[Draft] Consultation Paper

IESBA Proposed Strategy and Work Plan for 2028–2031

Agenda Item 3A – Draft for IESBA December 2026 Meeting

[MONTH/YEAR]

About the IESBA

The International Ethics Standards Board for Accountants® (IESBA®) is an independent global standard-setting board. The IESBA's mission is to serve the public interest by setting high-quality, international ethics (including independence) standards. These standards are a cornerstone to ethical behavior in business and organizations, and to public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets and economies worldwide.

Along with the International Auditing and Assurance Standards Board (IAASB), the IESBA is part of the International Foundation for Ethics and Audit (IFEA). The Public Interest Oversight Board (PIOB) oversees IESBA and IAASB activities and the public interest responsiveness of the standards.

ABOUT THIS CONSULTATION

This Consultation Paper invites views from stakeholders on the IESBA's proposed Strategy and Work Plan for 2028-2031. The IESBA has developed this Consultation Paper in coordination with the International Auditing and Assurance Standards Board (IAASB). The IAASB has also issued its consultation paper on its Strategy and Work Plan for the same period. The two Boards' proposed Strategies and Work Plans reflect each Board's distinct remit but are complementary in enabling them to pursue their public interest missions.

This Consultation Paper comprises three sections:

- Section I – Request for Comments
- Section II – Proposed Strategy 2028–2031
- Section III – Proposed Work Plan 2028–2031

The IESBA will consider the responses to the Consultation Paper with a view to approving its Strategy and Work Plan for 2028-2031 in December 2027.

SECTION I: REQUEST FOR COMMENTS (New section added to this version)

The IESBA approved this Consultation Paper (CP) to seek stakeholders' views on its proposed Strategy and Work Plan (SWP) for 2028–2031. The development of the CP was informed by the joint IAASB-IESBA stakeholder survey conducted in 2026 (joint survey) as well as the IESBA's research and monitoring of external developments, matters arising from current IESBA workstreams, outreach to stakeholders, and the Board's strategic reflections. The IESBA will use the CP to engage with stakeholders on the direction and priorities of its work over the next strategy period.

Submitting Comments

We welcome comments on all matters addressed in this CP. We encourage all respondents to submit their comments electronically using the Response Form, which may be downloaded from the IESBA website: www.ethicsboard.org. Using the Response Form facilitates consistency in the structure of responses received from all our stakeholders. This assists us greatly in the timely and effective analysis of the responses.

You may respond to all questions or only those questions on which you have specific comments. All responses will be considered a matter of public record and will ultimately be posted on the IESBA website.

You can further assist our review and analysis by ensuring that your submission responds directly to the questions in the Response Form and includes the rationale for your answers.

When submitting a completed Response Form, it is not necessary to include a separate covering letter containing a summary of your key comments. The Response Form provides an opportunity to include covering or overall remarks or views you wish to place on the public record should you choose to do so.

The completed Response Form can be uploaded using the "Submit Comment" link on the IESBA website: www.ethicsboard.org.

Should you nevertheless prefer to submit your comments in letter form, you may do so by emailing your response to [insert email box].

Questions

Environmental Trends	
1.	Do you agree with the four identified environmental trends and related strategic insights that, together with stakeholder feedback from the joint survey, should drive our strategic objectives and actions for 2028-2031?
Proposed Strategic Objectives and Strategic Actions	
2.	Do the four proposed strategic objectives (see paragraphs [xx–xx]) reflect the appropriate strategic choices for us over 2028–2031? Please explain your reasons, including any changes you would suggest.
3.	Are the proposed strategic actions appropriate to achieve each strategic objective? If not, what should we add, change or remove?

Proposed Work Plan	
Table 2 sets out our proposed initiatives and activities for 2028–2031, including a proposed framework for timely responses to emerging issues or developments (Table 2, item 1.1). Table 4 shows how we propose to allocate our resources in 2028.	
4.	Does our proposed work plan allow us to respond to emerging issues or developments and strike an appropriate balance between developing new or revised standards and supporting the adoption and implementation of the Code? Please explain your reasons.
5.	Do you support the initiatives or activities set out in Table 2? If not, please explain which of them we should defer, scale back or not pursue, and why. Please refer to individual items by their number in Table 2.
6.	Are there other initiatives or activities that we should consider? If so, please explain how they compare in importance with the work in Table 2 and share any evidence that would help us assess them.
7.	Are there specific areas not covered in the proposed work plan where PAIBs or PAPPs other than auditors need more support from us, or where the Code does not adequately address their circumstances? Please share any evidence that would help us assess them.
Other Matters	
8.	Do you have comments on any other matters addressed in this Consultation Paper, or any significant matters not covered that you believe we should consider in finalizing our Strategy and Work Plan for 2028–2031?

Comments are requested by [Month/Date/Year].

SECTION II: PROPOSED STRATEGY 2028-2031

VISION

[To be discussed by the IESBA in 2027]

VALUE PROPOSITION

[To be considered by the IESBA in 2027]

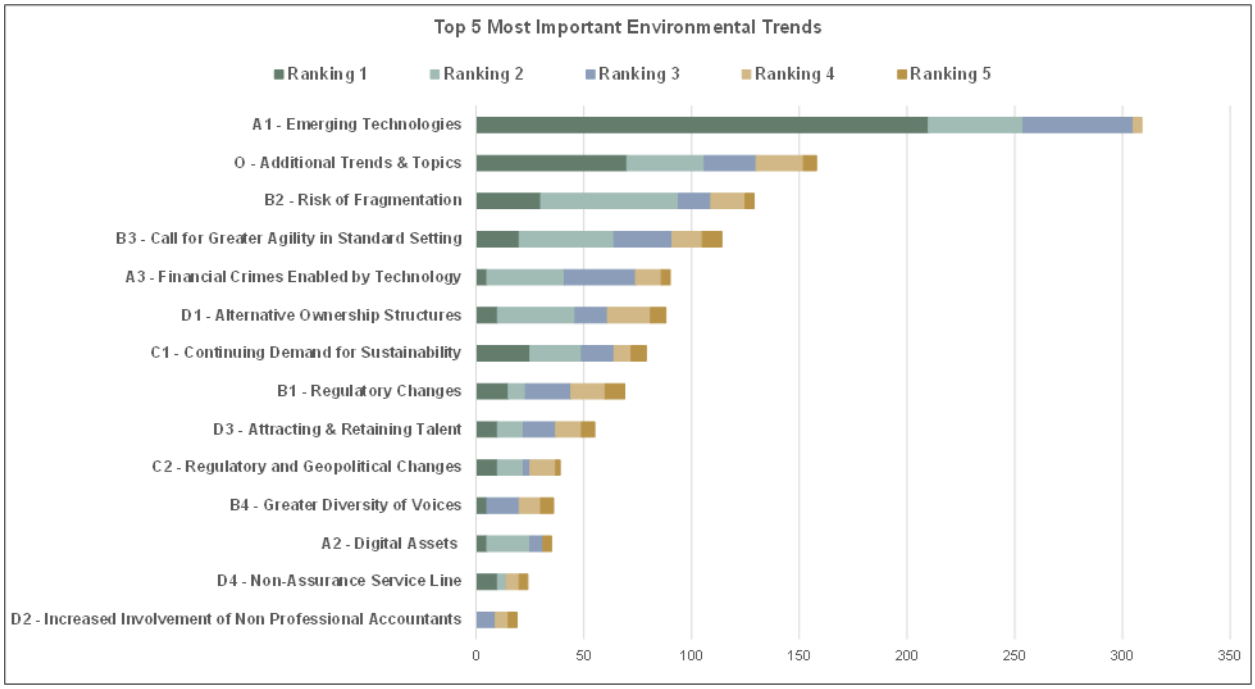
KEY STAKEHOLDER FEEDBACK, ENVIRONMENTAL TRENDS AND STRATEGIC INSIGHTS

Key Messages We Heard from Stakeholders

1. In 2026, the IESBA and the IAASB conducted a joint stakeholder survey to inform their strategies and work plans for 2028–2031. The 108 respondents came from a wide range of stakeholder groups and regions, including two Monitoring Group members, the International Organization of Securities Commissions (IOSCO)[1] and the International Forum of Independent Audit Regulators (IFIAR).
2. Respondents overwhelmingly identified the increasing use of AI and emerging technologies as the most important trend, a view shared across all regions and virtually all stakeholder groups. This was followed by the risk of increasing regulatory fragmentation, technology-enabled financial crime and alternative ownership structures of firms. There was also strong support for greater agility in standard setting.
3. The chart below shows the top five rankings of the pre-identified trends from the joint survey.[2]

[1] Refer to Appendix 1 for the list of acronyms and abbreviations

[2] The chart presents a weighted rank score that gives 5 points to Rank 1, 4 to Rank 2, down to 1 point for Rank 5.



