

2. SECTION I: ABOUT THE RESPONDENT

1. From which perspective are you providing this feedback?

The view of an organization

Please complete:

Your name:

Your organization (if applicable):

E-mail address:

Please complete:

Organization:

Baker Tilly International

Name(s) of contact(s) for this submission:

Andrew Paul

E-mail address(es) of contact(s):

andrew.paul@bakertilly.global

2. Please select from the following options to which stakeholder group you or your organization belongs:

Accounting Firm

Please specify the type of accounting firm:

Global Accounting Firm

Please specify:

Please specify:

Please specify:

Please specify:

3. Please select from the following options the geographical region that best matches you or your organization:

3. Please select from the following options the geographical region that best matches you or your organization:

Global

4. SECTION III: SSBs' STRATEGIC POSITIONING FOR 2028–2031

4. As the SSBs look toward the 2028–2031 period, they are reflecting on how to position their strategies and work plans to best serve the public interest within a rapidly changing global environment. This involves careful consideration of how the SSBs remain relevant, responsive, and impactful in their standard-setting and other related work. In that context, what do you believe the SSBs should aspire to achieve during their next strategy period, 2028–2031?

Your answer may touch on different dimensions, for example:

The relevance, responsiveness and impact of the SSBs' standard-setting and related activities.

Broader adoption and effective implementation of the SSBs' standards.

The SSBs' interaction and engagement with key stakeholder groups.

The SSBs' ability to serve the public interest.

The examples above are for illustrative purposes only and should not limit, direct, or otherwise influence your response.

Your answer should address the IAASB and IESBA collectively; however, you may wish to also highlight matters specifically for the IAASB or IESBA (if applicable, you could use separate headings to address such matters).

- Timeliness of publication of standards and non-authoritative materials
- A relentless focus on evolving technology
- A focus on what needs doing in the public interest in the eyes of stakeholders
- Thinking less is more – a standard setting response should not be a default response to all matters
- Striving to reduce / simplify standards to aid understanding in the public interest
- Robust cost / benefit analysis of standards and standard setting processes

6. SECTION IV: KEY TRENDS IMPACTING THE SSBs

A.1 Digital Transformation – Increasing Use of Emerging Technologies

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend

for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Guidance and standards need to be principles based, not focused on specific solutions. Solutions on the market will evolve at pace, so for standards to maintain their relevance, they need to be nimble and based on principles and spirit, not detail.

A.2 Digital Transformation – Digital Assets and Institutionalization of Digital Assets

4 – Slightly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

It is fair to say that technology such as blockchain has not grown as quickly as some first expected, so this feels like an area where standard setters should maintain a watching brief rather than it being a certain priority.

A.3 Digital Transformation – Financial Crimes Enabled by Technology

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Auditors are perceived, rightly or wrongly, as being on the front line here so it is very important to manage what the auditor is required or able to do but also manage the public interest expectations.

7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

B.1 Changes in the Geopolitical and Regulatory Landscape – Regulatory Changes

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

B.2 Changes in the Geopolitical and Regulatory Landscape – Risk of Fragmentation

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

While regional and national focuses continue to develop, the world is becoming evermore interconnected, so the rationale for global consistent standards has never been stronger. Jurisdictional differences must not drive business behavior to locate in perceived lower regulation locations.

B.3 Changes in the Geopolitical and Regulatory Landscape – Call for Greater Agility in Standard Setting

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

This aspect must be consistent with the previous areas and comments made.

B.4 Changes in the Geopolitical and Regulatory Landscape – Greater Diversity of Voices Sought

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

As economies such as Africa and Latin America continue to emerge, to maintain globally relevant standards, their voices must be heard. This could mean changes of emphasis and focus. Standards cannot be seen as developed by developed economies and imposed on emerging economies.

