reporting frameworks evolve and place greater emphasis on qualitative information and disclosure-related judgments, the application of materiality is becoming increasingly complex. These developments may create circumstances where interpretations vary in practice for entities with similar characteristics and risks. We encourage the Boards to carefully monitor this area, and stand ready to support consistent and high-quality assessments of material disclosures and misstatements as reporting expectations evolve across jurisdictions. We support strategic use of non-authoritative material, when appropriate, to promote consistent application of materiality in practice.

02. Users of Financial or Non-Financial Information

Impax Asset Management

O.2 Assurance over Forward-Looking and Narrative Information

Investors increasingly rely on forward-looking disclosures (e.g. transition plans, targets, assumptions, scenario analysis). Assurance over such information raises complex questions around professional judgment, liability, use of estimates, and ethical behaviour. While touched upon indirectly, Impax believes this area merits more explicit strategic focus given its growing importance for capital allocation.

O.1 Enforcement, Supervision and the "Expectation Gap"

While the SSBs are not enforcement bodies, the effectiveness of standards increasingly depends on how well they are understood, supervised, and enforced across jurisdictions. From an investor perspective, persistent gaps between standard-setting, supervision, and enforcement risk undermining trust in both audit and sustainability assurance outcomes. Greater attention to supervisory dialogue, post-implementation insights, and expectations management would enhance the public-interest impact of standards.

5 – Increasing in importance

5 – Increasing in importance

International Corporate Governance Network (ICGN)

5 – Increasing in importance

O.1 Audit market governance, incentives and accountability

The SSBs should consider audit market governance, incentives and accountability as a cross-cutting trend affecting trust in audit and assurance. Investor confidence depends not only on high-quality technical standards, but also on whether auditors are sufficiently accountable to the users of audited information and whether firm governance, culture and incentives support the auditor's public interest role.

This does not necessarily require broad new standard-setting, but it may warrant targeted consideration in areas such as firm governance, audit firm culture, independence, quality management, public interest responsiveness and post implementation review

This trend is increasing in importance because repeated concerns about audit quality suggest that technical requirements alone may not be sufficient if governance, incentives and accountability mechanisms are misaligned. The SSBs should consider how their work can better reinforce the auditor's responsibility to users of audited information, including investors, while preserving independence, due process and global operability.

Jane Wilson (Wilsojay Investments)

The enormous cost of these disclosures is crushing our public stock markets with little or no benefit.

0.1 Cost of compliance 0.2 Effect on public markets

0.2

5 – Increasing in importance

5 – Increasing in importance

The costs are borne by shareholders.

There will be more resistance as the Standards Boards' overreach continues.

Takeshi Kimura (Nippon Life Insurance Company (Board Member, PRI) (Steering Committee Member, TISFD))

This trend is likely to become increasingly important because it changes the nature of information demanded by investors.

As sustainability information is used not only to assess individual entities but also to analyze risks at the system level, there is growing demand for information that is reliable, comparable and suitable for aggregation across firms and over longer time horizons.

This may have implications for assurance. In particular, assurance may need to place greater emphasis on the evaluation of processes, assumptions and supporting evidence, rather than focusing solely on the verification of quantitative data.

In my view, this development could be relevant for both the IAASB and the IESBA in considering the future scope and conceptual foundations of assurance and ethics standards.

There is a growing recognition among highly diversified, long-term investors that sustainability-related risks extend beyond individual entities and may affect the broader economic and market system.

This reflects a shift in investor focus from entity-level financial risks toward system-level risks arising from the accumulation of corporate externalities.

Emerging initiatives such as the TISFD illustrate this development, particularly in the social domain, where corporate impacts may have systemic implications.

6 – Strongly increasing in importance

O.1 – Growing Investor Focus on System-Level Risks and the Implications for Sustainability Assurance

The European Federation of Investors and Financial Services Users (BETTER FINANCE)

The public-interest objective should not be limited to increasing the amount of information disclosed, but should also ensure that information remains decision-useful, understandable and capable of supporting informed judgments.

From an investor perspective, excessive complexity, overlapping requirements and inconsistent reporting practices may contribute to information overload and reduce the practical usefulness of reporting and assurance outputs. This challenge may become increasingly important as sustainability information, technological disclosures and assurance requirements continue to expand and interact.

6 – Strongly increasing in importance

Information complexity & Decision-usefulness

O.1

03. Preparers or Issuers of Financial Statements or Other Information

Business Europe

O3 is rated "5" as it is an important – but not new – area and hence should already be high on the radar screen of the SSB's

O2 Reporting infrastructure

The question is how to assure and communicate the assurance of for instance videos and webpages in order to ensure that the assurance industry will not pose as a hindrance for the developing of new reporting. Elements may include the use of "block-chain technology" for instance but could equally well factor in other technologies. Other factors to consider is also a potential change to real-time reporting that we are seeing in certain specific areas, including the upcoming implementation of VIDA (VAT in the Digital Age) in Europe.

O2 is rated "6" as it may pose a structural hindrance for the innovation in financial reporting (O2) if not addressed

Reporting infrastructure, including structured digital reporting such as XBRL and the broader move beyond static print or PDF-based reporting. Even though current reporting practices continuous to favour static reports, technology and trends move rapidly. Therefore in 2028-2031 more pressure on other ways of reporting – or the combination of static and online reporting – may be more evident.

O1 Application and allocation of materiality in Sustainability Assurance work

O3 PIE vs. Non-Pie and SMEs

A key practical issue is the application of materiality within assurance processes, including how effort is allocated across different elements of sustainability reporting so that work remains focused on the matters that are most important. Contrary to financial assurance, this implies allocation across different types of impacts, risks and opportunities without necessarily comparable numerical / quantitative indicators across the topics, but which in a European context is supported by a double materiality analysis. Preparers report this as a key topic of relevance in their discussions with auditors.

O1 is rated "6" as it is extremely important from an efficiency perspective

5 – Increasing in importance

6 – Strongly increasing in importance

Application and allocation of materiality in sustainability assurance work, including how materiality is determined and allocated across different topics and disclosures, particularly in the context of double materiality and fair presentation. Please also refer to the above comments under C.1

6 – Strongly increasing in importance

A better articulation of differences and expectations between PIE's and NON-pie's including SMEs is needed. The comments above is generally based on an MNE perspective, but even though some of the themes are also relevant for SME's (and assurance on SMEs), the practical implications and availability of resources, data availability and use of technology will be different. Hence, it is important that the standards acknowledge this in order to also be relevant outside the PIE-market.

04. Those Charged With Governance

Kaori Ito (Yourmysyar Inc.)

