[Draft] Consultation Paper

IESBA Proposed Strategy and Work Plan for 2028–2031

Agenda Item 2A – Draft for IESBA October 2026 Virtual Meeting

[MONTH/YEAR]

IESBA
International Ethics Standards Board for Accountants
AN IFEA BOARD

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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 ethics standards, including auditor independence requirements, which seek to raise the bar for ethical conduct and practice for all professional accountants through a robust, globally operable *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code).

The IESBA believes a single set of high-quality ethics standards enhances the quality and consistency of services provided by professional accountants, thus contributing to public trust and confidence in the accountancy profession. The IESBA sets its standards in the public interest with advice from the IESBA Stakeholder Advisory Council (SAC) and under the oversight of the Public Interest Oversight Board (PIOB).

ABOUT THIS CONSULTATION

This Consultation Paper invites views from stakeholders on the IESBA's proposed Strategy and Work Plan for 2028-2031. The IESBA notes that it has developed this Consultation Paper in coordination with the International Auditing and Assurance Standards Board (IAASB). The IAASB has issued a similar consultation paper on its Strategy and Work Plan for the same period. The two Boards' proposed Strategies and Work Plans represent two independent but complementary approaches aimed at fulfilling each Board's public interest mission. Stakeholders are invited to account for these complementary approaches in developing their responses.

This Consultation Paper comprises three sections:

- Section I – Request for Comments;
- Section II – Proposed Strategy 2028–2031; and
- 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

[Placeholder - We will include the information in the December 2026 version]

SECTION II: PROPOSED STRATEGY 2028-2031

VISION

[To be added]

VALUE PROPOSITION

[To be considered]

KEY STAKEHOLDER FEEDBACK, ENVIRONMENTAL TRENDS AND STRATEGIC INSIGHTS

1. This section sets out the key stakeholder feedback, environmental trends and related strategic insights that shape our proposed strategy. They draw on the feedback from a joint stakeholder survey with the IAASB, to which 108 stakeholders responded, as well as 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. We begin with key messages we heard from stakeholders and then describe four environmental trends that we believe will shape our environment over 2028–2031. Together, the stakeholder feedback, trends and related insights underpin our proposed strategic objectives and actions.

Key Messages We Heard from Stakeholders

2. In 2026, the IESBA and the IAASB (the standard-setting boards (SSBs)) conducted a joint stakeholder survey (joint survey) on what their strategies should be for 2028-2031. Respondents came from a wide range of stakeholder groups and regions, including two Monitoring Group members.

3. Respondents overwhelmingly identified the increasing use of artificial intelligence (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, as well as a call for greater agility in standard setting.

4. Key feedback from respondents is reflected in the discussions of three of the four main environmental trends identified below: interconnected markets, fragmenting rules (Trend 1); erosion of institutional trust and a new architecture of accountability (including changing firm ownership, structures and business models, and technology-enabled financial crime) (Trend 2); and AI, sustainability and other new frontiers (Trend 3).

5. A large proportion of professional accountants[1] (PAs) work outside audit and assurance and face growing ethical pressures. So, we have also identified a fourth main trend, evolving ethical expectations beyond audit (Trend 4), reflecting the growing complexity of the roles played by PAs outside audit and assurance as well as professionals in firms who are not PAs, the evolving expectations placed on them, and the ethical challenges arising from their increasing involvement in areas such as corporate decision-making, sustainability, technology and organizational governance.

6. The call for greater agility is not a trend per se. It relates more to how we work. It is therefore addressed under Strategic Objective 1 below.



7. Respondents across stakeholder groups also shared views on how the SSBs should work:

   - **Stability and implementation.** Allow a period of stability given the pace of recent standard setting, and prioritize adoption, implementation support and post-implementation reviews. This is at the core of Strategic Objective 2, and our proposed work plan focuses on completing existing work, post-implementation reviews and implementation support.
   - **Principles-based, proportionate standards.** Keep standards principles-based, proportionate and scalable, and avoid unnecessary complexity. Strategic Objective 2 responds through a focus on simplification and proportionality, particularly for small and medium practices (SMPs) and practitioners in emerging markets.
   - **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. However, as agility also relates to the rapid

[1] The following terms are defined in the Code as follows:

- **Professional accountant (PA)**: "An individual who is a member of an IFAC member body. *In Part 1, the term "professional accountant" refers to individual professional accountants in business and to professional accountants in public practice and their firms. In Part 2, the term "professional accountant" refers to professional accountants in business. In Parts 3, 4A and 4B, the term "professional accountant" refers to professional accountants in public practice and their firms*"
- **Professional accountant in business (PAIB)**: "A professional accountant working in areas such as commerce, industry, service, the public sector, education, the not-for-profit sector, or in regulatory or professional bodies, who might be an employee, contractor, partner, director (executive or non-executive), owner-manager or volunteer."
- **Professional accountant in public practice (PAPP)**: "A professional accountant, irrespective of functional classification (for example, audit, tax or consulting) in a firm that provides professional services. *The term "professional accountant in public practice" is also used to refer to a firm of professional accountants in public practice*."

and disruptive changes in our environment, it is also relevant to all the other strategic objectives and related strategic actions.

- **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 a focus on broadening our engagement, including with investors and other users, and showing how input from our broad community of stakeholders 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 and post-implementation reviews (Strategic Objectives 1 and 2). Matters of due process and governance are being addressed through the Public Interest Oversight Board's (PIOB) review of the SSBs' due process and the broader reforms of the standard-setting system led by the Monitoring Group.

8. Many respondents, including the Monitoring Group respondents, also called for earlier and deeper coordination between the IESBA and the IAASB, especially in addressing topics such as technology, sustainability assurance, firm culture and governance, and alternative ownership structures in firms. They saw the main value of such coordination in implementation support and maintaining the interoperability of the two Boards' standards, and not necessarily in new joint standard-setting projects. Suggestions included coordinated post-implementation reviews, particularly on the definition of a public interest entity (PIE), the IESSA[2] and ISSA 5000,[3] and standards addressing using the work of an external expert and NOCLAR®[4] /ISA 250 (Revised).[5] The topic of coordination with the IAASB is addressed across all four strategic objectives, with a special emphasis in Strategic Objective 1.

9. This feedback has helped shape our proposed strategy and work plan. It is leading us to be more deliberate about balancing the need for stability against the public interest imperative of responding to emerging issues, 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 standards, close coordination with the IAASB, and increased agility to respond when new issues emerge.

Main Environmental Trends and Related Strategic Insights Shaping Our Work

Trend 1: Interconnected Markets, Fragmenting Rules

10. 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

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2 International Ethics Standards for Sustainability Assurance (including International Independence Standards)

3 International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance*

4 Non-Compliance with Laws and Regulations

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

regulators and jurisdictional standard setters but also, and mostly, to investors and other users operating across markets.

11. 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.

12. 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;[6] others have scaled back earlier sustainability reporting ambitions, including by narrowing scope, delaying implementation, or pausing planned requirements;[7] and yet others have retreated from certain Environmental, Social and Governance (ESG) disclosure requirements altogether.[8]

Table 1: Adoption of the IESBA's Sustainability-Related Ethics Standards (IESSA) by Jurisdiction as of September 2026

Adoption status	Jurisdictions
Adopted 14 jurisdictions	Australia · Bulgaria · Ghana · Hong Kong SAR · India · Japan · Malaysia · New Zealand · Pakistan · Saudi Arabia · South Africa · United Kingdom · Zambia · Zimbabwe
Adoption in progress 8 jurisdictions	Brazil · China · Kenya · Netherlands · Nigeria · Singapore · 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

13. Increasing fragmentation of regulatory frameworks and professional requirements across jurisdictions and professional services or activities creates challenges for the consistent application

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6 As of the date of this draft CP, they are: Australia, Bulgaria, Ghana, Hong Kong SAR, India, Japan, Malaysia, New Zealand, Pakistan, Saudi Arabia, South Africa, UK, Zambia and Zimbabwe.

7 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.

8 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.

of ethical standards, especially with respect to professional accountants in business (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.

14. 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.

15. 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

16. A shift has been taking place across the global financial sector in how regulators and policymakers[9] 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 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.

17. 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.

[9] 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.

18. 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.[10] Perceived conflicts of interest within organizations continue to challenge public confidence. Specifically in relation to accounting firms, a number of high-profile cases of unethical behavior have emerged in recent years, with significant adverse impacts on 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.[11] 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.[12]
- *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.[13]
    - 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 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. This makes it less clear who ultimately controls a firm's

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

[11] 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).

[12] 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).

[13] 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).

decisions and answers for them. 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 jurisdictions around the world 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 and 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[14] 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[15], reflecting growing recognition of the importance of ethical culture and governance at the firm level in preventing unethical behavior.