8. SECTION IV: KEY TRENDS IMPACTING THE SSBs

C.1 Evolving Expectations Concerning Sustainability Information – Continuing Demand for Sustainability Reporting and Assurance

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

The pace of adoption of sustainability reporting and assurance may differ across the globe, but the direction of travel is set. Standards need to remain responsive and proportionate.

C.2 Evolving Expectations Concerning Sustainability Information – Regulatory and Geopolitical Changes

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Standards need to remain responsive and proportionate.

9. SECTION IV: KEY TRENDS IMPACTING THE SSBs

D.1 Evolving Structure and Business Models of Accounting Firms – Alternative Ownership Structures

4 – Slightly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Structures will continue to evolve. While a firm structure does not necessarily directly affect audit and assurance standards, the matters of ethics and independence arising from how a firm is structured will always be important. IESBA standards need to remain principles based and allow the profession to develop its funding, investment and ownership models as needs arise . The availability of capital will affect investment decisions and expectations about efficiency and profitability of firms, but good proportionate, principles based standards should continue to give a foundation of quality while allowing innovation and diversification.

D.2 Evolving Structure and Business Models of Accounting Firms – Increased Involvement of Non-Professional Accountants in the Accounting and Auditing Profession

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Understandability of standards will be more important than ever in an era of non-accountants leading firms. Responsibility for quality and compliance should always be led from the top, but if there are non-accountants at the top, we need to ensure the standards are understandable so they can and will be properly applied.

D.3 Evolving Structure and Business Models of Accounting Firms – Challenges to Attracting and Retaining Talent

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

New talent wants certainty, consistency and transparency. Standards need to deliver on these core aspects to continue to make the profession attractive. A renewed emphasis on the public interest and benefits of the profession will make it more attractive than a procedural, checklist driven job. New talent have an expectation to have their voice heard as well, so the profession and standard setters being transparent and open to challenge can only benefit that.

D.4 Evolving Structure and Business Models of Accounting Firms – Non-Assurance Service Line

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

The independence and Ethics issues around providing non-assurance services to assurance clients are well considered within the current frameworks and do not need to be changed, but equally they must not be ignored either. There does need to be a consistency of approach so that audit does not become more and more regulation / standards driven while non-assurance is deregulated (simplifying corporate reporting requirements for example).

10. SECTION IV: KEY TRENDS IMPACTING THE SSBs - OTHER TRENDS AND RANKING

6. Are there trends or related areas or matters that you believe the SSBs should

consider that are not covered? If so, please provide details.

Yes

Additional trends

Please number your additional trend (O.1, O.2, O.3, ...)

O.1

Please describe the additional trend

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

On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.

6 – Strongly increasing in importance

Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?

Please number your additional trend (O.1, O.2, O.3, ...)

O.2

Please describe the additional trend

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

On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.

6 – Strongly increasing in importance

Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?

Please number your additional trend (O.1, O.2, O.3, ...)

O.3

Please describe the additional trend

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

On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.

5 – Increasing in importance

Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?

7. Based on your evaluation of the identified trends, please rank what you believe are the TOP FIVE most important trends for the SSBs to consider for their next strategy period starting in 2028.

Rank 1 : O.1

Rank 2 : A1.

Rank 3 : A.3

Rank 4 : B.2

Rank 5 : B.4

11. SECTION V: AREAS FOR JOINT ACTIONS IN SSBs' WORK PLANS

8. Please share your views about areas of common interest and possible joint or parallel work plan topics (e.g., standard-setting or non-authoritative materials), or other initiatives or activities.

Project plans should be costed and there should be transparency about how the standard setting budget is spent on each project. The IAASB has more impactful projects than IESBA therefore IAASB should receive a greater proportion of the standard setting budget than IESBA.

Proposed projects, and then outcomes from those projects should be accompanied by a robust root cause analysis and then cost benefit analysis. Stakeholders should have visibility on the root cause that is being addressed and the impact of the proposed solution. This will allow stakeholders to give due consideration to whether proposals are proportionate and effective.