5 – Increasing in importance

Across many of the trends identified, a common underlying risk is the unintentional degradation of professional judgment as information is filtered through multiple layers of communication and escalation. While independence and formal pathways remain essential, repeated indirect exchanges can dilute context, timing, and accountability, particularly in complex and fast-moving environments.

This trend suggests a need for the SSBs to more explicitly consider how early, context-rich concerns can be surfaced and addressed without compromising independence or professional boundaries.

Degradation of Professional Judgment Through Indirect Communication and Escalation

O.1

05. Regulators and Oversight Authorities

Botswana Accountancy Oversight Authority (BAOA)

- Data Quality, Integrity, and Data Governance

As organizations rely increasingly on large, complex, and interconnected datasets, the risks of poor data quality, and weak governance intensify. The Standard Setting Bodies must focus on standards for evaluating data governance and data controls.

- O.1 Data Quality, Integrity, and Data Governance

6 – Strongly increasing in importance

Canadian Public Accountability Board (CPAB)

Other Specific Projects

Against this broader strategic context, we want to highlight the following observations on specific areas where we see the need for focused attention.

Materiality for Audits

CPAB continues to observe inconsistent application of materiality in audit practice under the current international standards. Materiality is a fundamental concept and requires significant professional judgment. In CPAB's view, ISA 320 is outdated and no longer fit for purpose as we continue to observe differing interpretations and outcomes across audits. For example, paragraph A5 of ISA 320 states that profit before tax is often used as the benchmark for profit-oriented entities. However, this does not reflect CPAB's experience in Canada. CPAB has observed frequent use of revenue, total assets, net assets and expenses as benchmarks, with significant variation in the percentages applied across firms and similar entities.

CPAB encourages the IAASB to prioritize work in this area as part of its future strategy and work plan, given the importance of materiality to audit quality and the protection of the public interest.

CPAB would also like to emphasize considerations related to the following specific projects:

Materiality for audits

Firm culture and governance

Firm Culture and Governance

CPAB supports the IESBA's focus on firm culture and governance as a fundamental driver of audit quality and public trust. Culture and governance shape how ethical values are embedded and acted upon across firms. Accordingly, the primary objective of this project should be to influence behaviour, rather than introduce additional compliance-focused requirements that may not result in meaningful change in practice. Ethical culture, firm governance, and systems of quality management have a direct and inseparable relationship. ISQM 1 requires firms to demonstrate a firm-wide commitment to quality, the public interest, and professional ethics. In Canada, CPAB has observed that some firms have operationalized several firm culture and governance concepts reflected in the IESBA Viewpoints through their implementation of ISQM 1. In considering whether enhancements to the IESBA Code or a new framework are necessary, CPAB encourages:

Close coordination between the IESBA and the IAASB to ensure alignment, avoid duplication, and support effective implementation. This includes a holistic assessment of how existing requirements in the IESBA Code interact with ISQM 1 and related standards, to identify genuine gaps and avoid layering additional requirements.

Disciplined assessment of the objectives of the project, including the intended outcomes. In CPAB's view, a new or expanded mandatory framework risks adding complexity without proportionate benefit and would be challenging to enforce across diverse firm structures and jurisdictions. Any approach to firm culture and governance should remain principles-based, scalable, and proportionate.

Development of robust non-authoritative guidance including scenario-based case studies and guidance focused on ethical dilemmas and governance challenges. This could include illustrating good practices that support making informed judgments and decision-making

Committee of European Auditing Oversight Bodies (CEAOB)

. Additional guidance and practical examples, particularly on assessing the materiality of misstatements in Environment, Social and Governance and other non-financial disclosures, would further enhance the

usability and robustness of the international standards, and further developments to facilitate consistency in engagement performance would be of high relevance

15. In addition, the CEAOB continues to call for the development of provisions that address assurance over the digitalization of information, which is relevant for EU reporting requirements for both financial and sustainability information.

Audit Evidence and Risk Response Project

27. In the same vein, there is limited guidance in ISAs (and ISSA5000) on how to respond to identified and assessed risk of omissions or incomplete disclosures that may be material. This response should be based on a more robust framework. This comment is also relevant in the context of sustainability information (ISSA5000).

28. The CEAOB stresses in this regard the continued importance of the “audit evidence and risk response” project, ensuring due process and consideration of CEAOB comments and feedback. Sufficient resources should be allocated to deliver high-quality standards that will help to enhance audit quality.

Materiality

25. The CEAOB considers materiality to be a continued priority for the standard-setting agenda. Concerns continue to arise regarding how materiality is currently interpreted and applied in practice, suggesting that the existing requirements may not provide auditors and sustainability assurance providers with sufficiently clear or operational guidance. Because materiality is a foundational concept in auditing and sustainability assurance, ambiguity in its application can have significant implications for engagement quality and for the consistency of auditors’ judgments across jurisdictions.

26. Furthermore, materiality should explicitly cover the risk of omission or incomplete disclosure of material information. The ISAs and ISSA5000 acknowledge that omissions or incomplete disclosures may be material, but they offer limited guidance on how to determine if a qualitative disclosure is materially misstated. As a result, the determination relies primarily on professional judgment and should be based on a more robust framework. This is also relevant in the context of sustainability information (ISSA 5000).

Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)

6 – Strongly increasing in importance

It is a strategic opportunity for the PE to introduce new governance structures in order to ensure that audit firms maintain an effective system of governance providing sound and prudent management; and that decisions are made to ensure high-quality audits. They depend on individuals, acting in the public interest, with experience, integrity, independence, professional judgement, and specialized skills so audits must be conducted in an environment that attracts, develops, and retains the best talent while adhering to the highest ethical standards. This can be achieved by establishing a Board of Directors with external seats (i.e. Independent Board Chairs with no financial ties to the PE firm) and strict corporate governance rules. Together with the Audit Committees, trust in audit quality can be strengthened.

Post PE investment, the firm has the responsibility to design, implement and operate a system of quality management under ISQM 1 taking into consideration the private equity arrangements.

PE investment (and influence over firm operations/management) can lead to a change in culture that places less emphasis on partnership, stewardship and public interest, which are the distinguishing characteristics of many firms, especially smaller practices.

Post PE investment, some firm leaders, as well as employees, may experience a loss of control over decision-making, especially in cross border transactions where PE leadership is not local. There can be resistance to operational changes, different client and service priorities, and a more "corporate" and commercial-focused approach to firm governance and performance.

The primary goal of a PE firm is a high return on investment (ROI) within five to seven years. This can clash with the audit firm's duty to provide unbiased, public-interest reporting and profitability may mean compromising firm culture, talent, independence and values.

PE firms often look for an "exit." This might lead to aggressive cost-cutting—like offshoring or reducing staff counts—that could potentially degrade audit quality over time.