19. These developments call for stronger ethical foundations in firms, as accountability increasingly shifts toward the firm as a whole and changes in ownership and business models test how well the Code applies. They also create an opportunity for the profession to rebuild trust, including by playing a

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[14] 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. Internationally, the International Forum of Independent Audit Regulators (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.

[15] 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
- 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)

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

20. 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 and conclusions on which they rely on or deliver to clients.
    - These challenges are further compounded by the increasing sophistication of technology-enabled financial crime, including AI-assisted fraud, identity manipulation and the creation of misleading or fabricated financial information.
    - 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 developing increasingly complex relationships with AI developers and other technology providers through strategic alliances, joint investments, licensing arrangements and integrated service offerings. These relationships may create new forms of financial, operational and technological dependency, as well as potential conflicts of interest and independence threats that may not always be readily identifiable.
    - The growing use of multidisciplinary teams, including technology specialists and other non-accounting professionals, also raises questions about the consistency and application of ethical expectations across increasingly diverse service delivery structures.
- *Digital Assets*

- The expanding use of digital assets and related emerging technologies is creating additional complexities for PAs and testing the application of the Code in new circumstances. Cryptocurrencies, tokenized assets, blockchain-based transactions and decentralized financial arrangements present challenges relating to transparency, valuation, ownership, accountability and the identification of potentially illicit activities.
- Similarly, the emergence of AI systems themselves as subjects of independent assurance, rather than merely tools used in professional activities or services, is expanding the range of matters on which practitioners may be expected to provide assurance.
- These developments raise new questions about the professional judgment that underlies audit evidence – for example, how auditors should evaluate outputs from AI models that may be inaccurate or embed bias, or may be difficult to explain. They also create new circumstances in which PAs may encounter suspected non-compliance with laws and regulations (NOCLAR), including technology-enabled fraud, money laundering, misuse of digital assets and other forms of financial misconduct, potentially challenging the practical application of existing ethical requirements.

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

21. The developments in AI, Sustainability and Other New Frontiers 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

22. 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, with auditors typically comprising 15–25% of professional body membership

across jurisdictions.[16] 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 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 ethical standards.

23. Further, the impact of the rapid growth in 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.

24. 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

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

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

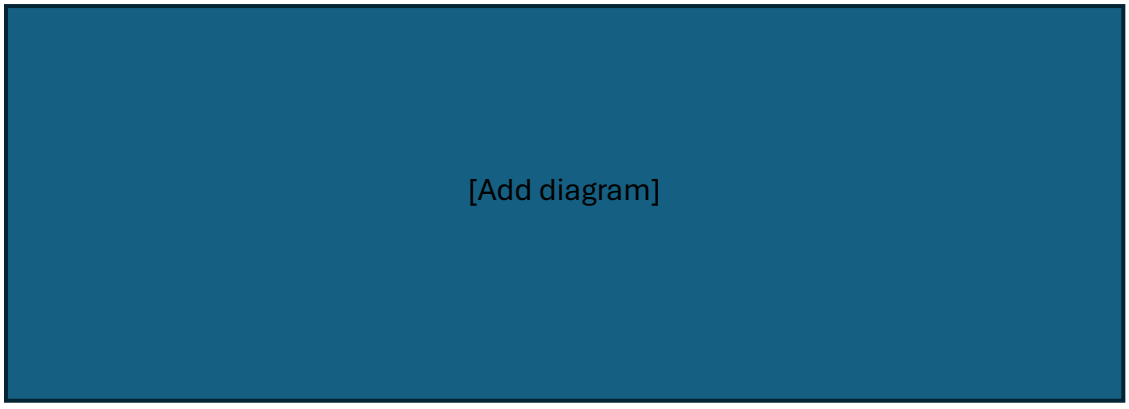
also create an opportunity to strengthen the first line of defense that PAIBs provide against misconduct within organizations. They are addressed mainly in Strategic Objectives 2, 3 and 4.

PROPOSED STRATEGIC OBJECTIVES

25. Our proposed strategic objectives respond to what we heard from stakeholders and to the trends and related strategic insights described in the previous section. They set out the implications for the IESBA and where we intend to focus our efforts over 2028–2031. Each proposed objective begins by explaining which trends and stakeholder feedback it responds to and why. The importance of coordination with the IAASB runs through all four strategic objectives.