4. The table below summarizes key feedback from respondents on the SSBs' strategic positioning and how our proposed strategy responds to the feedback.

Area	What we heard	How our proposed strategy responds
Period of stability and implementation	Allow a period of stability, given the pace of recent standard setting, and prioritize adoption, implementation support and PIRs.	Strategic Objective 2 treats adoption and implementation support as a strategic priority. Our proposed work plan focuses on completing existing work, PIRs and implementation support. Any new standard-setting project will be subject to an evidential basis being established, having regard to the public interest and the need to allow sufficient time for the market to adopt and implement recent standards.
Principles-based, proportionate standards	Keep standards principles-based, proportionate and scalable, and avoid unnecessary complexity.	This reinforces the principles-based and proportionate approach the IESBA takes to standard-setting. Strategic Objective 2 focuses on implementation support to facilitate use of the Code and enhance understanding of its proportionality, particularly for SMPs and practitioners in emerging markets.

Area	What we heard	How our proposed strategy responds
Agility	Maintain agility through horizon scanning, evidence-based prioritization and timely responses, particularly in light of emerging technologies, without sacrificing due process or transparency.	Strategic Objective 1 proposes a framework for timely responses, with horizon scanning as a standing activity under the work plan. As agility also relates to the rapid changes in our environment, it is relevant to all the strategic objectives.
Broader engagement and transparency	Engage with a broader range of stakeholders and be more transparent about how their input shapes the SSBs' decisions.	Strategic Objective 1 includes broadening our engagement, including with investors and other users, and showing how stakeholder input shapes our decisions.
Effective standard setting	Assess the effectiveness of the standard-setting process and the evidence on which it is based.	We respond through evidence-based prioritization (Strategic Objective 1). Matters of due process and governance are being addressed respectively through the PIOB's review of the SSBs' due process and the broader reforms of the standard-setting system led by the Monitoring Group.
Coordination with the IAASB	Coordinate with the IAASB from the early stages of work and more deeply, especially on technology, sustainability assurance, firm culture and governance, alternative ownership structures in firms, and implementation support.	Coordination with the IAASB is addressed across all four strategic objectives, with particular emphasis in Strategic Objective 1. Table 2 (proposed work plan) shows the work we expect to undertake in coordination with the IAASB.

5. This feedback has helped shape our proposed strategy and work plan. It leads us to be more deliberate about balancing the need for a period of stability against the public interest imperative of responding to emerging issues or developments, with a stronger focus on implementation support and understanding how the Code is working in practice. The feedback also reinforces our commitment to principles-based, proportionate and scalable standards, close coordination with the IAASB, and increased agility to respond to new issues or developments.

Main Environmental Trends and Related Strategic Insights

6. The main environmental trends and related strategic insights set out below were informed by our research and monitoring of external developments, matters arising from current IESBA workstreams, outreach to stakeholders, internal surveys of Board members and staff regarding trends, risks and opportunities, and the Board's strategic reflections.

7. For each trend, we set out the key developments and supporting evidence, including, where relevant, views from respondents to the joint survey. Within the discussion of each trend, we set out the strategic insights for our work and the strategic objectives that mainly address the trend.

Trend 1: Interconnected Markets, Fragmenting Rules

8. Markets are globally interconnected, with capital flowing across borders. Yet, geopolitical and regulatory fragmentation is challenging global convergence and increasing the complexity of the international standard-setting environment. The world has moved from an era defined by cooperation toward what has now been described by the World Economic Forum in its Global Risks Report 2026 as an "age of competition." In this transition, multipolarity and geoeconomic confrontation are displacing collaborative approaches to shared challenges. Diverging regulatory priorities and policies and growing jurisdictional variations are challenging the ability of international standards to serve as common global benchmarks. Such global baselines are important not only to regulators and JSS but also, and mostly, to investors and other users operating across markets.

9. The absence of these global baselines or their declining appeal and authority may pose a material risk to comparability, trust and confidence in financial and non-financial reporting. Respondents to the joint survey shared this concern, ranking the risk of fragmentation as one of the most important trends for the SSBs. One Monitoring Group respondent described fragmentation as a strategic risk that undermines comparability and raises the cost of capital, ultimately affecting investors and capital markets.

10. Different regulatory directions are especially visible in sustainability reporting, where a three-speed split has emerged: some jurisdictions have finalized standards aligned with those issued by the International Sustainability Standards Board (ISSB) and are progressing toward adopting and implementing the IAASB's and IESBA's sustainability-related standards; others have scaled back earlier sustainability reporting ambitions, including by narrowing scope, delaying implementation, or pausing planned requirements;[3] and yet others have retreated from certain Environmental, Social and Governance (ESG) disclosure requirements altogether.[4]

Table 1: Adoption of the IESBA's IESSA by Jurisdiction as of September 2026

Adoption status	Jurisdictions
Adopted 15 jurisdictions	Australia · Bulgaria · Ghana · Hong Kong SAR · India · Japan · Malaysia · New Zealand · Pakistan · Saudi Arabia · Singapore · South Africa · United Kingdom · Zambia · Zimbabwe

[3] For example, the European Union (EU) has narrowed the scope of the Corporate Sustainability Reporting Directive; Brazil has made ISSB-aligned reporting voluntary on a comply-or-explain basis; Singapore has deferred, or made voluntary, several climate reporting requirements for listed companies outside the Straits Times Index; and Switzerland has also proposed narrowing the scope of its sustainability reporting requirements.

[4] For example, the United States Securities and Exchange Commission (SEC) has rescinded its proposed climate-related disclosure rules, and the Canadian Securities Administrators have paused work on a mandatory climate-related disclosure rule.

Adoption status	Jurisdictions
Adoption in progress 7 jurisdictions	Brazil · China · Kenya · Netherlands · Nigeria· Sri Lanka · Sweden
Adoption under consideration 18 jurisdictions	Botswana · Costa Rica · Croatia · Egypt · Ethiopia · Finland · Germany · Indonesia · Italy · Lesotho · Mexico · Myanmar · Nepal · Norway · Qatar · South Korea · Uganda · United States

Source: IESBA, Global Ethics Sustainability Standards focus area (updated September 2026), www.ethicsboard.org/focus-areas/global-ethics-sustainability-standards

11. Increasing fragmentation of regulatory frameworks and professional requirements across jurisdictions and professional services or activities creates challenges for the consistent application of ethics standards, especially with respect to PAIBs and professional accountants in public practice (PAPPs) other than auditors. Unlike auditors, whose activities are generally subject to greater regulatory oversight and more consistent approaches to such oversight, these other professionals operate in diverse and often less regulated environments, particularly in areas such as tax, forensic accounting, insolvency and consulting. At the same time, firms are increasingly hiring non-PAs with the necessary skills to address opportunities and risks in areas such as AI, sustainability reporting and cyber-security, heightening the need to consider the specificities of this population in the IESBA's remit and provide an enhanced level of support with respect to the application of the Code.

12. These developments underline the even greater importance of maintaining a common global ethics baseline. As jurisdictional and regulatory frameworks diverge, investors and other users need to rely more on robust international standards to underpin the reliability and comparability of financial and non-financial information across borders. By providing a consistent, principles-based global benchmark for ethical conduct across different markets and regulatory environments, the Code helps to reduce fragmentation, promote greater convergence in ethical expectations and reinforce public trust in the global accountancy profession.

13. These developments also call for a Code that remains principles-based, proportionate and widely adopted and for the IESBA to work more closely with regulators, policymakers and other standard setters as their local approaches diverge. The developments are addressed mainly in Strategic Objectives 1 and 2.