Another important aspect is how are PE-backed firms are detailing their governance structure and how they manage potential conflicts of interest between their audit clients and their PE owner's other investments. Failure of the new firm leadership under the private equity arrangements to establish new governance structures and strong controls for independence requirements and conflicts of interest could prove detrimental to audit quality over time and deteriorate ethical culture.

O1. Transformation

The entry of Private Equity (PE) and other Alternative Forms of Investment into the audit profession is not merely a change in ownership but a transformation of the audit professional services.

Irish Auditing & Accounting Supervisory Authority (IAASA)

The SSBs should remain alert to the emergence of new trends and their implications for the standard setting environment, including technological, regulatory and market developments. The continued pace of change reinforces the need for the SSBs to remain agile to respond in a timely and appropriate manner.

0.1

National Association of State Boards of Accountancy (NASBA)

Ensuring that auditors/practitioners are well versed in not only how to use the emerging tools and technologies in providing professional services but also to be critical as far as the answers that the tools are providing. Many experienced professionals require "upskill" training to fill in gaps.

Firms are challenged in appropriately training personnel in the shift from performing manual tasks to becoming the reviewers of AI-processed information. Training should emphasize validating AI outputs, analyzing anomalies and developing professional judgement to interpret high-risk, complex areas.

Other key areas for upskilling include data analysis, communication, problem-solving and emotional intelligence.

There should also be a continued focus in educating auditors in learning the business/industry of clients. Learning and understanding the business/industry lends credibility to the auditor/practitioner and makes their advice more readily accepted and adopted.

O.1. Evolving Educational/Training Needs of Professionals

5 – Increasing in importance

Public Company Accounting Oversight Board (PCAOB) – Views of the PCAOB Chief Auditor

Additional Matter for Consideration

I draw your attention to another potential matter for your consideration that is not addressed in the survey: supporting the implementation of new standards. During the period before the effective date of new standards, questions may arise regarding the application of those new standards. After the effective date, audit regulators conducting oversight activities may observe practices that they believe are inconsistent with the new standards or areas where the standards are not being applied consistently. I believe it is important to audit quality and to investor protection for the SSBs to have a mechanism to monitor early implementation

efforts and input from audit regulators that could result in guidance or potential changes when a standard may not be working as intended.

06. Jurisdictional and National Standards Setters (JSS)

Accounting Professional & Ethical Standards Board (APESB)

6 – Strongly increasing in importance

Matters for the IESBA - O.1:

APESB assesses O.1 (AI Governance and Explainability) as strongly increasing in importance (6). While trend A.1 addresses the use of AI as a tool, the emergence of AI systems as subjects of assurance and ethical scrutiny in their own right represents a distinct and rapidly evolving development that, in APESB's view, warrants specific consideration in the SSBs' work plans.

O.1 – AI Governance and Explainability:

The survey appropriately addresses the use of AI tools by practitioners within trend A.1. However, a distinct and emerging trend is the rise of AI governance, model risk management, and AI explainability as subjects of assurance and ethical scrutiny in their own right – going beyond the use of AI as a tool. Regulatory developments, including the EU AI Act and emerging guidance in other jurisdictions, are creating demand for assurance over AI systems: their inputs, outputs, decision logic, and controls.

This raises important questions about practitioners' competence and independence, and whether existing assurance standards are sufficient to address matters that extend beyond those contemplated by trend A.1. It also raises significant ethical considerations. Practitioners who rely on opaque automated systems in performing their work may face heightened obligations regarding professional competence and due care, professional scepticism, and accountability for AI-assisted outputs. APESB considers that the SSBs should assess, as a matter of priority, whether existing frameworks remain adequate for these purposes or whether targeted guidance or standard-setting activity is required to address AI governance and explainability as a distinct topic of interest.

American Institute of Certified Public Accountants - Professional Ethics Executive Committee and Auditing Standards Board (AICPA PEEC & AICPA ASB)

Other IESBA trends

O.1 The effectiveness of the code depends far more on how well it is understood and applied than on the continual expansion of requirements. By focusing on helping professional accountants connect real world challenges back to the fundamental principles and conceptual framework, IESBA reinforces the strengths of a principles based approach, supports consistent global application, and advances ethical behavior in a way that is scalable, proportionate, and durable. This focus enhances public trust, strengthens adoption and convergence, and positions IESBA as a global leader in ethical application.

O.2 Changing Information needs of users (IAASB)

- External reporting is evolving, with report users increasingly looking for information beyond financial statements (for example, cybersecurity, governance, and related controls) and seeking assurance thereon.
- Evolving user needs require that assurance standards be sufficiently flexible to permit performance across a broader range of subject matters and that standard setters respond appropriately and timely.

O.3 Expectations of stakeholders (IAASB)

- An increase in stakeholder expectations about the auditor's/practitioner's responsibilities — for example, in relation to the detection of fraud — may widen or perpetuate expectation gaps regarding the scope of a reasonable or limited assurance engagement.
- Auditing and assurance, ethics, and independence standards are expected to be interoperable and able to be consistently applied through common definitions and complementary performance requirements

6 – Strongly increasing in importance

O.1 Improving understanding and use of the IESBA code (IESBA)

- Develop a targeted, implementation focused initiative that enhances professional accountants' understanding of how to apply the IESBA code to practical ethical challenges across diverse firm sizes, service lines, organizations and jurisdictions, with the goal of strengthening ethical decision making and reinforcing confidence in the code's principles based approach.

GLASS Group of Latin American Accounting Standard Setters (GLENIF)

- 0.2 Cybersecurity and digital resilience.
- 0.3 Assurance of non-financial information beyond ESG.
- 0.4 Advanced automation and continuous auditing.
- 0.5 Governance in decentralized structures.

Institut der Wirtschaftsprüfer (IDW)

There is an increasing reliance on information obtained from third parties, driven by advancements in technology, evolving data ecosystems, and more complex value chains (for example in sustainability reporting and supply chain data). This development gives rise to important considerations for both audit and assurance, particularly regarding the reliability of externally sourced information and the appropriate level of assurance to be applied. These considerations are relevant not only for reporting entities but also for practitioners, including in the design and operation of their own quality management systems.

This trend is relevant to both standard-setting boards. A joint SSB effort to identify solutions for the application of existing standards may be helpful and consideration of how one-to-many reports may fill the expectations gap may be a fruitful avenue of approach.

Yes

O.2 Standard-setting inflation – there is a trend towards increasing complex, regulatory-driven standard-setting

6 – Strongly increasing in importance

In recent years, financial and sustainability reporting and assurance requirements have been subject to significant expansion, often channeled through standard-setting initiatives. This has resulted in a level of complexity and volume that places a disproportionate and increasingly unsustainable strain on the ecosystem, with the resulting burden now difficult to justify.