26. These proposed strategic objectives will guide how we select and prioritize our standard-setting and related activities. Each strategic objective is supported by strategic actions, set out in the next section, which describe what we will do to achieve it.

27. The diagram below contains the four proposed strategic objectives for the 2028-2031 strategic period:



Proposed Strategic Objective 1: An Effective, Agile and Connected IESBA

A. Increased Effectiveness, Agility, Connectivity and Institutional Identity

28. This strategic objective responds to all four main environmental trends. It also responds to the input from the joint survey, including from the Monitoring Group respondents, to be more agile, further explore collaboration opportunities and prioritize outreach and adoption and implementation support over standard setting. The IESBA's institutional effectiveness, including its due process and approach to prioritization and resource allocation, is essential to delivering on all four objectives. 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 the Code is adopted and used, and on how well its work is communicated and understood.

29. The same trends bear on the IESBA itself. Geopolitical polarization, competitiveness concerns and declining institutional trust (see Trends 1 and 2) are increasing scrutiny of the independence and public-interest relevance of international standard setters. Trust in the Code depends on trust in the standard setter. This objective therefore involves asserting a clearer and stronger institutional identity, engaging visibly with investors and other users of financial and non-financial information, and communicating confidently the public-interest value of the IESBA’s work. Reinforcing our

institutional identity is neither a self-serving objective nor an end in itself, as our legitimacy as a standard setter depends on how well we serve the public interest. Therefore, this objective aims at elevating our ability in making a positive difference to how ethics for the global accountancy profession is perceived, respected and taken as a critical element of trust and confidence in the profession.

30. In terms of institutional effectiveness, this objective 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 full standard setting; 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 fully build a strong and reliable staff-driven working model pursuant to the Monitoring Group recommendations.[17] Greater agility must not, however, come at the cost of due-process rigor, transparency or the quality of consultation.

31. This objective also involves broadening engagement beyond the IESBA's traditional stakeholders and showing how their input shapes its decisions. The Code delivers public value only if it is known, understood and used. Global reach is therefore a precondition for adoption. This includes raising awareness of why ethics and independence underpin trustworthy business and reliable reporting. It also requires continuing to improve and professionalize our communications function, making it an effective and credible driver of how well we are understood and recognized and of our positive influence in the profession, in business and in markets more broadly.

B. Increased Coordination and Collaboration with the IAASB

32. 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 post-implementation reviews. The form of collaboration will vary by topic, but 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 Board's remit. The same aim of interoperability guides our work with other international standard setters, such as the IASB[18] and ISSB,[19] and with regulators.

Proposed Strategic Objective 2: A Clearer, More Usable Code That Supports Global Adoption and Consistent Implementation

33. This strategic objective responds to Trends 1, 2 and 4. It also responds to a clear message from respondents across stakeholder groups in the joint survey: that we should prioritize adoption, implementation support and post-implementation reviews, and keep the Code principles-based and proportionate. A more fragmented and deregulating global environment demands a Code that is rigorous and coherent enough to serve as a global benchmark for all PAs, and accessible and usable

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

[18] International Accounting Standards Board

[19] International Sustainability Standards Board

so that adoption and implementation follow naturally from good design. The challenge is to keep the Code within the bounds of its principles-based design while reinforcing its function as a common global benchmark and a counterforce to regulatory fragmentation, including where regulatory simplification agendas are driven by competitiveness rather than public-interest considerations.

34. Simplification is a core focus of this objective. It responds to concerns raised by respondents to the joint survey about the increasing length, prescriptiveness and complexity of the Code. Stakeholders have suggested that simplification should be a priority to improve adoption and usability. At the same time, they have cautioned that simplification should not diminish the Code's effectiveness or be a reactive response to regulatory or political cycles. For this reason, simplification cannot be a retreat from rigor but a path to clarity, usability and, therefore, confidence. It will be driven by evidence of issues regarding usability, clarity, proportionality, implementation and enforceability, not by another restructuring of the Code. This objective means reducing unnecessary complexity where warranted, removing any redundancy and clarifying key principles and guidance. It also means supporting usability in practice and actively promoting adoption and implementation.

35. A usable Code must also speak to the whole profession. Auditors typically represent only 15–25% of professional body membership across jurisdictions (see Trend 4), yet public discourse about the Code remains focused largely on audit. PAIBs and other PAPPs face distinct pressures, such as employer loyalty, aggressive targets and intimidation, and are often the first to detect misconduct within organizations.