Trend 2: Erosion of Institutional Trust and a New Architecture of Accountability

14. A shift has been taking place across the global financial sector in how regulators and policymakers[5] seek to restore and sustain trust in institutions. Growing concerns about institutional integrity, governance failures and systemic risks are driving greater regulatory attention toward the

[5] See, for example, Basel Committee – Corporate Governance Principles for Banks (2015) and Principles for Operational Resilience (2021); European Commission – CRD VI, Directive (EU) 2024/1619 and Digital Operational Resilience Act (DORA) Regulation (EU) 2022/2554; European Insurance and Occupational Pension Authority (EIOPA) – Solvency II Article 45; IOSCO – Objectives and Principles of Securities Regulation; ESMA – Final Report on Guidelines on MiFID II product governance requirements.

organizational systems, conditions and environment that shape professional behavior and decision-making. While individual conduct and accountability remain fundamental, there is increasing recognition that they are insufficient to prevent misconduct and safeguard the public interest.

15. Regulatory approaches are therefore placing greater emphasis on preventive, institution-wide mechanisms, including effective governance and oversight, clear allocation of responsibilities, organizational culture, independent control functions, and remuneration and incentive structures that prevent wrongdoing structurally and promote ethical behavior. This evolution reflects a broader understanding that institutional trust depends not only on the conduct of individuals but also on the effectiveness of the systems, structures and cultures within which they operate.

16. Trend 2 reflects this shift in the external environment that speaks to an erosion of institutional trust and broader developments relating to what one might characterize as the architecture of accountability:

- *Declining Trust in Institutions*
    - Trust in institutions – public and private, political and professional – is under sustained pressure globally. Misinformation, inequality and societal polarization now appear together across every time horizon in leading global risk assessments, suggesting a persistent condition rather than isolated events.[6] Perceived conflicts of interest within organizations continue to challenge public confidence. Specifically in relation to accounting firms, high-profile cases of unethical behavior have emerged in recent years, which may have adversely impacted public perceptions of, and trust in, firms and the profession.
    - Economic fragility adds to this pressure. High public debt and asset valuations that rest partly on uncertain expectations of AI-driven growth increase the risk of a sharp market correction.[7] Periods of economic stress and uncertainty increase the pressures that can lead to misconduct and tend to expose ethical failures that were seeded in better times, further damaging institutional trust.[8]
- *Financial Crimes Enabled by Technology*
    - Institutional trust is also negatively impacted by instances of high-profile financial crime, and increasingly so as financial crime is rapidly being enabled by AI and emerging technologies. Fraud, money laundering, tax evasion, corruption and other financial crimes continue to stimulate global public policy debates about the role the accountancy profession (as well as other professions such as the legal profession) can play as part of the solution, as trusted defenders of integrity, transparency and accountability.[9]

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6 See, for example, World Economic Forum, Global Risks Report 2026; Edelman, 2026 Edelman Trust Barometer.

7 Financial Stability Board, Promoting Global Financial Stability: 2025 FSB Annual Report (March 2026); World Economic Forum, Global Risks Report 2026; International Monetary Fund, Fiscal Monitor (April 2026).

8 See, for example, Z. Ning and X. Qi, "Is economic policy uncertainty an excuse for corporate fraud?", Economic Research–Ekonomska Istraživanja 36(2) (2023); Association of Certified Fraud Examiners, Occupational Fraud 2024: A Report to the Nations; R. Povel, R. Singh and A. Winton, "Booms, Busts, and Fraud", Review of Financial Studies 20(4) (2007).

9 See, for example, UNODC, Professional Service Providers; UNODC, Transparency International et al., The Sevilla Initiative for Accountable Service Providers (2026); OECD, Ending the Shell Game: Cracking Down on the Professionals Who Enable Tax and White Collar Crimes (2021); FATF, Horizontal Review of Gatekeepers' Technical Compliance Related to Corruption (July 2024).

- Respondents to the joint survey also ranked technology-enabled financial crime among the most important trends, and many expected its importance to grow as AI and emerging technologies enable more sophisticated forms of fraud and misconduct.

- *Alternative Ownership Structures and Evolving Business Models*
  - Trust in accounting firms also rests on public confidence that their work is trustworthy and that they act in the public interest. That confidence is being tested as firms increasingly change how they are owned, structured and run. Private equity and other external investments bring access to capital, technology and innovation, but may also alter incentives and governance arrangements. Questions have therefore been raised by regulators, standard setters and others as to the extent to which external investors may exert influence over firms' decisions. As a result, accountability is shifting toward the firm as a whole.
  - At the same time, the rapid acceleration of firms' intake of capital from external investors in a growing number of jurisdictions heightens the need for strong governance. Strengthened governance helps to mitigate risks to ethical conduct, independence and quality from ownership changes and allows firms to focus on maintaining a strong ethical culture despite potential changes in decision-making power.
  - Respondents to the joint survey ranked alternative ownership structures in firms among the most important trends. They broadly recognized that evolving firm structures and business models could affect independence, firm culture and *governance, and audit quality.*

- *Regulatory Shift from Individual-level to Firm-Level Accountability*
  - In line with what is happening in the wider financial sector, regulators are responding with a discernible shift from individual-level to firm-level accountability. In audit oversight, for example, regulatory reform discussions in some major jurisdictions[10] increasingly expect oversight to focus on the effectiveness of a firm's system of quality management, not only on engagement-level outcomes.
  - Regulators are also examining firms' alternative ownership structures and starting to take action,[11] reflecting growing recognition of the importance of ethical culture and governance at the firm level in preventing unethical behavior.

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[10] In the UK, the Financial Reporting Council (FRC) introduced a revised supervisory approach in 2026 that places firms' systems of quality management at the center of audit supervision. Similarly, in the United States, the Public Company Accounting Oversight Board's (PCAOB) new quality control standard, QC 1000, strengthens requirements relating to firm governance, leadership accountability and the proactive identification and management of quality risks. Internationally, audit regulators have also expanded their inspection activities to assess firms' systems of quality management, reflecting a broader emphasis on firm-wide mechanisms for sustaining audit quality. The IFIAR notes in its *2025 Survey of Inspection Findings* (April 2026) that "quality management systems are a primary focus of many inspection programs" and that, "since the transition to ISQM 1, many Members have increased their inspection procedures around the member firms' systems of quality management." In 2025, 44 IFIAR members reported on inspections of 161 firms' systems of quality management.

[11] See, for example:

- Association of International Certified Professional Accountants (AICPA&CIMA) Exposure Draft, Alternative Practice Structures: Proposed Revisions to the AICPA Code, issued in December 2025

17. These developments call for stronger ethical foundations in firms as regulators place more emphasis on firm-level accountability and changes in ownership and business models test how well the Code applies. They also create an opportunity for the profession to strengthen and uphold trust in firms and in institutions, including by playing a more visible part in helping to combat financial crime. The developments under this trend are addressed mainly in Strategic Objectives 3 and 4.

Trend 3: AI, Sustainability and Other New Frontiers

18. Three developments continue to push the boundaries within which PAs apply the Code. These are as follows:

- *AI and Emerging Technologies*
    - The rapid advancement of AI and emerging technologies is fundamentally transforming the environment in which PAs operate. AI-powered tools are increasingly embedded in financial reporting, audit and assurance, tax, advisory and other professional activities or services, reshaping how information is generated, analyzed and evaluated, and how professional judgment is exercised.
    - Respondents to the joint survey across stakeholder groups agreed that the increasing use of AI and emerging technologies is a growing strategic priority. They emphasized that standards should remain principles-based and future-proof as technology evolves.
    - While these technological developments offer significant opportunities to enhance efficiency, accuracy and the quality of professional activities or services, they also introduce new ethical challenges relating to professional competence and due care, objectivity, confidentiality, transparency, accountability and the appropriate exercise of professional judgment. The growing reliance on AI-generated outputs, including those produced by complex or opaque models, raises questions about the extent to which PAs can understand, critically evaluate and take responsibility for the information on which they rely and the conclusions or advice they deliver to clients.
    - AI is also making financial crime more sophisticated and harder to prevent, detect and address (see Trend 2).
    - Technological transformation is also reshaping the business models, commercial relationships and competitive dynamics of firms. Increasing automation and AI-enabled service delivery are contributing to fee compression, alternative pricing arrangements and greater emphasis on outcome-based services, potentially introducing new commercial pressures that could affect professional judgment and objectivity. At the same time, firms are building business relationships with AI developers and other technology providers through strategic alliances, joint investments, licensing

- Dutch Authority for the Financial Markets (AFM) – Interpretation of the Dutch Audit Firms Supervision Act (Wta) to clarify how ownership and governance requirements apply where audit firms attract external investment (June 2026)
- Singapore's Accounting and Corporate Regulatory Authority (ACRA) – Practice Direction No.1 of 2026 on External Private Capital Arrangements in Accounting Entities, setting out expectations for accounting entities considering or operating under external private capital arrangements (April 2026)
- UK FRC – Updates to Public Interest Entity (PIE) Auditor Registration Regulations strengthening its oversight of audit firm restructuring (April 2026)

arrangements and integrated service offerings. While such relationships are not new, the speed, depth and complexity of integration in some of these arrangements, and their potential to transform rather than simply evolve how firms operate, may raise new ethics and independence considerations, including matters relating to financial, operational and technological dependencies and potential conflicts of interest. How these developments may affect firms' business models, the delivery of professional services and the application of the Code's requirements therefore warrant further consideration.