In our view, both standard-setting boards should refrain from extending their activities beyond their core mandates. Recent discussions and initiatives indicate a growing tendency to address areas such as firm culture, governance arrangements, and broader preparer-related matters, including proposals to expand ethical requirements to individuals who are not professional accountants (e.g. CFOs without a professional accounting designation). We believe these areas fall more appropriately within the remit other relevant stakeholders, rather than the standard setting boards. Furthermore, we consider that greater effort should be given to identifying opportunities to streamline and simplify existing standards in joint projects, rather than predominantly focusing on adding new requirements in parallel.

5 – Increasing in importance

O.1 Third-party reliance – particularly the limited availability, accessibility, and reliability of evidence from external parties, is an increasing concern (see our response to Question 4).

New Zealand Auditing and Assurance Standards Board (NZAuASB)

5 – Increasing in importance

The way information is being consumed is shifting towards short-form or bite-sized content and clips, rather than reading and digesting long or complex documents. Often longer documents are summarized into key points by AI tools rather than the document being read in its entirety. There is a view that focus on short content could affect attention span and cognitive engagement. This will be a challenge for SSBs in the future to keep standards accessible and understandable by the next generation

Royal Netherlands Institute of Chartered Accountants (NBA)

6 – Strongly increasing in importance

O1. Evaluation of ongoing and proposed projects

We encourage the IESBA and IAASB to critically evaluate whether ongoing and proposed projects are necessary and add value within a principles-based framework for accountants. A key consideration should be whether identified issues are already addressed by existing principles, and whether additional requirements result in unnecessary complexity or leaning more to rules based.

We strongly support maintaining a clear focus on rules and guidance for accountants providing audit, assurance or related services, rather than broadening the scope to other professional groups (e.g. CFOs regarding the Role of the CFO project or all assurance practitioners regarding the IESSA).

If new requirements are nevertheless proposed, it is essential to clearly articulate the specific gap in the current principles, and to explain how any new material logically derives from, and is anchored in, the existing fundamental principles of the Code.

07. Accounting Firms

Baker Tilly International

O.3 – In the context of global accounting networks, control of entities can be affected by the evolving landscape of PE investment and alternative corporate structures.

O.2 - There may be expectation to reduce fees while the costs of the technology increase.

O.1 – Pressure from audited entities to be more efficient, making better use of technology in the audit.

6 – Strongly increasing in importance

5 – Increasing in importance

6 – Strongly increasing in importance

BDO International Limited

5 – Increasing in importance

Although technology and increasing use of technology has been highlighted earlier on in this survey – as noted in our response to A.1 – both SSBs should reconsider how advances in technology use (by auditors when procedures are performed by technology as well and by the entity in their operations including system of internal control relevant to financial reporting the entity's use of emerging technology) could have a direct impact on interpretation of extant standards/the Code.

O.1 Digital transformation - Impact on interpretation of extant standards/the Code

We also note that there may be an opportunity (linked to earlier questions about geopolitical environments) for both SSBs to collaborate in a more coordinated and timely way (through some sort of urgent issues task force, shared projects) especially when events such as global/regional conflict have the potential to create instability within capital markets and resulting in a need for further timely guidance when applying professional standards

Deloitte Touch Tohmatsu Limited

5 – Increasing in importance

O.1 – Global baseline for other assurance

We continue to see increasing demand globally for independent assurance over subject matters other than historical financial information. We also recognize that the value of assurance reporting is largely dependent on users' understanding of the nature and level of assurance being provided. As such, it is important to have a robust global framework for assurance engagements that can be applied consistently across a broad range of subject matters. We are supportive of the IAASB's proposed information-gathering exercise on other assurance to inform their 2028-2031 SWP and would suggest that the outreach specifically address whether ISAE 3000 is still fit-for-purpose as a global baseline assurance standard or if revisions are needed.

Jack Schoeman (PWC)

5 – Increasing in importance

O.1

Scalability for Smaller Practices

The main issue here is that as standards become more complex for global firms, they risk becoming unusable for smaller practices. We do not need more legislation or more layers of regulation that treat every audit the same regardless of size. Instead the boards should ensure that every new rule is scalable and offers a clear, simplified path for less complex entities. This is the only way to maintain a single global standard without driving smaller firms out of the profession or compromising quality at the lower end of the market.

KPMG International Limited

IAASB – 5 Increasing in importance, IESBA – 5 Increasing in importance

O.1 – Need for incremental, ongoing improvement of standards

5 – Increasing in importance

An additional trend to consider is the growing importance of enabling incremental, meaningful updates and clarifications to standards, rather than relying primarily on large scale standards revisions. In a rapidly evolving environment, standards need mechanisms that allow them to be refined, adjusted and simplified as practice develops, with greater focus on how existing standards can be improved.

Matters related to this trend include:

- More timely post implementation reviews, with a pathway to targeted amendments that are developed more quickly where issues are identified, without compromising technical quality and due process; and
- Standard-setting projects on a more regular update cycle, where appropriate, but which are of a more limited nature than the current approach under which the focus is on comprehensive revision to standards on an infrequent basis. This would enable certain standards to be enhanced at a more appropriate cadence in a rapidly changing environment. Such an approach, with changes made more frequently, but which are

narrower in scope, may be similar to the IASB annual improvements process, or the activities of the FASB's Emerging Issues Task Force (EITF).

This approach would allow the Boards to focus limited resources on areas of greatest public interest impact, such as technology and AI, while ensuring existing standards remain relevant, interoperable, and capable of consistent adoption. Importantly, this mindset should begin influencing current work plan prioritization, rather than waiting until the 2028–2031 period.

Krzysztof Burnos

6 – Strongly increasing in importance

change the model of SSBs. Currently the model does not address the changing world. SSB acts traditionally and is recognised as the burden and the institution that takes the project to find the work for itself.

PricewaterhouseCoopers International Limited (PWC)

6 – Strongly increasing in importance

O.1 – Effective governance and transparency of due process

We believe the following additional trend requires consideration during the 2028–2031 strategy period, related to reinforcing trust in the effectiveness and outputs of the standard setting system.

We consider it a key priority for the SSBs in the upcoming strategy period to strengthen stakeholder trust in the due process and governance that underpin standard-setting activities. This includes demonstrating sufficiently broad and balanced participation in the standard-setting process, including appropriate input from the profession, to maximise the quality and operability of standards in the public interest. Further confidence would be supported by greater transparency about how stakeholder feedback—particularly concerns about the clarity, understandability and operability of requirements—has been evaluated and addressed when reaching key decisions and finalising proposed and final pronouncements.