36. Proportionality is central. Provisions need to be workable for SMPs and practitioners in emerging markets, not only for the largest global networks of firms. Where the evidence supports it, proportionality should be embedded in the Code itself rather than explained only in non-authoritative material.

37. Finally, under this objective, adoption and implementation support will be treated as a strategic priority, as stakeholders have urged, since headline adoption figures do not always mean consistent implementation. This involves collaborating with partners such as the International Federation of Accountants (IFAC) and jurisdictional standard setters (JSS) to diagnose why adoption lags, closing feedback loops with jurisdictions early, preventing local interpretations outside the Code’s design, and defending the Code as a trusted global ethics benchmark.

Proposed Strategic Objective 3: Strengthening the Foundations of Trust in Firms

38. This strategic objective responds to Trends 2, 3 and 4. As accounting firms evolve how they are owned, governed and run, and accountability shifts more toward the institutional level, public trust increasingly depends on the ethical foundations of firms. Respondents to the joint survey ranked alternative ownership structures as one of the most important environmental trends, broadly recognizing that evolving firm structures and business models could affect independence and firm culture and governance.

39. Financial regulators are increasingly performing preventive regulation and supervision, focusing on the governance and resilience of financial institutions rather than trying to address individual decisions and operations. Likewise, audit regulators are increasingly monitoring firms’ systems rather

than individual engagements.[20] This reflects a broader shift in oversight from detection to prevention. Instead of trying to scrutinize individual professional accountants or engagements, which tends to address problems only after they have materialized, regulators are looking at systems and robust governance design and frameworks of quality management.

40. Changes in how firms are owned and run strengthen this shift. Private equity and other external investment is bringing innovation to firms' ownership and governance. It can also make it less clear who ultimately controls a firm's decisions and answers for them, and therefore blur accountability. External investors' return on Investment expectations may also create pressures on independence and public interest responsibilities.

41. Technology, and AI in particular, adds a further 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 firm as a whole, not on any single individual. The structural influence of AI and emerging technologies on firms' business models accentuates this shift, due to a progressive dilution of individual accountability and a greater emphasis on the way the firm is organized.

42. The implication is that culture and governance 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 irrespective of who owns it, can reduce the need for detailed regulation, and ultimately shapes the reputation of the profession and the trust placed in it. Likewise, a consistent approach to firms' culture and governance design helps mitigate possible disruption resulting from ownership changes, allowing the firm to maintain its DNA and ensure business continuity despite the changes in formal or de facto leadership and decision power.

43. So, this objective is about strengthening the foundations of trust in firms. It involves setting clear expectations for ethical culture and governance across the whole firm, including professionals who are not PAs, and assessing whether the Code adequately addresses external investment and alternative practice structures. It also involves testing the independence guardrails in the Code against evolving business models and addressing data governance from an ethical perspective. This firm-level view must extend beyond the audit practice. The ethical conduct of the whole firm, across tax, advisory and other non-audit services, and including other professionals in firms, shapes trust in the firm and the reputation of the profession.

44. Given the close link between our work on firm culture and governance and the IAASB's ISQM 1, [21] and stakeholders' call for a coordinated response to alternative ownership structures, this work is being, and will continue to be, closely coordinated with the IAASB.

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[20] For example, in his March 31, 2026 statement on 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."

[21] ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

Proposed Strategic Objective 4: A Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges

45. This strategic objective responds to Trends 2, 3 and 4. It also reflects joint survey respondents' ranking of AI and emerging technologies as the most important trend. On sustainability, respondents broadly supported a focus on implementing the IESBA's sustainability standards rather than new standard setting. On financial crime, which they ranked among the five most important trends, respondents considered the Code fundamentally fit for purpose but encouraged monitoring of developments, learning from post-implementation reviews, and providing guidance on applying the Code's principles to new risks.

46. Technology is reshaping how professional services are delivered and 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.

47. Being future-ready means treating AI and emerging technologies, sustainability and financial crime as ongoing priorities rather than a series of one-off responses. It does not necessarily mean more standards. Stakeholders have urged the IESBA to maintain horizon scanning to anticipate developments across areas covered by the Code (see Strategic Objective 1), and these three areas will be a particular focus of that work. This means understanding early how they test the Code in practice, through evidence gathering and post-implementation reviews, and responding in proportion, amending the Code only where the evidence shows a gap.

