

## 2. SECTION I: ABOUT THE RESPONDENT

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### 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:

Consejo General de Economistas de España

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

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

IFAC Member Body or Other Professional Accountancy or Professional Organization

#### Please specify the type of accounting firm:

#### Please specify:

IFAC Member Body or Affiliate

#### 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:**

Europe

**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).**

Relevant topics where IAASB and IESBA should work together or in a coordinated manner (included in section V):

- Governance and evaluation of the control environment in the use of AI: Guides on the use of new technological tools and AI in audited companies in terms of risk identification and evaluation of internal control. Future guidelines should cover the impact on AI-generated evidence, algorithmic transparency, bias, human oversight, confidentiality, and documentation of professional reasoning when using technological tools. Regarding the acceptance of the assignment and execution of the audit work cover requirements of transparency in tools, algorithms and biases when incorporating AI into processes, procedures and decision-making.

- In terms of "Protection and confidentiality": develop non-binding material for SMPs and SMEs using AI tools, focusing on confidentiality, data protection, traceability, transparency, control over technology providers and limits on the use or reuse of information. This guide should help small and medium-sized firms evaluate AI tools without imposing burdens equivalent to those of large firms with their own technology departments.

- Considerations on the independence of auditors, related to the use of AI and other professionals who use IESBA standards before AI developers or providers. IESBA should analyze the independence risks arising from the use of common technology

providers by the audit firm and the audited entity, especially when these providers intervene in financial information systems, AI tools, automation of controls or generation of data used as evidence. Threats of self-review, technological dependence, confidentiality, access to data and appearance of independence must be analyzed.

- **Cybersecurity** Non-binding guide that analyzes the main issues on cybersecurity and good practices. Cybersecurity should be treated as a matter of managing the quality, confidentiality and operational continuity of audit firms, not just as a technological risk. The non-binding guidance should address how firms, especially SMPs, should consider cybersecurity risks in customer acceptance and continuity, information protection, third-party vendors, access control, incidents, cloud tools, and quality management systems.
- **Talent, practical training and learning curve** The use of AI, and in particular on future auditors, is its learning curve and the management of generational change, as it produces an alteration of the learning process that was traditionally carried out through practical experience. AI can improve efficiency, but also alter the learning curve of junior auditors, by automating tasks through which they traditionally acquired practical knowledge about evidence, exceptions, documentation, risks, and professional judgment. IAASB and IESBA should consider the impact of AI on practical training, professional competence, team supervision and generational renewal. The activity of auditing accounts must prevent automation from reducing the exposure of new auditors to the fundamentals of professional work and judgment
- **Governance and evaluation of the control environment of the structures of service firms**, specifically with the entry of Private Equity. Alternative ownership structures, including private equity investment in auditing and professional services firms, should be a joint IAASB–IESBA priority. These structures can provide capital for technology, talent, succession, and growth, but they can also create risks to the independence, ethical culture, resource allocation, effective professional control, and long-term resilience of the audit market. Any external investment model should be compatible with the public interest only if it is demonstrated, in practice and not only formally, that independence, audit quality and professional control by qualified auditors are preserved.

IAASB:

- **Audit evidence:** Change the way findings are documented, evidence from AI-managed processes.
- **ISA for LCE:** It is not a lower quality standard or a marginal development, but a key tool for maintaining high-quality, proportionate and relevant risk-focused audits of accounts in less complex entities. The IAASB should strengthen its visibility within the global framework of auditing standards, monitor its adoption by jurisdictions, analyse implementation barriers and prevent its lack of adoption from generating regulatory fragmentation or competitive disadvantages for SMPs. We propose to include the reference to the ISA for LCE in the text of the standards (ISAs) itself, making visible its inclusion within the regulatory framework, not as an added development, but as part of the complete body of norms. Strengthen the definition of the LCE and Promote actions and studies on the implementation of the ISA-LCE by the different jurisdictions, comparative study of the implementation of the ISA-LCE in the different geographical areas (around the European Union, America, Africa, Asia and Oceania).
- **Sustainability: ISSA 5000 implementation and proportionality:** The implementation of ISSA 5000 should remain a strategic priority. IAASB should monitor its practical application, especially in jurisdictions with evolving regulatory frameworks, and develop supporting materials on proportionality, connectivity between financial and sustainability reporting, use of specialists, evidence in non-financial data and accounting effects of climate risks, grants, tax incentives, and sustainability-related financial instruments