RSM International Limited

O.1: We believe that seeking a broader range of voices can be beneficial to the standard-setting process; however, we consider this issue to be a lower priority compared to other key issues, such as emerging technologies, fragmentation or the need for practical guidance.

O.1: We believe that diversity in the standard-setting process should not be interpreted solely in terms of demographic or geographic representation, but also in terms of technical and professional expertise. We believe the SSBs would benefit from increased input from experts in areas such as technology, AI and digital assets, where deep practical understanding is critical. In this context, targeted expertise may be more valuable than broader, but more general, participation.

We recognise that there are long-standing challenges in engaging investors and other non-traditional stakeholders to participate in audit, other assurance and ethics standard-setting. Unlike financial reporting standards, audit, other assurance and ethics topics may be perceived as more indirect or less immediately relevant to such stakeholders, resulting in lower levels of engagement. We understand this to be a structural challenge, rather than a lack of outreach as the SSBs already undertake targeted outreach to these stakeholders.

We also observe that investors and preparers tend to engage more actively when proposals directly affect them, such as stakeholders who respond only to consultations that have clear operational or economic impacts. This suggests that the level of engagement is more closely linked to the perceived relevance of the issue than to the breadth of outreach efforts.

Rather than broadly seeking more voices, we encourage the SSBs to adopt a more targeted approach to stakeholder engagement, for example, engaging investors when there is clear investor relevance or involving technology experts in the development of technology-related guidance. We believe this targeted approach may enhance the quality, relevance and usefulness of stakeholder input.

4 – Slightly increasing in importance

O.1: Seeking a broader range of voices outside of accounting

10. Member Bodies or Other Professional Accountancy Organizations

Accountancy Europe (AE)

O.2

We consider that both the IAASB and IESBA should avoid further expanding their activities into areas that fall outside their core mandates. Recent discussions and projects suggest a trend towards addressing topics such as firm culture, governance structures or broader preparer-related matters, including extension of ethical requirements beyond professional accountants (e.g. to roles such as CFOs who are not professional accountants). These topics are more appropriately addressed by firms or other stakeholders. We therefore encourage both Boards to place greater emphasis on prioritisation, including identifying areas where less work is needed, and to focus their efforts on their core responsibilities in audit, assurance and ethics standard setting.

There is a growing trend towards increased reliance on information from third parties, driven by developments in technology, data ecosystems and extended value chains (e.g. sustainability reporting and supply chain data). This

raises important considerations for both audit and assurance, including the reliability of external data sources and the appropriate level of assurance over such information. This trend is relevant both for reporting entities and practitioners themselves and their own quality management systems.

While this topic is relevant to the IAASB, we do not consider that it necessarily requires the development of new standards at this stage. Existing principles-based frameworks should be capable of addressing these developments as well as more timely, practical and non-authoritative guidance, including use cases and examples, to support consistent application in practice.

This trend is primarily relevant to the IAASB. Efforts to identify solutions for optimising the application of existing assurance standards would be helpful. We also see potential for exploring ways of better sharing assurance reporting within networks and the broader reporting ecosystems to enable quality and efficiency improvements.

Yes

O.3

O.1

4 – Slightly increasing in importance

Expansion of standard-setting beyond core mandate – topic that should not be prioritised

Adoption, implementation and trust in global standards

A key area for further focus is the adoption and implementation of standards across jurisdictions. There are increasing signs of fragmentation, with some jurisdictions not adopting, or only partially adopting, recent standards. Understanding the reasons for this lack of adoption would be highly valuable, as it may highlight challenges related to complexity, operability or relevance in practice.

Rather than relying solely on formal post-implementation reviews, standard setters could consider more targeted and timely engagement with profession, national standard setters and regulators to identify barriers to adoption. This could support a more effective and globally consistent framework.

4 – Slightly increasing in importance

4 – Slightly increasing in importance

Increased reliance on third-party information and need for more responsive, practical guidance

Asociación Interamericana de Contabilidad (AIC)

5 – Increasing in importance

Economías digitales (sin territorialidad)

Tributos globales (sin territorialidad específica)

Association of Chartered Certified Accountants (ACCA)

The increasing volume, complexity, and interconnectedness of international standards may create challenges for consistent interpretation, implementation, and scalability across different jurisdictions and types of firms and engagements. Ensuring that standards remain understandable, operable, and proportionate will continue to be important in supporting audit and assurance quality, ethical compliance, and broader global adoption.

The increasing pace, volume, and interconnectedness of standard-setting and regulatory developments creates implementation and operational challenges for firms, practitioners, regulators, and other stakeholders. As standards continue to evolve in response to emerging developments such as sustainability reporting, technology, and changing business models, consideration may increasingly be needed regarding prioritisation, sequencing, scalability, transition periods, translation, and implementation support to help ensure that changes are capable of being effectively and consistently embedded in practice across different jurisdictions and practice environments.

O.2 Implementation Fatigue

O.1 Increasing Complexity and Understandability of Standards

From an IAASB perspective, this trend is reflected in ongoing discussions relating to scalability, implementation challenges, and the operability of increasingly interconnected auditing, quality management, and sustainability assurance standards. Recent and ongoing initiatives, including the ISA for Less Complex Entities and post implementation activities relating to revised standards such as ISA 315 and ISA 540, further highlight the importance of considering complexity and practical application in standard-setting activities.

From an IESBA perspective, increasing complexity may arise through the growing interconnectedness of ethical, independence, and sustainability-related requirements, as well as the challenges of applying the Code consistently in multidisciplinary and evolving business environments. As the Code continues to expand to address emerging topics, maintaining clarity, navigability, and operability will remain important to support effective implementation and consistent application in practice.

4 – Slightly increasing in importance

4 – Slightly increasing in importance

From an IAASB perspective, this trend may be particularly relevant given the significant volume of recent and ongoing developments across auditing, quality management, and sustainability assurance standards. While these initiatives respond to important public interest needs, sufficient time for implementation

experience, translation, monitoring activities, and post-implementation review may be important to assess whether the standards are operating as intended in practice and to support consistent application across jurisdictions and firms of different sizes and complexity.

From an IESBA perspective, the increasing breadth of ethical and independence-related developments, including sustainability-related initiatives and technology-related revisions, may similarly create challenges regarding implementation, operability, and consistent application. This may be particularly relevant in jurisdictions and practice environments where translation, adoption, and interaction with local ethical or regulatory frameworks require additional time and implementation support. In this context, continued focus on implementation support, monitoring, and evidence based assessment of emerging issues may help ensure that the Code remains clear, proportionate, and capable of effective application across different jurisdictions and practice environments.