48. 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 closely with the IAASB where technology raises both ethics and audit and assurance issues.

49. On sustainability, the focus is on supporting global adoption and implementation 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.

50. Financial crime runs across this objective. Building on the NOCLAR post-implementation review, this involves 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, so that the IESBA is recognized as a credible partner in combating financial crime and the Code as a meaningful line of defense.

PROPOSED STRATEGIC ACTIONS

51. The following sets out our proposed strategic actions in pursuit of the four strategic objectives described above. 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.

Proposed Strategic Objective 1: An Effective, Agile and Connected IESBA

Strategic Actions

A. Increased Effectiveness, Agility, Connectivity and Institutional Identity

52. We will:

- **Develop a framework for timely responses to new or emerging issues.** We will set clear criteria and develop mechanisms for deciding when an issue 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 jointly with the IAASB. When action includes non-authoritative material or other guidance, we will take a considered approach to ensure we are achieving the desired impact.
- **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 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, internally where there is opportunity for capacity expansion and externally through 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 reinforce the important 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 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 materials.

B. Increased Coordination and Collaboration with the IAASB

53. 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, reflecting our commitment to coordinate with the IAASB at the earliest stages of project or workstream planning and prioritization, 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 also 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.

Proposed Strategic Objective 2: A Clearer, More Usable Code That Supports Global Adoption and Consistent Implementation

54. **Strategic Actions** – We will:

- **Undertake targeted simplifications of the Code where warranted**. Through post-implementation reviews, implementation monitoring and stakeholder feedback, we will identify provisions in the Code that are unnecessarily 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.
- **Seek ways to make the Code easier to apply**. 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 proportionality in applying 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 for the standards.
- **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.

Proposed Strategic Objective 3: Strengthening the Foundations of Trust in Firms

55. **Strategic Actions** – We will:

- **Support implementation of the firm culture and governance provisions**. 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 private equity and other external investment (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 review how the Code's provisions apply as firms develop increasingly complex business relationships with AI and other technology providers, and respond appropriately to any findings.
- **Address data governance from an ethical perspective**. We will gather information on accountability for data and the implications for professional judgment, independence and confidentiality, and determine the appropriate response.

Proposed Strategic Objective 4: A Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges

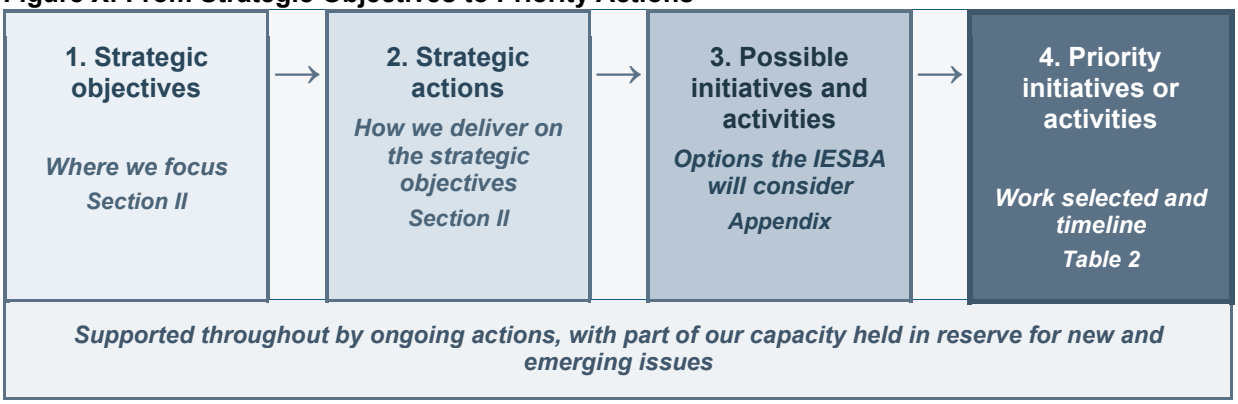
56. **Strategic Actions** – We will:

- **Address the ethics implications of AI and emerging technologies in PAs' work.** We will draw on the work of our Technology Working Group and the input of our Technology Expert Group 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.
- **Seek to better support the profession's role in combating financial crime**. We will build on the outcomes of the NOCLAR post-implementation review and gather information on rapidly expanding risks such as AI-assisted fraud to understand the ethical implications for PAs. We will 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. We will leverage these relationships to contribute to global public policy debates about the role the profession can play as part of the solution.
- **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.