- The growing use of multidisciplinary teams, including technology specialists and other non-accounting professionals, also raises questions about the consistency of ethical expectations across increasingly diverse service delivery structures.

- *Digital Assets*
  - The growing use of digital assets and related technologies, including cryptocurrencies, tokenized assets, blockchain-based transactions and decentralized financial arrangements, is creating new complexities for PAs. These arrangements raise potential questions or challenges around transparency, valuation, ownership, accountability and the identification of potentially illicit activities, and they test how the Code applies in new circumstances.
  - Digital finance is also moving into the regulated mainstream, led by fiat-referenced stablecoins and tokenized assets. Regulators are building separate frameworks: the US Federal Reserve has proposed rules under the GENIUS Act, Hong Kong has licensed its first issuers and Singapore is updating its payments law. The FSB[12] and IMF[13] have flagged cross-border vulnerabilities and gaps in monitoring data.
  - As these markets grow, so does the demand for professional assurance over them. Issuers increasingly rely on “audits,” “attestations” and “reserve examinations” to show that their reserves, redemption rights and custody arrangements can be trusted. As a result, PAs are being drawn into a market that is new and complex, changes quickly and is regulated differently in different jurisdictions.
- *Expectations Concerning Sustainability Information*
  - The growing demand for credible sustainability information is broadening the scope and complexity of PAs’ responsibilities. While sustainability-related regulatory developments are progressing at different speeds across jurisdictions, market demand for reliable sustainability information and independent assurance continues to evolve, including in Asia, Africa and Latin America. Divergent regulatory approaches, differences in reporting and assurance requirements, and varying levels of market maturity are contributing to an increasingly fragmented global environment.
  - Beyond sustainability, stakeholders are placing greater emphasis on the credibility of information concerning governance, cybersecurity, AI systems, digital resilience and other emerging areas of corporate reporting. Respondents to the joint survey across stakeholder groups saw these developments as highlighting the role of the SSBs in

[12] “Global Stablecoin Arrangements: Cross-border vulnerabilities and financial stability monitoring” (October 2026)

[13] Global Financial Stability Report (October 2026)

supporting consistent, principles-based, proportionate and scalable sustainability assurance, ethics and independence standards that are globally operable.

19. These developments call for close monitoring of the ethical implications of AI-related transformations to professional activities and services, how firms' rapidly evolving relationships with AI and other technology providers may affect ethical and independence guardrails, and how digital assets and sustainability information test the Code's principles. They are addressed mainly in Strategic Objectives 3 and 4.

Trend 4: Evolving Ethical Expectations Beyond Audit: PAIBs and Multidisciplinary Professionals

20. There are two main dimensions to this trend:

- *Non-Auditor PAs*
    - Jurisdictional data suggest that PAs working in audit represent a minority of the profession.[14] Yet the Code and the public conversation about ethics remain disproportionately focused on external audit and assurance.
    - PAIBs, who are within the scope of the IESBA's standard-setting mandate, work inside companies, governments and other organizations in a variety of roles such as CFOs, controllers, tax accountants and investigators, often serving as the first line of defense against misleading reporting, fraud and greenwashing. They face distinct ethical pressures – employer loyalty, aggressive business or financial targets, and NOCLAR exposure – that differ materially from, and are no less significant to the public interest than, threats to auditor independence. In addition, PAIBs are becoming increasingly central to organizations' sustainability journeys and technology-related transformations, not just in their role facilitating external assurance.
    - Furthermore, despite their "first line of defense" role, PAIBs are a much less regulated segment of the profession. In most jurisdictions, they are not even subject to specific regulations or oversight. This reality makes the IESBA's role even more relevant in supporting these professionals in fulfilling their ethical responsibilities, underpinning integrity at the first level of the whole corporate reporting supply chain.
- *Professionals in Firms Who are Not PAs*
    - Within firms, multidisciplinary and advisory services are growing faster than audit and assurance practices, and firms increasingly recruit professionals from outside

[14] No global statistics exist on the number of PAIBs and non-audit PAs. However, the following are a number of illustrative national figures:

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

accountancy. Growing scrutiny of tax structuring, valuation (especially in private credit markets) and advisory work shows that risks to the profession's reputation are not confined to the audit relationship. Professionals from disciplines such as technology, data science, law and sustainability can enhance the quality of services, but their involvement also raises questions about their knowledge and recognition of the importance of the ethics standards.

21. Further, the impact of the rapid growth in AI and emerging technologies, the growing sophistication of technology-enabled financial crimes, and the increasing complexity and pace of regulatory change does not stop with the audit profession. PAIBs, other PAPPs and non-PA professionals in firms face comparable pressures in their own work.

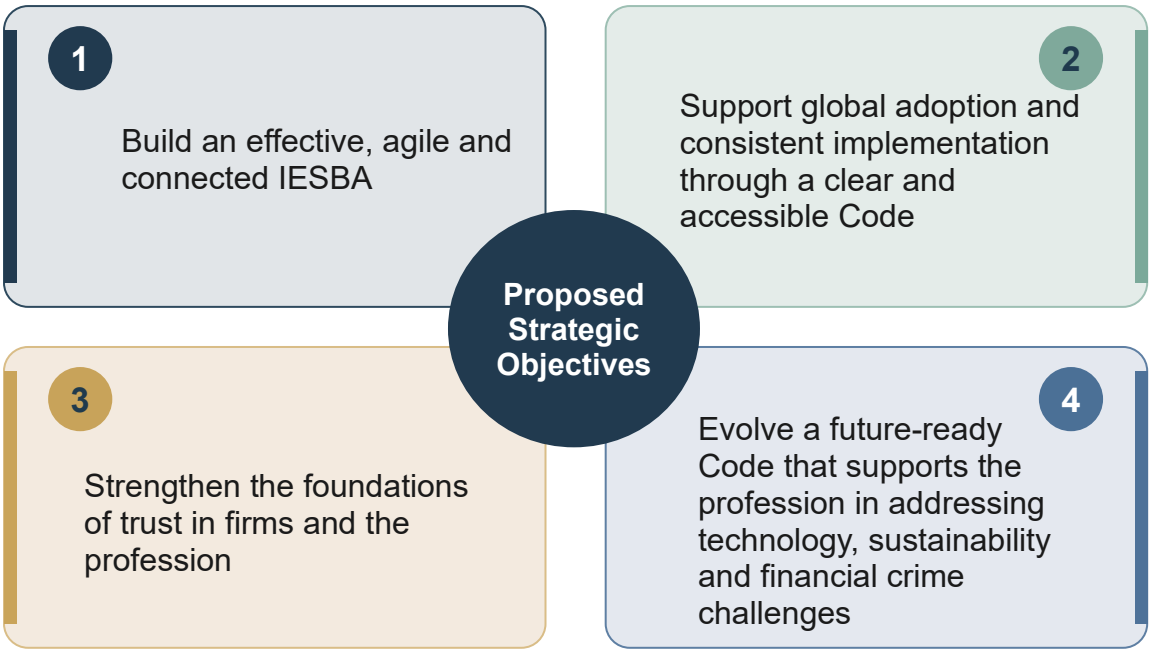
22. These developments call for a Code that speaks directly to the ethical realities of the whole profession, including the distinct pressures faced by PAIBs and PAPPs who are not auditors. They also create an opportunity to strengthen the first line of defense that PAIBs provide against misconduct within organizations. They are addressed mainly in Strategic Objectives 2, 3 and 4.