Chamber of Hungarian Auditors (MKVK)

4 – Slightly increasing in importance

At this stage, we do not propose an additional separate trend. However, we encourage the SSBs to treat scalability and proportionality for small and medium-sized practices and less complex entities in all projects and implementation activities

O.1

The development of international standards primarily addresses issues encountered by large companies, and scalability is of greater importance for jurisdictions where the audit market consists of mainly SMPs.

Chartered Accountants Ireland (CAI)

6 – Strongly increasing in importance

In our response to Question 4, we highlighted several matters we believe the SSBs should be considering, including proportionality, scalability, effective implementation, post-implementation evidence-gathering and greater use of guidance where appropriate. We do not identify wholly new trends beyond those already outlined in the survey.

However, drawing together the global risks and trends identified, we encourage the SSBs to use this strategy period to pursue greater interoperability between global standards and frameworks, supported by more coordinated and joint initiatives across standard setters, not only between IESBA and IAASB, but also with other bodies such as the IASB and ISSB where there is a natural intersection in remit.

In this context, strategic focus should be placed as much on improving the applicability, robustness and internal coherence of standards, as on their development. Ensuring that standards are understandable and usable by all stakeholders, including preparers, practitioners, regulators and users of information, is critical to reinforcing trust and ensuring global standards continue to serve as effective, credible benchmarks.

O.1

Consejo General de Economistas de España

To make decisive progress in the acceptance and adoption of the NIA-EMC, avoiding unnecessary delays that could generate regulatory divergences between Member States and harm the competitiveness of the European audit market.

O.1. Changes in the Geopolitical and Regulatory Landscape - Making the ISA for LCE a Strategic Priority

6 – Strongly increasing in importance

However, it needs to be understood within the normative framework of ISAs and not independently

Actions:

- Strengthen the definition of LCE.
- Link references in ISAs to less complex entities to the ISA for LCE. When mentioning less complex entities, explicitly indicate the ISA for LCE and even related requirements or sections.
- To promote actions and studies on the implementation of the ISA-LCE in the different jurisdictions, a comparative study of the implementation of the ISA-LCE in the different geographical areas (around the European Union, America, Africa, Asia and Oceania).
- Conduct the first revisions to the standard – in those jurisdictions where it has been adopted – which would commence from 15 December 2028 in accordance with the IAASB 2024 work plan for the ISA for LCE.

CPA Australia

6 – Strongly increasing in importance

6 – Strongly increasing in importance

O.1 – Adoption, Implementation Capacity and Standard Usability

O.1 – Adoption, Implementation Capacity and Standard Usability

Rating: 6 — Strongly increasing in importance

Adoption, implementation capacity, and usability have become critical determinants of whether international standards achieve their public interest objectives. Evidence of implementation fatigue, uneven adoption, operability challenges (particularly for SMPs), and growing complexity of standards indicates that without explicit strategic focus, even high quality standards risk failing in practice. This issue now warrants the highest level of attention in 2028–2031, primarily through disciplined pacing of new initiatives, strengthened post implementation review, and enhanced implementation and educational support rather than additional standard setting.

O.1 – Adoption, Implementation Capacity and Standard Usability

While the survey identifies a range of important external trends, it does not sufficiently capture a critical cross cutting issue affecting the SSBs' ability to deliver public interest outcomes: the growing gap between the pace, volume and complexity of standard setting and the capacity of jurisdictions, firms, and practitioners to adopt and implement those standards effectively.

Across audit, ethics and sustainability assurance, there is increasing evidence of:

- Implementation fatigue, particularly following successive major reforms;
- Challenges in operability and scalability, especially for SMPs and resource constrained jurisdictions;
- Standards becoming longer, more complex, and harder to navigate, including for non accounting specialists working in multidisciplinary teams; and
- Uneven adoption and acceptance across jurisdictions, despite formal endorsement.

This is a call for greater strategic attention to how standards are understood, applied, and embedded in practice. Without sufficient focus on implementation, usability and acceptance, even high quality standards risk failing to achieve their intended public interest outcomes.

For the 2028–2031 period, the SSBs should therefore explicitly consider:

- Adoption and implementation capacity as a strategic driver;
- Whether existing standards are being given sufficient time and support to bed down before further expansion; and
- How feedback from post implementation reviews and implementation groups is systematically used to improve both standards and the standard setting process itself.

Recognising this trend would help position the SSBs to be both forward looking and disciplined—ensuring that new initiatives are grounded in evidence of need, implementability and real world impact.

O.2 – Timing Mismatch Between Standard Setting Cycles and Market Change

O.2 – Timing Mismatch Between Standard Setting Cycles and Market Change

A further cross cutting issue not sufficiently captured in the survey is the growing mismatch between the pace of market, technological, and regulatory change and the length of international standard setting cycles. Many of the trends identified in this survey—particularly digital transformation, sustainability reporting, and technology enabled risks—are rapidly evolving over a matter of months rather than years. By contrast, the development, exposure, finalisation and adoption of international standards typically span multiple years. In practice, this means that for a number of rapidly evolving issues, a traditional standard setting response is unlikely to be timely or effective and may arrive only after practices and regulatory responses have already moved on. However, practice alerts/education material could be provided in a more responsive manner.

This timing mismatch does not suggest a need for faster or more reactive standard setting. Rather, it highlights the importance of disciplined decision making about when standard setting is the appropriate tool, and when other mechanisms—such as implementation guidance, education, interpretive support, collaboration with regulators, and structured post implementation feedback—are more effective.

Explicitly recognising this trend would help the SSBs:

- Set more realistic expectations about what international standards can achieve within a four year strategy period;
- Avoid over committing to standard setting projects that cannot deliver timely public interest outcomes; and
- Strengthen alternative, more agile forms of response that preserve the durability and authority of principles based standards.

Addressing the timing mismatch directly would support a more credible, transparent, and effective strategic positioning for the SSBs during 2028–2031.

O.2 – Timing Mismatch Between Standard Setting Cycles and Market Change

Rating: 6 — Strongly increasing in importance

The mismatch between the speed of market, technological, and regulatory change and the multi year international standard setting cycle is becoming increasingly acute. For many rapidly evolving areas identified in the survey, traditional standard setting responses are unlikely to be timely or effective. Recognising this constraint is now essential to credible strategy setting, realistic expectation management, and effective use of alternative response mechanisms. This trend should be treated as strongly increasing in importance, as it directly affects the SSBs' ability to deliver meaningful public interest outcomes within a four year strategy period.

European Federation of Accountants and Auditors for SMEs (EFAA)

5 – Increasing in importance

EFAA believes that the growing use of AI-enabled tools and data analytics to support continuous audit and continuous assurance should be considered as an additional trend by the SSBs.