SECTION III: PROPOSED WORK PLAN 2028-2031

64. This section explains how we propose to deliver the strategic objectives and strategic actions set out in Section II. The Appendix lists possible initiatives and activities the IESBA will consider in pursuing the strategic actions, taking into account the nature of the initiatives and activities and their relative priority.

Figure X: From Strategic Objectives to Priority Actions



PROPOSED WORK FOR 2028-2031

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

66. Under each strategic objective, we have indicated that at the beginning of each year, we expect to assess the possible related initiatives and activities in the Appendix or any new ones and decide which ones to take forward as priority actions. 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.

67. In 2028, as set out in Table 2, our focus will be on completing work already under way, starting the priority actions we have already decided, and setting other priorities for the remaining capacity. As existing work concludes, capacity will shift to the priority actions confirmed in 2028 and, later in the period, to those confirmed through our annual reviews. The timing shown is indicative and will be reviewed at least once a year.

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

Table 2: Proposed Work Plan 2028–2031

[To be added: indicative resource allocations across the different actions]

The nature and timing of priority actions may change depending on Board decisions on which actions to prioritize.

	2028	2029	2030	2031
SO 1: An Effective, Agile and Connected IESBA				
Assessment of possible initiatives and activities for SO 1 (see Appendix) and setting of priority actions, in conjunction with the other SOs	X	X	X	X
Priority action: Framework for timely responses to new or emerging issues	X			
Ongoing actions: • Enhancing capacity and capability • Broadening stakeholder engagement • Pursuing communications or other initiatives to reinforce the IESBA's identity • Executing a dedicated communications strategy • Progressing coordination with the IAASB and other standard setters	X	X	X	X
SO 2: A Clearer, More Usable Code That Supports Global Adoption and Consistent Implementation				
Completing existing work *(Non-authoritative material on collective investment vehicles)*	X			
Assessment of possible initiatives and activities for SO 2 (see Appendix) and setting of priority actions, in conjunction with the other SOs	X	X	X	X
Priority action: Post-implementation reviews of non-assurance services and fees provisions, and, in coordination with the IAASB, the definition of a public interest entity	X	X		
Priority action: Post-implementation review of independence provisions addressing group audits				X
Ongoing actions: • Making the Code easier to access and use • Reinforcing proportionality • Focusing adoption and implementation support where it is most needed, including for PAIBs and PAPPs other than auditors	X	X	X	X

	2028	2029	2030	2031
SO 3: Strengthening the Foundations of Trust in Firms				
Completing existing work *(FCG; PE&OEI, subject to the Board's decision expected in 2027)*	X	X		
Assessment of possible initiatives and activities for SO 3 (see Appendix) and setting of priority actions, in conjunction with the other SOs	X	X	X	X
Priority action: Evolving business relationships with AI and other technology providers *(subject to findings from information gathering)*	X			
Priority action: Data governance (subject to assessment)				X
Ongoing actions: • Monitoring roll-out of the firm culture and governance provisions	X			
SO 4: A Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges				
Completing existing work *(follow-up to the NOCLAR post-implementation review)*	X			
Assessment of possible initiatives and activities for SO 4 (see Appendix) and setting of priority actions, in conjunction with the other SOs	X	X	X	X
Priority action: Financial crime *(subject to 2028 assessment)*	X	X		
Priority action: Post-implementation review of the technology-related revisions			X	X
Ongoing actions: • Supporting implementation of the sustainability-related standards in coordination with the IAASB • Horizon scanning through the Technology Working Group and the Trends and Risk Committee	X	X	X	X

HOW WE WILL PRIORITIZE AND ADJUST

69. 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 three criteria:

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

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

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

70. 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, started when capacity allows, put on hold, or removed from the work plan.

71. 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 adoption and implementation.

72. We will review the work plan and our priorities at least once a year. 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

73. We do not set a fixed share of capacity for each strategic objective. The balance between strategic objectives will shift over the period as existing work concludes and priority actions are confirmed.

74. We will report on how capacity has been used as part of our annual review of the work plan.

Appendix

Possible Initiatives and Activities to Advance the Proposed Strategic Objectives

The following possible initiatives and activities are grouped by the strategic actions in Section II. They are options the IESBA will consider in executing its priority actions (see Table 2).