PROPOSED STRATEGIC OBJECTIVES AND ACTIONS

23. Our proposed strategic objectives respond to stakeholder feedback to the joint survey and to the main environmental trends and related strategic insights described in the previous section.

24. These proposed strategic objectives will guide how we select and prioritize our standard-setting and other activities over 2028–2031. Each strategic objective is supported by strategic actions, which describe what we will do to achieve it.

25. The diagram below highlights the four proposed strategic objectives for the 2028-2031 strategic period:



26. Within each strategic objective, we have set out our proposed strategic actions. The specific initiatives or activities we commit to under these proposed strategic actions will be based on our assessment of their relative level of prioritization, taking into account the nature of the initiatives or activities, our Board and Staff resources, and our operating budget.

SO 1

PROPOSED STRATEGIC OBJECTIVE 1

Build an Effective, Agile and Connected IESBA

A. Enhance Effectiveness, Agility, Connectivity and Institutional Identity

27. The IESBA's institutional effectiveness, including its due process and approach to prioritization and resource allocation, is essential to delivering on all four strategic objectives. This involves a due process and working processes that prioritize agility, timeliness and responsiveness. These incorporate clear criteria for when an issue calls for non-authoritative guidance, a rapid response or standard setting; systematic horizon scanning and evidence-based prioritization as standing functions; and investment in staff capabilities, including in AI and emerging technologies, that will allow us, together with the IAASB, to build a strong and reliable staff-driven working model pursuant to the Monitoring Group recommendations.[15] Greater agility must not, however, come at the cost of due-process rigor, transparency or the quality of consultation.

28. At the same time, the IESBA's global influence depends not only on the quality of the Code but also on the strength and breadth of its relationships with those whose decisions determine whether and how the Code is adopted and used, and on how well its work is communicated and understood. This objective therefore involves asserting a clearer and stronger institutional identity; broadening engagement beyond our traditional stakeholders, including with investors and other users of financial and non-financial information and professional services; showing how stakeholders' input is considered and shapes our decisions; communicating confidently the public-interest value of our work; and continuing to professionalize our communications function.

Proposed Strategic Actions

We will:

- **Develop a framework for timely responses to emerging issues or developments.** We will set clear criteria for deciding when an emerging issue or development calls for non-authoritative guidance, a narrow-scope amendment or full standard setting, or another response, so that we can act in a timely manner without compromising rigor or due process. We will develop the framework in coordination with the IAASB.
- **Enhance our capacity and capability to deliver the strategy.** Together with the IAASB, we will develop and implement an organizational strategy for AI engagement and deployment. This will include consideration of opportunities holistically within the standard-setting ecosystem, and internal opportunities to collect information, analyze themes, manage workflows, develop

[15] Monitoring Group's Recommendations to Strengthen the International Audit and Ethics Standard-Setting System

materials and produce outputs. We will cross-pollinate leading practices between the IESBA and IAASB, including consideration of practices implemented by other standard setters and, as appropriate, adopt or adapt them to optimize the IESBA's practices.

We will also look at more flexible ways of resourcing our work, such as sharing expertise and resources with the IAASB, using AI tools to enhance productivity, and making greater use of staff secondments, consultants and volunteers beyond the Board. This will be done together with reviewing processes supporting standard-setting, including systems and processes supporting research, stakeholder engagement and feedback analysis and incorporation, and content development workflow.

- **Broaden our engagement beyond traditional stakeholders.** We will expand our partnerships and build or strengthen relationships with stakeholders whose decisions affect whether the Code is adopted, used or relied upon, including investors and other users and those outside our traditional constituencies.
- **Reinforce our identity as an independent, global standard setter.** Through communications or other initiatives, we will socialize our vision further, reinforce the important and unique role we play as an independent, global standard setter in serving the public interest and the role of our standards in promoting public trust in the profession and in financial and non-financial reporting.
- **Communicate in ways that promote ethics effectively, make the Code accessible and its public interest purpose clear.** We will pursue and resource a dedicated communications strategy, with defined reach across regions and audiences, and support major Code revisions with plain-language and user-friendly materials.

B. Enhance Coordination and Collaboration with the IAASB and Other Standard Setters

29. This objective additionally involves deepening collaboration with the IAASB, as many of the issues the two Boards address have both ethical and audit or assurance dimensions. Building on recent collaborative efforts, the two Boards will coordinate from the earliest stages of their work, from strategic planning and project scoping through to PIRs. The aim is to support the interoperability of their standards, aligned timelines, and a more impactful stakeholder experience. The Boards will also explore sharing expertise and resources, including on technology and implementation support, and common approaches to timely responses, while respecting each other's remit. The same aim of interoperability guides our work with other international standard setters, such as the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and with regulators.

Proposed Strategic Actions

We will:

- **Coordinate with the IAASB from the earliest stages on interconnected issues, and work with other standard setters to promote interoperability.** We will coordinate early on work plan priorities and agree case by case whether joint or coordinated work is needed, including on public consultations. We will seek opportunities with the IAASB to share knowledge, technical expertise and, where appropriate, resources, including through joint expert and advisory groups.

- **We will continue to engage jointly with stakeholders at a strategic level**, where this serves our mutual objectives, and work with other standard setters, such as the IASB and the ISSB, to promote interoperability.

SO 2

PROPOSED STRATEGIC OBJECTIVE 2

Support global adoption and consistent implementation through a clear and accessible Code

30. This strategic objective responds to a clear message from respondents to the joint survey that we should prioritize adoption, implementation support and PIRs, and keep the Code principles-based and proportionate.

31. Adoption and implementation support will therefore be a strategic priority under this objective. This involves collaborating with partners such as the International Federation of Accountants (IFAC) and jurisdictional standard setters (JSS) to diagnose why adoption lags, close feedback loops with jurisdictions early, and promote a consistent understanding of how the Code applies across jurisdictions.

32. Feedback from the joint survey indicated concerns about the increasing length, prescriptiveness and complexity of the Code. While there were suggestions that simplification should be a priority to improve adoption and usability, there was also caution that simplification should not diminish the Code's effectiveness or be a reactive response to regulatory or political cycles. We will therefore pursue targeted simplification where it is driven by evidence of issues regarding usability, clarity, proportionality, and undue complexity. This effort will be informed by PIRs, implementation monitoring and other stakeholder feedback. Simplification also means making the Code easier to access and use through tools such as the digital Code and implementation support materials.

33. Effective adoption and implementation of the Code must also take into account the whole accountancy profession. Most PAs are not auditors (see Trend 4), yet discussion of the Code and ethical issues often focuses on audit and assurance. PAIBs face distinct ethical pressures, such as employer loyalty, aggressive business or financial targets and exposure to non-compliance with laws and regulations (NOCLAR®), which are no less significant to the quality of financial and sustainability information and the public interest than threats to auditor independence. PAPPs who are not auditors face comparable ethical pressures or dilemmas in tax, advisory, forensic and other services. Our implementation support will therefore also reach PAIBs and PAPPs other than auditors.

34. The Code also needs to be proportionate. Provisions need to be workable for small and medium practices (SMPs) and practitioners in emerging markets, not only for the largest global networks of firms. We will therefore continue embedding proportionality in the Code where appropriate and make it workable in practice through adoption and implementation support, including non-authoritative material (NAM).

Proposed Strategic Actions

We will:

- **Focus adoption and implementation support where it is most needed.** We will collaborate with IFAC, JSS and other partners to better understand why adoption of the Code is delayed or partial in some jurisdictions. To the extent within our control, we will develop targeted initiatives to help advance adoption in identified jurisdictions. We will also collaborate with partners and stakeholders to identify and respond to implementation support needs, including among PAIBs and PAPPs other than auditors. This work will be led by our Adoption and Implementation (A&I) Working Group.
- **Undertake targeted simplifications of the Code where warranted**. Through PIRs, implementation monitoring and stakeholder feedback, we will identify provisions in the Code that are unduly complex or difficult to understand and implement. We will undertake targeted simplifications where justified by the findings while preserving the robustness of the Code's principles.
- **Pursue opportunities to make the Code easier to access and use**. In the context of simplification, we will seek to improve how the Code is accessed and used, drawing on initiatives already underway that will continue beyond the end of the current strategic cycle.
- **Reinforce the proportionality of the Code.** We will develop implementation support materials that further explain the proportionality of the Code, particularly for SMPs and practitioners in emerging markets. On any future standard-setting projects, we will proactively and more visibly build proportionality into the blueprint of the standards.