Advances in artificial intelligence, machine learning, and real-time data processing are increasingly enabling more continuous forms of risk assessment, transaction monitoring, anomaly detection, and control testing. This development has the potential to transform traditional periodic assurance models toward more dynamic and technology-enabled approaches that provide more timely insights and strengthen the detection of errors, fraud, and emerging risks.

From EFAA's perspective, this trend raises important considerations for both boards. For the IAASB, continuous audit powered by AI may have implications for audit methodology, audit evidence, documentation, professional judgment, and the application of standards in environments where testing and monitoring occur on an ongoing basis. For the IESBA, it raises ethical considerations relating to professional competence, professional skepticism, accountability for AI generated outputs, confidentiality, and the risk of overreliance on automated tools.

EFAA therefore encourages the SSBs to consider whether existing standards and guidance remain fit for purpose in a more continuous and AI-enabled assurance environment and whether further guidance or targeted standard-setting activities may be needed.

O.1. Continuous Audit powered by AI

Global Accountancy Alliance (GAA)

O.2 Evidence from third parties.

O.2 Reliance on third parties is becoming more challenging, particularly due to limitations in the availability and reliability of externally sourced evidence. Increasingly complex ecosystems—spanning value chains, cloud and blockchain environments, and external service providers—are driving greater interdependence. At the same time, reliance on third party confirmations is growing alongside heightened assurance expectations, which may ultimately require more scalable "one-to-many" reporting solutions.

6 – Strongly increasing in importance

Institute of Chartered Accountants of Scotland (ICAS)

O.2 There is an increasing reliance on information being held on behalf of an entity by third parties. With increased digitalisation and the resultant increased cyber threats, this is presenting greater challenges to professional accountants, due to the need to navigate increasingly complex ecosystems

6 – Strongly increasing in importance

O.2 Increasing reliance on information being held on behalf of an entity by third parties

International Federation of Accountants (IFAC)

6 – Strongly increasing in importance

6 – Strongly increasing in importance

Cumulative complexity, cost and over-regulation in international standards, and their impact on adoption, implementation, scalability and proportionality.

IFAC believes cumulative complexity, cost and over-regulation should be treated as public-interest issues, not merely as practitioner concerns. Standards that become excessively long, complex or costly to apply can undermine adoption, implementation, scalability and global consistency. They can also have disproportionate effects on SMEs and SMPs and increase costs for the clients and stakeholders the standards are intended to serve without adding commensurate benefits.

The SSBs should place greater emphasis on proportionality, cost-benefit analysis, implementation burden and practical operability when developing their strategies and work plans. This includes assessing whether new or revised standards are necessary, whether existing standards are being applied as intended, and whether additional complexity would deliver benefits that justify the cost.

IFAC believes the effectiveness of the standard-setting process itself should be treated as a strategic issue for the 2028 - 2031 period, not simply as an internal operational matter.

Future work plans should be based on clear problem statements, evidence of public-interest need, identification of specific standards gaps, robust cost-benefit analysis, and early input from those who will apply and be affected by the standards. This is particularly important where proposed projects may affect SMEs, SMPs, jurisdictions with different implementation capacities, or stakeholders facing significant cost and complexity.

The SSBs should also consider whether their funding, resourcing and project-selection processes create sufficient discipline around prioritization, cost-benefit analysis and the cumulative impact of standard-setting. The ability to undertake more projects should not, in itself, drive expansion of the standards. Future work plans should be constrained by clear public-interest need, evidence of a standards gap, implementation capacity and proportionality.

IFAC also encourages the SSBs to strengthen feedback loops throughout the standard-setting cycle, including root cause analysis before projects begin, clearer assessment of whether issues arise from gaps in standards or from application of existing standards, and timely review of whether standards are achieving their intended purpose after issuance.

O.1: Cumulative over-regulation, complexity and cost

O.2: Effectiveness of the standard-setting process itself

The effectiveness and public-interest responsiveness of the standard-setting process, including how the SSBs identify priorities, evidence the need for action, assess cost-benefit and implementation impacts, engage affected stakeholders, and review whether standards achieve their intended outcomes.

Malaysian Institute of Accountants (MIA Malaysia)

O.1 – Effective Governance and Transparency of Due Process

A primary objective for the SSBs in the upcoming strategy period should be the enhancement of stakeholder confidence in their governance and due process. Achieving this necessitates demonstrating broad and balanced participation in standard-setting, including substantive input from the profession, to ensure the resulting standards are of high quality and practically implementable. Furthermore, confidence would be bolstered by increased transparency. The SSBs should articulate how stakeholder feedback—especially comments concerning the clarity, comprehensibility, and practicality of proposed requirements—has influenced key decisions and shaped the final text of their pronouncements.

6 – Strongly increasing in importance

Pan African Federation of Accountants (PAFA)

Inclusive and Scalable Implementation of Digital and Ethical Standards in Emerging Markets (African Priority Trend) This is a strongly increasing trend in importance, particularly from an African perspective, where the effectiveness of global standards is significantly influenced by implementation capacity, scalability, and contextual relevance across diverse jurisdictions.

While emerging issues such as cybersecurity, AI governance, and digital transformation are already well recognised, a critical additional dimension is the need to ensure that standards are practically implementable in emerging and developing economies, where audit firms are often SMEs or SMPs, regulatory capacity varies, and access to advanced technical expertise is uneven. Excessive complexity and cumulative regulatory burden may disproportionately affect SMEs, SMPs, and lower-capacity jurisdictions, making scalability and proportionality critical public-interest considerations.

For the IAASB, this requires a stronger focus on scalable audit and assurance frameworks, supported by practical implementation tools, illustrative guidance, and phased application approaches that reflect varying levels of technological and institutional maturity. This is particularly important for emerging digital areas such as AI systems, cybersecurity assurance, and data-driven audit techniques.

For the IESBA, there is a need to ensure that ethical requirements are understood and applied consistently across diverse professional environments, including where multidisciplinary teams, limited technical capacity, and evolving regulatory oversight may present additional challenges to maintaining competence, independence, and professional skepticism.

A key African priority is also the need for meaningful involvement of African stakeholders in standard-setting processes, including early-stage agenda setting, technical development, and implementation feedback loops. This would enhance legitimacy, improve practical relevance, and ensure that standards reflect the realities of different market structures. In addition, both Boards should strengthen capacity-building initiatives in partnership with regional bodies such as PAFA and African PAOs, including tailored training, implementation support materials, and "train-the-trainer" approaches to ensure sustainable knowledge transfer.

Overall, this trend highlights that the future effectiveness of IAASB and IESBA standards will depend not only on technical quality, but equally on inclusive development processes, scalable implementation models, and tailored support for emerging markets, particularly in Africa.

