

### Staff Assessment of Workstream Priorities 2026-2027

#### Purpose

1. The table below sets out Staff's assessment of the level of priority of strategic precommitments in the current Strategy and Work Plan (SWP) 2024-2027 that have not yet commenced, and workstreams that have been postponed. It does not include ongoing workstreams already in progress on the current work program, such as Firm Culture and Governance (FCG) and the role of Chief Financial Officers (CFOs).
2. Staff has assessed these strategic precommitments and workstreams based on the criteria set out in the proposed prioritization approach in **Agenda Item 10A**.

#### Staff Assessment

| Workstream | Staff Recommendation                           | Staff Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Estimated Resource Requirement                 |
|------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| CIVs       | Start when capacity allows (first in sequence) | <ul style="list-style-type: none"> <li>• <b>Strategic significance:</b> H; <b>Urgency:</b> M; <b>Resource demand:</b> M</li> <li>• <b>Priority assessment:</b> Top priority</li> <li>• In December 2025, the IESBA accepted the Project Team's final report on auditor independence with respect to audits of collective investment vehicles (CIVs) and pension funds. The Board also agreed with the Project Team's recommendation to commission the development of non-authoritative material (NAM) to provide further clarity and guidance regarding the application of the conceptual framework in this area.</li> <li>• The development of NAM was placed on hold in 2026 so that staff resources could be redirected to higher priority workstreams.</li> <li>• Staff has assessed this workstream as high priority on the basis that the Board first agreed to conduct a holistic review of the topic as part of its finalization of the Definition of Public Interest Entity (PIE) project in 2021 and that the Public Interest Oversight Board (PIOB) has strongly recommended that the IESBA finalize the remaining work under this</li> </ul> | 1 Director<br><br>1 Principal / Senior Manager |

| Workstream                              | Staff Recommendation       | Staff Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Estimated Resource Requirement                |
|-----------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
|                                         |                            | workstream.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                               |
| PIR – Non-assurance services (NAS)/Fees | Start when capacity allows | <ul style="list-style-type: none"> <li>• <b>Strategic significance:</b> H; <b>Urgency:</b> M; <b>Resource demand:</b> H</li> <li>• <b>Priority assessment:</b> Top priority</li> <li>• The IESBA released the final pronouncements, <a href="#">Revisions to the Non-Assurance Service Provisions of the Code</a> (NAS provisions) and <a href="#">Revisions to the Fee-Related Provisions of the Code</a> (Fees provisions), in April 2021. The NAS and Fees provisions became effective in December 2022.</li> <li>• These PIRs will, amongst other matters, assess the status of adoption and implementation of the revised NAS and Fees provisions across jurisdictions. This work stream was assessed by IESBA as medium priority in the current SWP.</li> <li>• As part of respondents' feedback on the SWP 2028-2031 joint stakeholder survey on the trend relating to the growth of NAS, there was a view that the IESBA should prioritize the PIR of the NAS and fee-related provisions, with a focus on whether existing safeguards remain effective in preserving independence and objectivity before any further action is taken.</li> <li>• Staff has assessed this workstream as high priority, taking into account the level of growth of NAS and informal feedback from some firms about challenges in implementing some of the NAS and Fees provisions.</li> </ul> | 1 Director<br>1 Principal<br>1 Senior Manager |
| Business relationships                  | Start when capacity allows | <ul style="list-style-type: none"> <li>• <b>Strategic significance:</b> M; <b>Urgency:</b> M; <b>Resource demand:</b> H</li> <li>• <b>Priority assessment:</b> Other Priority (Medium)</li> <li>• Under this work stream, the IESBA will review the different types of relationships that firms, network firms and audit team members might</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1 Director<br>1 Principal<br>1 Senior Manager |