SO 3

PROPOSED STRATEGIC OBJECTIVE 3

Strengthen the foundations of trust in firms and the profession

35. Financial regulators are increasingly placing preventive regulation and supervision high on their agenda, focusing on the governance and resilience of financial institutions rather than on individual decisions and operations. This aims at mitigating the inception and spreading of risks resulting from institutional and governance vulnerabilities and at addressing them when and where they can be prevented. Likewise, audit regulators are increasingly monitoring firms' systems of quality management and, in some cases, the firms' culture and governance, rather than just focusing on individual engagements and behavior.[16] This reflects a broader shift in oversight, throughout the financial and business system, from detection to prevention.

[16] For example, in his March 31, 2026 statement on the U.S. Public Company Accounting Oversight Board (PCAOB's) strategic priorities, PCAOB Chairman Demetrios Logothetis underlined an objective for the PCAOB's inspections to "better leverage automation and artificial intelligence (AI) and focus them on the bedrock of audit quality – firms' systems of quality management – with engagement-level reviews serving as validation of those systems, as opposed to being the core emphasis."

36. Changes in how firms are owned and run strengthen this shift. Private equity and other external investment (PE&OEI) is bringing innovation to firms' ownership, governance and business. But it can also raise questions about how much influence investors have over a firm's decisions, and therefore blur accountability. External investors' return on investment expectations may also create pressures on independence and public interest responsibilities. Respondents to the joint survey ranked alternative ownership structures as one of the most important trends with implications for our strategic agenda.

37. Technology, and AI in particular, adds a further important dimension. As AI tools increasingly shape how work is performed and how judgments are formed, responsibility for how those tools are selected, governed and relied upon falls largely on the organization, not on any single individual. Data adds a further layer. Firms and PAs increasingly rely on AI, cloud platforms and external providers to collect, hold and use data, including customer or client data. From a data governance perspective, this may raise ethical questions around, for example, confidentiality, professional judgment, independence and accountability.

38. From a firm perspective, firm culture and governance (FCG) carry greater weight. A firm's ethical culture becomes a primary means of prevention. It strengthens the firm's resilience against misconduct, protects its brand, can reduce the need for detailed regulation, and ultimately shapes the reputation of the profession and the trust placed in it. Therefore, this objective involves setting clear expectations for ethical culture and governance across the whole firm, including their interrelationship with PE&OEI in firms.

Proposed Strategic Actions

We will:

- **Support implementation of the firm culture and governance provisions once this current project is completed**. We will develop implementation and other support material, including in coordination with the IAASB where applicable, and monitor the roll-out of the provisions so that we can identify and address any early implementation challenges.
- **Address the ethics and independence implications of PE&OEI in firms**. We will action any recommendations we accept from our information gathering in this current workstream, which is being undertaken in collaboration with the IAASB. We will coordinate any such actions with the IAASB.
- **Review the adequacy of the ethics and independence provisions in the Code against the rapidly evolving business models of firms**. We will gather information on the evolving business relationships between firms and AI and other technology providers, and respond appropriately to any findings.
- **Address data governance from an ethical perspective**. We will gather information on the governance over the data lifecycle and the related ethical implications, including for confidentiality, professional judgment, independence and accountability, and determine the appropriate response.

SO 4

PROPOSED STRATEGIC OBJECTIVE 4

Evolve a future-ready Code that supports the profession in addressing technology, sustainability and financial crime challenges

39. Technology is reshaping how professional activities or services are performed or delivered. It is also increasing the scale and sophistication of financial crime. Demand for credible sustainability information continues to grow, even as regulatory approaches diverge across jurisdictions. These developments affect the whole profession, not only auditors. PAIBs are often the first line of defense against fraud, misleading reporting and greenwashing within organizations, and PAPPs other than auditors may encounter the same risks in tax, advisory, forensic work and other non-assurance services. The Code, therefore, must keep pace with these enduring shifts.

40. On technology, this involves keeping the Code fit for purpose as AI changes how PAs work, exercise professional judgment and take responsibility for the outputs they rely on, including where AI is itself the subject of assurance. It also involves considering whether the Code's independence guardrails remain adequate as business relationships between firms and AI and other technology providers grow in scale, pace and complexity, and monitoring developments in digital assets. As these were the areas that the joint survey respondents most commonly identified for joint work, we will coordinate our work closely with the IAASB.

41. On sustainability, the focus is on supporting global adoption and implementation (A&I) of the IESBA's sustainability-related standards, by PAIBs who prepare sustainability information as well as by those who assure it, and their interoperability with the IAASB's ISSA 5000, rather than on expanding the standard-setting agenda. Where regulatory divergence affects adoption, this objective also involves making clear the public interest case for consistent ethics and independence requirements in sustainability assurance.

42. On financial crime, this involves building on the NOCLAR PIR and assessing whether the Code adequately supports PAs in responding to emerging risks such as AI-enabled fraud, particularly PAIBs, who are often the first to encounter them. It also involves building relationships with anti-money-laundering bodies and others beyond the profession, and contributing to global public policy debates about the role the profession can play as a guardian of integrity, transparency and accountability, underpinned by the Code.

Proposed Strategic Actions

We will:

- **Address the ethical implications of AI and emerging technologies in PAs' work.** We will draw on the work of our Technology Working Group (TWG) and the input of our Technology Expert Group (TEG) to identify where further guidance or other action may be needed. We will coordinate with the IAASB where issues identified involve both ethics and audit and assurance considerations.
- **Address developments in digital assets**. We will gather information on the growing use of digital assets and related technologies as these give rise to new complexities and potential

questions or challenges for PAs, including around transparency, valuation, ownership, accountability and the identification of potentially illicit activities.

- **Support the consistent implementation of the IESBA's sustainability-related standards.** We will continue to monitor the implementation of the sustainability-related standards, including the IESSA, and develop appropriate responses to identified challenges, working in close coordination with the IAASB.
- **Enhance support for the profession's role in combating financial crime**. We will build on the outcomes of the NOCLAR PIR and gather information on rapidly expanding risks such as AI-assisted fraud to understand the ethical implications for PAs. We will pursue opportunities to develop guidance to better support PAs in responding to financial crime. In addition, we will seek to develop closer working relationships with recognized organizations involved in the global fight against financial crime, and contribute to global public policy debates about the role the profession can play as part of the solution.

SECTION III: PROPOSED WORK PLAN 2028-2031

43. Table 2 sets out our proposed work plan for 2028–2031 by strategic objective. Table 2 shows the proposed initiatives or activities we have selected, or expect to select, with indicative timing, together with ongoing activities that run throughout the period.

44. Under each strategic objective, annually we expect to assess the possible initiatives and activities in Appendix 2 or any new ones and decide which ones to take forward as part of the work plan. We will use the prioritization approach described below. Assessing all objectives together allows us to set a realistic and balanced program of work within our resources, rather than adding work objective by objective.

45. In 2028, our focus will be on completing work already under way, starting the initiatives or activities we have already decided on, and setting other priorities for the remaining capacity. As existing work concludes, capacity will shift to the initiatives or activities later in the period, as confirmed through our annual reviews. The timing shown is indicative.

46. Table 2 does not reflect the fact that some capacity is held in reserve to enable us to respond to emerging issues or developments in a timely manner, whether identified through our horizon scanning function, our ongoing coordination with the IAASB on standard-setting projects, or otherwise.

47. Table 2 also indicates the work we expect to undertake in coordination with the IAASB, reflecting the joint survey feedback calling for earlier and deeper coordination between the two Boards. Items marked ◎ are those the two Boards have identified for collaborative action, such as joint information gathering or connected PIRs. Other items noted as being 'in coordination with the IAASB' will be subject to our regular coordination with the IAASB. For each collaborative item, the two Boards will agree the form of collaboration at the scoping stage. Where the Boards' timelines differ, we will seek to align them.

Table 2: Proposed Work Plan 2028–2031

The nature and timing of initiatives or activities in the work plan may change depending on Board decisions on which actions to prioritize. Annually, we will reassess initiatives or activities under each strategic objective and decide which ones to continue or which new ones to take forward, in conjunction with the other strategic objectives.