5 – Increasing in importance

Pavel Dimitrov (Union of Accountants in Bulgaria)

6 – Strongly increasing in importance

O.4 – Integration of AI into audit methodologies and professional workflows

The rapid adoption of AI-enabled tools in audit and accounting requires guidance on appropriate use, documentation, explainability, and the boundaries of professional judgment.

O.5 – Cyber-resilience expectations for professional accountants and assurance providers

Increasing cyber threats demand clearer expectations regarding the role of auditors and professional accountants in evaluating cybersecurity controls, incident reporting, and digital resilience.

O.6 – Assurance over hybrid information ecosystems (financial + non-financial + real-time data)

Organizations increasingly publish integrated, real-time, and technology-generated information, requiring new approaches to assurance that address data provenance, system reliability, and continuous reporting.

O.7 – Ethical implications of data-driven business models in the profession

As firms adopt data monetization, analytics services, and platform-based models, new ethical considerations arise regarding independence, conflicts of interest, and responsible data use.

O.8 – Global talent mobility and cross-jurisdictional qualification recognition

The profession is becoming more global, and mobility challenges require coordinated approaches to qualification recognition, ethical alignment, and competency expectations.

This trend is expected to increase significantly in importance for both the IAASB and the IESBA during the 2028–2031 strategy period. Rapid technological developments, expanding data ecosystems, and evolving organizational practices create new risks and ethical considerations that directly affect audit quality, professional judgment, and public trust. Addressing these matters will require coordinated standard-setting efforts, enhanced guidance, and clear expectations for practitioners to ensure that global standards remain relevant, robust, and aligned with the public interest.

Polish Chamber of Statutory Auditors (PIBR)

6 – Strongly increasing in importance

O.1 Public Oversight System for the Audit Profession

Public oversight that fails to fulfil its role undermines the work of statutory auditors. It usurps the right to interpret standards and treats them as legal rules. It ignores scalability, the language of the rules and the subjectivity of judgement. It also calls into question professional judgement.

There is excessive bureaucratic scrutiny of auditors' work under public oversight.

This leads to inspectors overstepping their authority, which, among other things, results in a decline in the profession's prestige and discourages people from entering the field.

11. Academics

European Accounting Association (EAA) Auditing, Assurance and Ethics Standard Committee

O.1. Private equity in Accounting firms

O.2. Related to D3 is the issue of attracting and training students to accounting courses in universities

5 – Increasing in importance

5 – Increasing in importance

12. Others

AIDS Committee of Toronto

5 – Increasing in importance

Auditors should be responsible for historical reporting, but should have a role in helping the Finance Committees and Boards of Directors of their clients to plan for the future.

O.1

Cristian Emmanuel Munarriz

4 – Slightly increasing in importance

O.1 Hyperinflation

Recently, more economies are hyperinflationary economies than before under IFRS accounting standards. I think IAASB should consider addressing implementation challenges of applying ISAs for audits of financial statements of entities from hyperinflationary economies.

16.21 No specific response

02. Users of Financial or Non-Financial Information

CFA Institute

First Nations Financial Management Board

Goro Kumagai (The Securities Analysts Association of Japan)

No

Investment Company Institute

Jose Esposito (Credicorp Ltd.)

No

Kei Tsuchiya (The Securities Analysts Association of Japan)

No

Koei Otaki (SMBC Nikko securities Inc)

No

Martin Lawrence (Ownership Matters Pty Ltd)

No

Sarasin & Partners

03. Preparers or Issuers of Financial Statements or Other Information

Ajinomoto Co., Inc.

No

Ascendia EOOD

No

Japan Business Federation – Keidanren

No

Sevdalina Paskaleva

No

05. Regulators and Oversight Authorities

Independent Regulatory Board for Auditors (IRBA)

No

Martina Morrissey (IAASA)

No

Public Accountants and Auditors Board Zimbabwe (PAABZ)

Tokyo Stock Exchange

No

UK Financial Reporting Council (UK FRC)

No

06. Jurisdictional and National Standards Setters (JSS)

Auditing and Assurance Standards Board of Canada (AASBC)

No

Australian Auditing and Assurance Standards Board (AUASB)

Brazil Institute of Independent Auditors (IBRACON)

No

Compagnie Nationale des Commissaires aux Comptes (CNCC) - Conseil National de l'Ordre des Experts Comptables (CNOEC)

No

Hong Kong Institute of Certified Public Accountants (HKICPA)

No

Instituto Mexicano de Contadores Públicos (IMCP)

No

Japanese Institute of Certified Public Accountants (JICPA)

No

Nordic Federation of Public Accountants (NRF)

No

Saudi Organization for Chartered and Professional Accountants (SOCPA)

No

Wirtschaftsprüferkammer (WPK)

No

07. Accounting Firms

AFCA Desarrollos Profesionales

No

Alan Am

No

Ernst & Young Global Limited (EY)

No

Forvis Mazars Global Limited (Mazars)

No

Gats-Ratings Professionals

No

Grant Thornton International Ltd (GTI)

No

José María Hinojal (BNFIX)

No

Kudos International

No

MAH, Chartered Accountants

No

Piotr Witek (Moore Polska)

No

Shreekant Prasad (Govindham Consultancy Services)

0.3

6 – Strongly increasing in importance

Yes

08. Sustainability Assurance Providers other Than Accounting Firms

Anum Atique (Islamic Non Banking Financial Institution)

Yes

Keung Ho Keung Ricky

No

09. Public Sector Organizations

Audit Board of Republic Indonesia

No

Sanford Rich (NYC Board of Education Retirement System)

No

United States Government Accountability Office (GOA)

No

10. Member Bodies or Other Professional Accountancy Organizations

Belgian Institute of Tax Advisors and Accountants (ITAA)

No

Chartered Accountants Australia and New Zealand (CAANZ)

No

Institute of Chartered Accountants in England and Wales (ICAEW)

No

1 – Strongly decreasing in importance

Institute of Public Accountants (IPA)

No

Institute of Singapore Chartered Accountants (ISCA)

No

Malta Institute of Accountants (MIA Malta)

No

South African Institute of Chartered Accountants (SAICA)

No

11. Academics

Kenichi Akiba (Waseda University)

No

Kiran Seth (Sunway University)

No

Nicole Ratzinger-Sakel (University of Hamburg Business School)

No

12. Others

Eri Murakami (Wood Design Studio Inc.)

1.IAASB 2 SSBs 3IESAB

4 – Slightly increasing in importance

IPASB

Yes

Kazuhiro Yoshii (Securities Firm)

No

Louise Willdridge (LBW Global)

No

Mahmoud Bilal (Unimar)

No

Wai Man (Emily) Ho

No

Wenzel Reyes (MindBridge)

No