

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:

CFA Institute

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

Matthew Winters

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

matt.winters@cfainstitute.org

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

User of Financial or Non-Financial Information (e.g., investor, analyst, lender or other creditor)

Please specify the type of 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).

- Increase trust in information in the capital markets that is prepared, assured, or audited by professional accountants. To achieve that:
- Enhance capability to identify and prioritize unmet public interest (focus on user) needs, weaknesses in standard setting. This involves stakeholder input but also should involve intelligence from inspections, market events, desk research.
- Issue standards to address the areas of greatest unmet public interest (user) needs, weaknesses in standard setting.
- Secure stable funding for the SSBs and its oversight body so that they can effectively carry out their mission. The source of funding must be independent from the firms subject to the SSBs' standards.
- Make progress towards full-time board membership and increase the representation of users on the SSBs
- Broaden adoption of the SSB's standards and increase user awareness of those standards by, for example, increasing the inclusion of the term "ISA" and related IFEA terminology in auditor's reports rather than just jurisdiction-specific terminology

6. SECTION IV: KEY TRENDS IMPACTING THE SSBs

A.1 Digital Transformation – Increasing Use of Emerging Technologies

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?

AI-enabled tools and agents seem to be more important than internet of things and digital assets.

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?

Believe this strongly hinges on stablecoins - regulatory developments and adoption by financial institutions, businesses, and households (i.e., beyond digital assets use for trading and investment purposes).

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?

It appears that fabricating transactions and documentation for them has become very inexpensive, which could change the degree to which they can be relied upon as audit evidence (to the extent they are today).

7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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?

Regulatory change is a constant. Do not have compelling reason why regulatory change is increasing or decreasing in importance for the SSBs starting in 2028 from the current baseline or prior strategy period. (If "no change in importance" was an option, would have selected that).

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

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?

The risk of fragmentation is high presently. So long as the benefits of global capital flows remain, the benefits of international standard setting remain as well, and we believe these benefits are as meaningful as ever. It is hard to judge whether fragmentation risk increases further or decreases. So far it seems that fragmentation has not delivered significant benefits in the various domains that it has been attempted (e.g., Brexit, tariffs, non-tariff barriers to trade on a variety of goods/services including technology, restrictions on cross-border transactions)

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

0 – I do not agree that this is a trend to be considered

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

Professional accountants' calls for "issuing non-authoritative materials instead of launching standard-setting projects, or undertaking more narrow-scope standard setting to address targeted matters" are most likely driven by the preference to have fewer standards, fewer rules governing their practice than anything to do with standard setting agility.

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

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?

Diversity is a virtue that is hard to disagree with. The conundrum is how it works with standard setting (i.e., standardization) which intentionally seeks to implement a degree of sameness. Different standards for different entities or differences in application of the standards reduces standardization, potentially to such a degree that comparability is lost (this is the well known and endlessly debated issue regarding principles vs. rules based standards). We welcome more voices and more input, but it will be a undertaking for the SSBs to manage that (i.e., how many board members is optimal, how many and how big are the advisory groups, how many sets of standards, and so on).

8. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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?

Environmental, social, and governance matters are not improving in aggregate, while the picture is mixed, in general measures continue to show declines (e.g., emissions, inequality and social dissatisfaction, and shareholder/owner voice and alignment between control and economic exposure).

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

3 – Slightly decreasing 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?

See above. While the regulatory and geopolitical trends currently see environmental, social, and governance matters in retreat, at some point reality rears its head.

9. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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 trend seems to have great momentum, given the number of transactions that have taken place in the very recent past and because the impact of the change in ownership structure takes several years to manifest in outcomes (e.g., changes in staffing, compensation, incentives, and so on by new owners are not implemented on day one). The track record of impact from changes in ownership structure in other sectors such as healthcare services in the United States has not been positive for customers and employees of the entities and it is not clear why it would be different for accounting firms.

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

0 – I do not agree that this is a trend to be considered

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

While a noted trend, we see the SSB's focus as primarily on professional accountants and auditors, which is already wide enough in scope given the resources of 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?

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

2 – Decreasing 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?

Recent indicators (in the US at least) show that this is improving because the profession has been working to increase compensation at lower levels. The late 2010s through 2023 saw partners overearning and other staff underearning. Additionally, other service lines like consulting may be seen as more "at risk" from AI automation than service lines with more regulatory licensing and specialized expertise. See here with links to information on this and the recent rise in the number of accounting graduates: <https://www.entrepreneur.com/business-news/gen-z-is-increasingly-turning-to-accounting>

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

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?

For investors, trust in assurance has ALWAYS been adversely affected by these basic facts: (1) non-assurance service lines; (2) assurance firms selected and paid by the entity; and (3) the assurance firm does not have meaningful downside exposure ("skin in the game") to the risks they are assuring against. The IESBA code and government regulations are intended to mitigate these to increase trust in assurance. We don't see these fundamental pressures on trust - that have been with us forever - as significantly changing in either direction during the upcoming strategy period absent a regulatory change such as a prohibition on common control of assurance and non-assurance businesses.

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.

Additional trends

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

Please describe the additional trend

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.

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 : A.3

Rank 2 : D.1

Rank 3 : A.1

Rank 4 : B.2

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.

-Emerging technology initiative: an ongoing project on the uses and abuses of emerging technologies such as AI in assurance, preparation, and use of financial reporting and its implications for standard setting. This would be an extension of the technology quality management workstream.

-Ownership structure initiative: a project to identify and determine what to do with the IESBA code in response to alternative ownership structures, if anything, to ensure trust in assurance

- Firm and engagement metrics. A standard setting project to establish a handful of measures to be reported on by auditors (with explanatory narrative) about an audit engagement and the auditor investors. The measures would complement the auditor's report and audit fee information to better inform investors' voting decisions with respect to audit committee members and auditor ratification. Measures should be those used by audit committees, audit firm network management, validated by independent SSB staff research.