	2028	2029	2030	2031
SO 1: Build an Effective, Agile and Connected IESBA				
1.1 Develop a framework for timely responses to emerging issues or developments • Develop a framework for responding to emerging issues or developments, with clear criteria for deciding when non-authoritative guidance, a narrow-scope amendment, full standard setting or another response is appropriate. This will enable more timely responses while maintaining rigor and transparency. This work will be done in coordination with the IAASB. • Strengthen horizon scanning and evidence-based	X			

	2028	2029	2030	2031
prioritization as standing functions, keeping emerging issues or developments under regular monitoring.				
1.2 Ongoing actions: ***1.2.1 Enhance our capacity and capability to deliver the strategy*** • Strengthen staff capacity, including by making greater use of secondments, consultants and volunteers, alongside permanent staff. • Develop and implement with the IAASB an organizational strategy for AI engagement and deployment. This includes strengthening staff capabilities in AI and emerging technologies and making effective use of AI tools in research and analysis. • Work with the IAASB to identify and adopt common benchmarks, effective approaches and tools, and good practices in how we work, including enhancing our processes for information gathering and outreach, and creating mechanisms for early or real-time feedback on the implementation of the Code. ***1.2.2 Broaden our engagement beyond traditional stakeholders*** • Expand the Partnerships Program under the IESBA's A&I workstream to include a wider range of organizations, extending the reach of our outreach and implementation support. • Establish and strengthen engagement with stakeholder groups beyond our traditional constituencies, such as prudential regulators and banking supervisors, sustainability assurance providers, bodies involved in combating financial crime, and private markets participants. • Establish more structured engagement with PAIB networks and relevant regulators. ***1.2.3 Reinforce our identity as an independent, global standard setter*** • Engage visibly with investors and other users and the broader stakeholder community to reinforce the	X	X	X	X

	2028	2029	2030	2031
IESBA's identity as an independent, global standard setter and its role in promoting public trust in the profession and in financial and non-financial reporting. ***1.2.4 Communicate in ways that promote ethics effectively, make the Code accessible and its public interest purpose clear*** • Adopt and resource a dedicated communications and stakeholder engagement strategy as a core Board function, with defined reach across regions and audiences. • Raise awareness and understanding of the Code among PAIBs and non-PA practitioners, including through targeted channels and partners that reach them directly. • Publish plain-language, user-friendly and practical explanatory materials and digital resources alongside every major revision of the Code. • Make the public interest rationale for major standard-setting projects, decisions and due process steps more transparent throughout the project lifecycle. • Track how the IESBA and the Code are known, understood and used globally, including whether the IESBA is seen as representing users and the public interest and not only the profession, and use the results to adjust our approach. 1.2.5 ***Enhance coordination and collaboration with the IAASB and other standard setters*** • Coordinate with the IAASB from the early stages of relevant work, identifying cross-Board implications before projects begin and agreeing whether joint or coordinated work is most appropriate. • Explore with the IAASB joint expert and advisory groups to share knowledge and technical expertise. • Identify opportunities for synergies with the IAASB on standard setting, the development of implementation support material, outreach and other activities. • Undertake coordinated PIRs with the IAASB on				

	2028	2029	2030	2031
shared priorities (see 2.3 and 2.4). • Develop and implement with the IAASB a common approach to PIRs, building on a review of the two Boards' approaches in 2027 and taking into account the PIOB's revised due process for conducting such reviews. • Work with the IASB and ISSB, where appropriate, to promote interoperability between standards.				
SO 2: Support Global Adoption and Consistent Implementation through a Clear and Accessible Code				
2.1 Complete *existing* work: 2.1.1 Non-authoritative material on collective investment vehicles (CIVs)[17]	X			
2.2 Undertake PIRs of non-assurance services (NAS) and fees provisions[18]	X	X		
2.3 Undertake PIR of the definition of public interest entity (PIE)[19]	X	X		
2.4 Undertake PIR of independence provisions addressing group audits[20]		X	X	
2.5 Undertake PIR of the tax planning standards[21]				X
2.6 Ongoing actions: ***2.6.1 Undertake A&I initiatives or activities under the A&I***	X	X	X	X

[17] In December 2025, the IESBA accepted the CIVs Project Team's final report on auditor independence for audits of CIVs and pension funds and agreed to develop NAM on applying the conceptual framework in this area. Paused in 2026 to free resources for other priorities, the work is expected to resume in 2027 as capacity becomes available.

[18] The NAS and fees provisions became effective in December 2022.

[19] The revisions to the definition of a PIE and related provisions became effective in December 2024. We will undertake this PIR in collaboration with the IAASB, which plans to revisit the definition of a PIE in its quality management standards and ISAs in light of the PIR.

[20] The independence provisions addressing group audits and the IAASB's ISA 600 (Revised) have the same effective date, i.e., for audits of group financial statements for periods beginning on or after December 15, 2023. We will undertake this PIR in collaboration with the IAASB's PIR of ISA 600 (Revised).

[21] The tax planning standards became effective in July 2025.

	2028	2029	2030	2031
Working Group • See A&I Working Group's Phase 2 plan in Appendix 2 ***2.6.2 Focus A&I support where it is most needed*** • In partnership with IFAC, JSS and other stakeholders, assess the reasons for delayed or partial adoption of the Code across jurisdictions; to the extent within our control, pursue targeted initiatives to support jurisdictions in adopting the latest version of the Code. • Through outreach and other initiatives, identify and respond to A&I needs for PAIBs and PAPPs other than auditors. • Develop achievable and measurable goals for adoption, to the extent within the IESBA's control. ***2.6.3 Undertake targeted simplifications of the Code where warranted*** • Through PIRs, implementation monitoring and stakeholder feedback, identify provisions in the Code that are unduly complex or difficult to understand and implement; undertake targeted simplifications where justified by the findings, while preserving the robustness of the Code's principles. ***2.6.4 Pursue opportunities to make the Code easier to access and use*** • In collaboration with IFAC, test and relaunch the digital Code, with improved navigation, search and interactive tools. • Building on the initiatives already under way, identify and develop other ways to further enhance the usability of the Code. • Develop guidance and other support material for PAIBs and PAPPs other than auditors on topics such as NOCLAR, tax advisory, forensic accounting and conflicts of interest. ***2.6.5 Reinforce the proportionality of the Code*** • Develop non-authoritative and other support material that further explains how the Code can be applied proportionately, particularly for SMPs.				

	2028	2029	2030	2031
• Develop non-authoritative and other support material tailored to the needs and circumstances of practitioners in emerging markets. ***2.6.6 Use implementation evidence from PIRs to guide our responses*** • Undertake PIRs, consider the findings and take further action as appropriate, such as developing additional guidance.				
SO 3: Strengthen the Foundations of Trust in Firms and the Profession				
3.1 Complete existing work: ***3.1.1 Support implementation of the FCG provisions***[22] • Develop non-authoritative and other guidance material to support A&I of the FCG provisions, in coordination with the IAASB. • Monitor implementation to identify and address implementation challenges. ***3.1.2 Address the ethics and independence implications of PE&OEI in firms***[23] • Consider the findings and recommendations from information gathering and take any appropriate actions, whether undertaking a standard-setting project or developing non-authoritative material or both, in coordination with the IAASB.	X	X		
3.2 Review the adequacy of the ethics and independence provisions in the Code against the rapidly evolving business models of firms[24] *(subject to information gathering and prioritization assessment)* • Review how the Code's provisions apply as firms build business relationships with AI and other	X			

[22] The current FCG project is targeted for completion by Q3 2027.

[23] In July 2026, the IESBA and IAASB established a collaborative workstream approach for undertaking "Phase 1" information gathering relating to this topic, which is expected to culminate in a joint final report in March 2027 for each Board's consideration.

[24] Given that business relationships between firms and AI and other technology providers are growing in speed, scale and depth, the IESBA has agreed to initiate an information-gathering workstream [insert link to approved ToR] to understand the ethics and independence implications of these rapidly evolving business relationships. We will coordinate with the IAASB where matters of mutual interest arise. A final report is targeted for December 2027.