| Workstream | Staff Recommendation | Staff Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Estimated Resource Requirement |
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|            |                      | <p>have with audit clients and their management and consider whether Section 520<sup>1</sup> sufficiently addresses the independence issues that may arise from these relationships. In undertaking this review, the IESBA will take into account the revisions already made under the Technology Project.</p> <ul style="list-style-type: none"> <li>As part of this workstream, the IESBA may also consider whether materiality and significance should be retained as criteria for exceptions to certain business relationships as well as loans and guarantee arrangements under Section 511 of the Code.<sup>2</sup> As the IESBA explores these business relationships in a broader context, the IESBA may also consider whether the provisions in Parts 1 and 3 of the Code remain relevant in addressing the ethics implications of business relationships. This work stream was assessed by IESBA as medium priority in the current SWP.</li> <li>Staff supporting the Technology Working Group has also raised for the Board's consideration at the September 2026 Board meeting recent developments in alliances between large audit firms and AI and other technology providers and the possible ethics/independence issues that may arise from such alliances. Subject to the September 2026 Board discussions, the Board may consider whether it would be appropriate to include this development as part of the business relationships strategic precommitment and revise the priority of this item accordingly.</li> <li>Staff has assessed this workstream as medium priority (no change from current SWP), subject to the Board's September 2026 discussion on alliances between firms and AI and other technology providers.</li> </ul> |                                |

<sup>1</sup> Section 520, *Business Relationships*

<sup>2</sup> Section 511, *Loans and Guarantees*

| Workstream                                       | Staff Recommendation          | Staff Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Estimated Resource Requirement                        |
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| PIR – Definition of public interest entity (PIE) | Start when capacity allows    | <ul style="list-style-type: none"> <li>• <b>Strategic significance:</b> H; <b>Urgency:</b> M; <b>Resource demand:</b> M</li> <li>• <b>Priority assessment:</b> Other Priority (Medium)</li> <li>• The IESBA released the final pronouncement, <a href="#">Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code</a> (PIE revisions), in April 2022. The PIE revisions became effective in December 2024. This workstream was assessed by IESBA as medium priority in the current SWP.</li> <li>• This is an important topic from a public interest perspective. The Board also worked closely with IAASB with respect to the IAASB's corresponding PIE project (Tracks 1 and 2). At its June 2025 meeting, the IESBA expressed support for further coordination between the two Boards when the IESBA commences the PIR of the PIE-related provisions in the Code.</li> <li>• Staff has assessed this workstream as medium priority and recommends that it commence when capacity becomes available after the CIVs and PIR of NAS/Fees workstreams.</li> </ul> | <p>1 Director / Principal</p> <p>1 Senior Manager</p> |
| Audit firm – audit client relationship           | Defer to next strategy period | <ul style="list-style-type: none"> <li>• <b>Strategic significance:</b> M; <b>Urgency:</b> M; <b>Resource demand:</b> M</li> <li>• <b>Priority assessment:</b> Other priority (Low)</li> <li>• Under this workstream, the IESBA will consider whether it remains appropriate to use the term “audit client” in International Independence Standards as opposed to the terms “audited entity” or the “entity subject to audit.” As part of this workstream, the IESBA will also examine more broadly the “audit firm-audit client” relationship and explore whether the Code in its entirety continues to provide a framework that addresses the ethical impact arising from such client relationship. Some of the issues identified under this work stream may also have implications for how the</li> </ul>                                                                                                                                                                                                                                                                                  | <p>1 Principal</p> <p>1 Senior Manager</p>            |