## 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?

SSBs:

Governance and evaluation of the IT control environment: The increase in the use of emerging technologies must be supported both by the knowledge of the tools used and by the identification of the threats and risks they generate. The purpose of the guide to be developed by SSBs should be to reinforce the professional judgment of auditors and accounting professionals on the internal control system and IT governance. The use of new technological tools must contribute to improving the internal control system of the audited companies and not be left out of internal supervision, along the lines of information defense (operational control, risk management and, where appropriate, internal audit) and external supervision, through the auditors. The use of AI must be accompanied by a security layer (human supervision) that detects design errors and prevents algorithmic biases.

Identification of audit risks: In AI-managed business processes, the risk that the information used by the auditor may be incomplete, manipulated, or incorrect must be addressed by the auditor in a specific and different way than the traditional assessment. The aim should not be to replace professional judgement, but to reinforce it. The future agenda should include guidance on AI-generated evidence, algorithmic transparency, bias, human oversight, confidentiality, and documentation of professional reasoning when using technological tools.

In the SME field, control environments are linked to the developer and provider of the AI service that must comply with the regulatory framework of each jurisdiction. However, the protection and confidentiality of data and information must be ensured in the environments of providers of auditing, accounting or tax advisory services; therefore, we propose to develop a non-binding Guide of good practices for SMEs and SMS, users of AI models, against developers/providers of AI models that overcomes regulatory fragmentation between jurisdictions.

All of the above makes it necessary for auditors to use multidisciplinary teams and training to understand the risks.

Transparency: Technological tools must have the ability to make their decisions, predictions or actions understandable, transparent and justifiable, that is, access to artificial intelligence (AI) algorithms or models to be able to exercise professional judgment. Non-transparency about the algorithms used and the processes reduces the ability to question and investigate the answers obtained by the tools used and the professional judgment of the auditor.

Independence: The increase in demand for other types of insurance is a consequence of the increase in the use of technological tools by companies and the need to ensure safe environments both internally and with external stakeholders. Aspects such as the responsibility of service providers, the scope of the work and the participation of auditors in these assurance tasks, as well as the use of them in the audit of accounts and verification work on sustainability must be analysed to determine the need to define the necessary safeguards to ensure independence, even if the auditor and the audited entity share the AI provider.

IESBA should analyze the independence risks arising from the use of common technology providers by the audit firm and the audited entity, especially when these providers intervene in financial information systems, AI tools, automation of controls or generation of data used as evidence. Threats of self-review, technological dependence, confidentiality, access to data and appearance of independence must be analyzed.

Generational change- Practical training: Another impact of the use of AI, and in particular on future auditors, is its learning curve and the management of generational change, since it produces an alteration of the learning process that was traditionally carried out through practical experience. Today's auditors have learned to develop their professional judgment based on their practical experience, inquiries and execution of the designed procedures, identification and analysis of the exceptions from which to draw conclusions. The use of technological tools and especially AI can have a double impact; a reduction in recruitment and a deterioration due to the lack of working knowledge of procedures and algorithms on the part of the members of the teams in training. It is necessary to strengthen the training of teams, not only on the tools themselves and their use, but also on the financial and non-financial risks of the audited companies, their control systems and the identification of possible biases in the algorithms; that is, the audit of the internal control of AI applied to processes.

The adoption of AI requires a transformation in the competencies of audit professionals. Auditors must acquire knowledge in data analysis, technology, and information systems, as well as develop a more analytical and adaptive mindset. This change also implies an evolution in training models and in the organization of work teams, promoting interdisciplinary collaboration between experts in accounting, technology and data analysis.

IAASB :

Audit evidence: Change the way findings are documented, evidence from AI-managed processes.

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

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?**

IAASB :

Digital assets, tokens, and crypto assets can generate public interest implications, even though the entity is not formally an EIP. IAASB should consider guidance on existence, rights, custody, private keys, valuation, fraud, related parties, disclosure, and audit evidence in transactions with digital assets.