	2028	2029	2030	2031
technology providers, and respond appropriately to any findings.				
3.3 Address data governance from an ethical perspective[25] (*subject to information gathering and* prioritization *assessment*) • Gather information on data governance from an ethical perspective, including accountability for data quality, holding and using customer or client data (including in developing AI tools), and how its use affects professional judgment, client and engagement relationships, independence, cybersecurity and confidentiality. • Consider and take appropriate action to address the ethics and independence issues identified, including developing guidance material.			X	
SO 4: Evolve a Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges				
4.1 Complete existing work: ***4.1.1 Follow-up to the NOCLAR PIR***[26]	X			
4.2 *Address developments in digital assets* *(subject to information gathering and prioritization assessment)* • Gather information on ethics and independence considerations relating to digital assets, including around transparency, valuation, ownership, accountability and the identification of potentially illicit activities, consider the findings and take further action as appropriate.		X	X	
4.3 *Enhance support for the profession's role in combating financial crime* *(subject to information gathering and*	X	X	X	X

[25] Our TWG's 2022 report recommended that we address the ethics implications of PAs holding data that belongs to clients and others beyond confidentiality and the independence provisions on storing audit clients' data, together with wider data governance challenges.

[26] We expect to complete the PIR of the NOCLAR provisions in 2027. In 2028, we will take forward any actions the Board agrees in response to its findings, coordinating with the IAASB if it takes forward work on ISA 250 (Revised).

	2028	2029	2030	2031
prioritization assessment) • Gather information on financial crime, including AI-assisted fraud, identity manipulation and fabricated financial information, and determine whether guidance on the ethical considerations is warranted; consider targeted revisions to the Code only where the evidence shows a clear need. • Build working relationships with recognized organizations involved in the global fight against financial crime; leverage these relationships to share insights on emerging risks and contribute to global public policy debates about the role the profession can play as part of the solution. • Communicate how the Code supports PAs, particularly PAIBs who are often the first line of defense, in preventing, identifying and responding to financial crime.				
4.4 Undertake PIR of the technology-related revisions[27]			X	X
4.5 Ongoing actions: ***4.5.1 Support the consistent implementation of the IESBA's sustainability-related standards*** • Monitor the implementation of the sustainability-related standards, including the IESSA, and develop additional NAM as needed. This work will be carried out in coordination with the IAASB. ***4.5.2 Address the ethical implications of AI and emerging technologies in PAs' work*** • Consider emerging issues or developments identified by the TWG and TRC, including in relation to the assurance of AI systems, and determine whether further information gathering or other action is warranted.	X	X	X	X

[27] The technology-related revisions to the Code came into effect in December 2024.

HOW WE WILL PRIORITIZE AND ADJUST

48. As we work with limited resources, we apply a consistent approach to deciding which initiative or activity to take up and when. We assess each initiative or activity against five criteria:

    (a) **Remit:** whether the matter falls within our remit and can be addressed through standard setting or related activities;

    (b) **Strategic significance:** its public interest significance, global relevance, alignment with our strategic objectives, and stakeholder expectations;

    (c) **Urgency:** the risks of not acting, and how time-sensitive a response is;

    (d) **Feasibility:** whether a technically sound and achievable response that would make a meaningful difference is likely within a reasonable timeframe; and

    (e) **Resource demand:** the staff and Board time required, having regard to technical complexity, consultation needs and any need for external expertise.

49. These assessments inform the Board's judgment rather than produce a score. Work of the highest priority has first call on resources. Each work stream is then started or continued, deferred until capacity allows, put on hold, or removed from the work plan.

50. We also consider the collective impact of the work plan as a whole from a public interest perspective. This includes whether stakeholders can absorb the pace and volume of our outputs, the demands we place on them for input through surveys, exposure drafts and other consultations, and the balance between standard setting and supporting global A&I. As many of our stakeholders also engage with the IAASB, we take into account the combined volume and timing of both Boards' consultations and other outputs, and their cumulative impact on stakeholders.

51. We will review the work plan and our priorities at least annually. Deliverables and timing may change as a result of project findings, stakeholder feedback, changes in available resources or significant developments in our environment. We will explain any significant changes transparently. Our work plan and prioritizations are subject to oversight by the PIOB.

INDICATIVE RESOURCE ALLOCATION (New section added this version)

52. Our work is expected to be supported by an operating budget of approximately [insert amount] in 2028 as an allocation within the broader budget of the International Foundation for Ethics and Audit (IFEA). On balance, the overall IFEA budget and allocations for the IESBA and the IAASB are expected to be reasonably stable, with low expectations of additional funds entering the system, other than the possibility of agreed upward annual adjustments.

53. Owing to the nature of our activities and deliverables, the availability of human resources in the context of total hours viewed as full-time equivalent (FTE) units provides the most appropriate measure to indicate the allocation of resources to deliver our work plan. FTE units take into account technical staff employed by IFEA and allocated to the IESBA, and volunteers or secondees used to augment staff capacity.

54. We expect to have the following human resources available at the start of 2028, with the expectation that this would remain stable across 2028–2031:

Table 3: Technical Staff Available in 2028

Staff level	Number	FTE units
Directors	4	4.0
Principals	4	4.0
Senior Managers	3	3.0
Volunteer/Secondee	1	1.0
Total	**12**	**12.0**

Note¿Technical.staff.allocated.to.the.IESBA?excluding.senior.leadership¡.FTE. units.assume.all.staff.work.full_time¡

55. The following is an indicative resource allocation for 2028 across the items in Table 2. We provide an estimate for 2028 only, as the work we take up in later years will depend on the outcome of work under way, our annual assessment of possible initiatives and developments in our environment, and related information gathering. In estimating the allocation, we aim to retain 5-10% of our capacity in reserve to respond to unplanned or unexpected work such as addressing emerging issues or developments. For 2028, we have estimated this reserve at 5%. We also allow for 15% of our capacity to be used for Board operational and administrative activities.[28] The allocation is not a fixed share for each strategic objective, as the balance will shift as existing work concludes and new initiatives or activities are confirmed.

Table 4: Indicative Resource Allocation by Strategic Objective for 2028

Strategic Objective	Total Technical Staff Resource
SO 1: Build an Effective, Agile and Connected IESBA	15%
SO 2: Support Global Adoption and Consistent Implementation through a Clear and Accessible Code	25%
SO 3: Strengthen the Foundations of Trust in Firms and the Profession	20%
SO 4: Evolve a Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges	20%
Total work plan (Table 2)	**80%**
Reserve for unplanned or unexpected work	5%
Board operational and administrative activities	15%
Total	**100%**

56. As part of our annual review of the work plan, we will review the resource allocation, report on how capacity has been used and on progress against each strategic objective.

[28] This may include, for example, management of the IESBA budget, support for outreach and communications activities, IESBA Planning Committee support, staff training, maintenance of the IESBA Handbook, etc.

Appendix 1

List of Acronyms and Abbreviations

A&I	Adoption and implementation
AI	Artificial intelligence
CIV	Collective investment vehicle
CP	Consultation paper
FCG	Firm culture and governance
FTE	Full-time equivalent
IAASB	International Auditing and Assurance Standards Board
IASB	International Accounting Standards Board
IESSA	International Ethics Standards for Sustainability Assurance (including International Independence Standards)
IFAC	International Federation of Accountants
IFEA	International Foundation for Ethics and Audit
IFIAR	International Forum of Independent Audit Regulators
IOSCO	International Organization of Securities Commissions
ISA 250	International Standard on Auditing (ISA) 250, *Consideration of Laws and Regulations in an Audit of Financial Statements*
ISA 600 (Revised)	ISA 600, Special Considerations – *Audits of Group Financial Statements (Including the Work of Component Auditors)*
ISQM 1	International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*
ISSA 5000	International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*
ISSB	International Sustainability Standards Board
JSS	Jurisdictional standard setters
NAM	Non-authoritative material
NAS	Non-assurance service(s)
NOCLAR®	Non-compliance with laws and regulations
PA	Professional accountant
PAIB	Professional accountant in business
PAPP	Professional accountant in public practice

PCAOB	U.S. Public Company Accounting Oversight Board
PE&OEI	Private equity and other external investment (in firms)
PIE	Public interest entity
PIR	Post-implementation review
SMP	Small and medium practice
SO	Strategic objective
SSB	Standard-setting board
SWP	Strategy and Work Plan
TEG	IESBA Technology Expert Group
TRC	IESBA Trends and Risks Committee
TWG	IESBA Technology Working Group

Appendix 2

Adoption and Implementation Working Group Phase 2 Plan (Placeholder)