| Workstream                       | Staff Recommendation          | Staff Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Estimated Resource Requirement                        |
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|                                  |                               | <p>IESBA may address the topic of business relationships. This work stream was assessed by IESBA as medium priority in the current SWP.</p> <ul style="list-style-type: none"> <li>Staff has assessed this workstream as low priority and recommends that it be deferred to the next strategy period.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                       |
| PIR – Long Association (Phase 2) | Defer to next strategy period | <ul style="list-style-type: none"> <li><b>Strategic significance:</b> M; <b>Urgency:</b> L; <b>Resource demand:</b> M</li> <li><b>Priority assessment:</b> Other priority (Low)</li> <li>In January 2017, the IESBA released the Close-off Document, <a href="#"><i>Changes to the Code Addressing the Long Association of Personnel with an Audit or Assurance Client</i></a> (Long Association close-off document).</li> <li>Phase 1 of the PIR was completed in December 2021 with the IESBA determining not to extend or vary the “jurisdictional provision.”<sup>3</sup> Phase 2 will, amongst other things, assess the status of adoption and implementation of the Long Association provisions across jurisdictions, any key issues relating to the understandability of the provisions (except the jurisdictional provision) and the application of the provisions at the local level, whether it is meeting the project objectives, and any other implementation issues.</li> <li>In undertaking Phase 2, the IESBA will take into account legislative or regulatory developments relating to other regimes around the world intended to address long association, such as mandatory firm rotation and mandatory retendering. This workstream was assessed by the IESBA as medium priority in the current SWP.</li> <li>Staff has assessed this workstream as low priority as there is no stakeholder expectation to commence this workstream in the near term.</li> </ul> | <p>1 Director / Principal</p> <p>1 Senior Manager</p> |

<sup>3</sup> Section 540, *Long Association of Personnel (Including Partner Rotation) With an Audit Client*, paragraph 540.20

| Workstream                                                                                | Staff Recommendation          | Staff Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Estimated Resource Requirement |
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| PIR – Engagement Team-Group Audit (ET-GA)                                                 | Defer to next strategy period | <ul style="list-style-type: none"> <li>• <b>Strategic significance:</b> M; <b>Urgency:</b> L; <b>Resource demand:</b> M</li> <li>• <b>Priority assessment:</b> Other priority (Low)</li> <li>• The IESBA released the final pronouncement, <a href="#">Revisions to the Code Relating to the Definition of Engagement Team and Group Audits</a> (ET-GA), in February 2023. The ET-GA provisions will become effective in December 2023.</li> <li>• The PIR will, amongst other things, assess the status of adoption and implementation of the ET-GA provisions across jurisdictions, any key issues relating to the understandability of the provisions, and whether the implementation is meeting the project objectives. This workstream was assessed by the IESBA as medium priority in the current SWP.</li> <li>• Staff has assessed this workstream as low priority. Whilst the IESBA has received some feedback about the complexity of the provisions, there is no urgency to commence the PIR given that the ET-GA provisions only came into effect in December 2023.</li> </ul> | 1 Director<br>1 Principal      |
| Exploring extending the impact of the Code to all preparers of sustainability information | Remove from work plan         | <ul style="list-style-type: none"> <li>• <b>Strategic significance:</b> L; <b>Urgency:</b> L; <b>Resource demand:</b> N/A</li> <li>• <b>Overall assessment:</b> Low priority</li> <li>• Under this workstream, the IESBA will take a phased approach, focusing first on sustainability information by exploring developing ethics standards for sustainability reporting, regardless of the preparers' backgrounds.</li> <li>• This workstream will take into account relevant information gathered from targeted outreach as well as from the Role of CFOs workstream. Subject to the outcome of this workstream and the other new workstream on developing profession-agnostic independence standards for sustainability assurance engagements not within the</li> </ul>                                                                                                                                                                                                                                                                                                                 | N/A                            |

| Workstream | Staff Recommendation | Staff Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Estimated Resource Requirement |
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|            |                      | <p>scope of Part 5, the IESBA will further explore how to extend the Code's impact more broadly, including expanding the scope and applicability of the Code to all preparers of financial and non-financial information. This work stream was assessed as high priority in the current SWP.</p> <ul style="list-style-type: none"> <li>Some respondents to the <a href="#">joint stakeholder survey</a> for the SWP 2028-2031 expressed reservations about, or cautioned against, the IESBA extending its remit beyond the accountancy profession. Whilst it is in the public interest that all preparers of financial and non-financial information, including sustainability information, be subject to high ethical standards such as the IESBA Code, enforcing such standards on non-professional accountants could be challenging. Further, CFOs and those charged with governance (TCWG) of public interest entities in many jurisdictions are generally subject to local regulatory regimes. Therefore, there is no immediate urgency to pursue this topic.</li> <li>In light of the above, staff recommends that this workstream be removed from the IESBA's work plan.</li> </ul> |                                |