Proposed Strategic Objective 1: An Effective, Agile and Connected IESBA

A. Increased Effectiveness, Agility, Connectivity and Institutional Identity

Develop a framework for timely responses to new or emerging issues

- Develop a framework for responding to new or emerging issues, with clear criteria for deciding when guidance, standard setting or another response is appropriate, enabling more timely responses while maintaining rigor and transparency. Develop this framework jointly with the IAASB.
- Strengthen horizon scanning and evidence-based prioritization as standing functions, keeping emerging issues under regular monitoring.

Enhance our capacity and capability to deliver the strategy

- Strengthen staff capacity, including by making greater use of secondments, consultants and volunteers beyond the Board, alongside permanent staff.
- Develop and implement with the IAASB an organizational strategy for AI engagement and deployment.
- Strengthen staff capabilities in AI and emerging technologies and make effective use of AI tools in research and analysis, working with the IAASB where there are synergies.
- Work with the IAASB to identify and adopt common benchmarks, effective approaches and tools, and good practices in how we work.

Broaden our engagement beyond traditional stakeholders

- Expand the Partnerships Program within the remit of the IESBA's Adoption and Implementation Working Group 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, employers and relevant regulators.

Reinforce our identity as an independent, global standard setter

- Engage visibly with investors and other users and the broader stakeholder community to reinforce the 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.

Communicate in ways that 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, 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.

B. Increased Coordination and Collaboration with the IAASB

Coordinate with the IAASB from the earliest stages and work with 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, support material, outreach and other activities.
- Undertake coordinated post-implementation reviews with the IAASB on shared priorities, such as the definition of a public interest entity.
- Work with the IASB and ISSB, where appropriate, to promote interoperability between standards.

Proposed Strategic Objective 2: A Clearer, More Usable Code That Supports Global Adoption and Consistent Implementation

Undertake targeted simplifications of the Code where warranted

- Through post-implementation reviews, implementation monitoring and stakeholder feedback, identify provisions in the Code that are unnecessarily complex or difficult to understand and implement; undertake targeted simplifications where justified by the findings, while preserving the robustness of the Code's principles.

Seek ways to make the Code easier to apply

- 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 improve 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.

Reinforce proportionality in applying the Code

- Develop non-authoritative and other support material that explains how the Code can be applied proportionately, particularly for SMPs.
- Develop non-authoritative and other support material tailored to the needs and circumstances of practitioners in emerging markets.

Use implementation evidence to guide our response

- Undertake post-implementation reviews, consider the findings and take further action as appropriate, such as developing additional guidance.

Focus adoption and implementation 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.
- Develop achievable and measurable goals for adoption, to the extent within the IESBA's control.

Proposed Strategic Objective 3: Strengthening the Foundations of Trust in Firms

Support implementation of the firm culture and governance provisions

- Develop non-authoritative and other guidance material to support adoption and implementation of the firm culture and governance provisions, targeted for approval in September 2027, in coordination with the IAASB.
- Monitor implementation to identify and address implementation challenges.

Address the ethics and independence implications of PE&OEI in firms

- 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.

Review the adequacy of the ethics and independence provisions in the Code against the rapidly evolving business models of firms

- Review how the Code's provisions apply as firms develop increasingly complex business relationships with AI and other technology providers, and respond appropriately to any findings.

Address data governance from an ethical perspective

- Gather information on data governance from an ethical perspective, including accountability for data and how its use affects professional judgment, client and engagement relationships, independence and confidentiality.

- Consider and take appropriate action to address the ethics and independence issues identified, including developing guidance material.

Proposed Strategic Objective 4: A Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges

Address the ethics implications of AI and emerging technologies in PA's work

- Conduct the post-implementation review of the Code's technology-related revisions, consider the findings and take further action as appropriate, such as developing additional guidance.
- Gather information on ethics and independence considerations relating to digital assets and the assurance of AI systems, consider the findings and take further action as appropriate.
- Consider emerging issues identified by the Technology Working Group and determine whether further information gathering or other action is warranted.

Seek to better support the profession's role in combating financial crime

- Take forward the agreed actions following the NOCLAR post-implementation review.
- Gather information on financial crime, including AI-assisted fraud, 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 contribute to global public policy debates about the role the profession can play as part of the solution.
- Communicate how the Code supports PAs in preventing, identifying and responding to financial crime.

Support the consistent implementation of IESBA's sustainability-related standards

- Monitor the implementation of the sustainability-related standards, including the IESSA, and develop additional non-authoritative material as needed, in coordination with the IAASB.

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