## **A.3 Digital Transformation – Financial Crimes Enabled by Technology**

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?**

SSBs:

The fight against money laundering and terrorist financing is part of the regulatory scope of each jurisdiction and the regulatory compliance that each company and professional must assume and that is included in the code of ethics. In addition, in many jurisdictions, auditing firms and accounting and tax services, as well as accountants, tax advisors and individual auditors are bound by specific anti-money laundering laws with their own obligations. These obligations should be proportionate to the size of the service provider and the risk of the entity/client, and should be part of the analysis of the acceptance of the engagement. Cybersecurity forces companies to increase the resources allocated to risks such as monetary fraud, information theft, unavailability of services, sabotage of infrastructures and loss of reputation. The probability and impact of these risks increases with the use of new technologies, therefore, SSBs should promote a preventive approach through the development of a global security strategy, security monitoring and surveillance, proactive threat management, coordination, dedicated and expert personnel and training and awareness of personnel. The auditor, accountants, and tax advisors must assess their cybersecurity risk. In the case of auditors, cybersecurity risk may require adapting NIGC 1. Cybersecurity should be treated as a matter of managing the quality, confidentiality and operational continuity of audit firms, not just as a technological risk. The non-binding guidance should address how firms, especially SMPs, should consider cybersecurity risks in customer acceptance and continuity, information protection, third-party vendors, access control, incidents, cloud tools, and quality management systems.

## **7. SECTION IV: KEY TRENDS IMPACTING THE SSBs**

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

## Changes

5 – Increasing in importance

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

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**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?**

IAASB :

In addition to continuing to follow up on the actions included in the IAASB 2024 work plan to the ISA for LCE (See commentary included in O.1.), to carry out the first revisions of the standard – in those jurisdictions where it had been adopted – which would begin on or after 15 December 2028: Support proportionate, effective and efficient governance and internal control models in SMEs that circumvent bureaucratic process designs, providing an approach that goes beyond compliance with legal requirements.

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

5 – Increasing in importance

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

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**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?**

We understand the risk of fragmentation as that which is a consequence of the adaptation of the rules differing substantially between jurisdictions, with the effect of losing or altering the relevant content of the regulation.

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

5 – Increasing in importance

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

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**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?**

IAASB and IESBA should differentiate between far-reaching draft regulations, one-off modifications, and non-binding materials. In fast-paced matters such as AI, cybersecurity or technology, a timely guide or technical publication can often be more useful than waiting years for a complete review of standards.

This is differentiating between substantial changes in ISAs and high-impact changes on minor or low-impact adaptations: On high-impact adaptations that may affect several ISAs, promote joint adaptation (e.g., changes due to the use of new technological tools). On minor changes, rely on the guidelines.

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

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?**

IAASB

There is a risk of not listening to all potential stakeholders or giving less weight to the participation, for example, of SMEs or less complex entities.

We propose to include the reference to the ISA for LCE in the text of the standards (HS) themselves, making visible that its inclusion within the regulatory framework not as an added development, but as part of the complete normative body

## **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?**

IAASB

WP 24-27 collected: experience derived from the implementation of ISSA 5000 as an important source of information to guide possible future actions, based on the analysis carried out to identify specific actions. The implementation of ISSA 5000 should remain a strategic priority. IAASB should monitor its practical application, especially in jurisdictions with evolving regulatory frameworks, and develop supporting materials on proportionality, connectivity between financial and sustainability reporting, use of specialists, evidence in non-financial data and accounting effects of climate risks, grants, tax incentives, and sustainability-related financial instruments. Sectoral adaptations of ISA 5000. Examples of accounting impacts, recording of environmental costs, subsidies, tax incentives of the different financial instruments linked to sustainability.

### **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?**

IAASB

Sustainability regulation will continue to generate laws, specific regulations in each jurisdiction.

## 9. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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?**

SSBs:

Alternative ownership structures, including private equity investment in auditing and professional services firms, should be a joint IAASB–IESBA priority. These structures can provide capital for technology, talent, succession, and growth, but they can also create risks to the independence, ethical culture, resource allocation, effective professional control, and long-term resilience of the audit market. Any external investment model should be compatible with the public interest only if it is demonstrated, in practice and not only formally, that independence, audit quality and professional control by qualified auditors are preserved. Private equity investment in audit firms can only be considered compatible with the audit market when it demonstrably ensures – in substance and in a verifiable manner – that the quality of the audit is strengthened, real independence is preserved and that effective professional control remains firmly in the hands of the auditors. Mere formal compliance with legal requirements of ownership or governance is not enough; It must be clearly evidenced that there is no loss of independence, objectivity or professional control in practice. Also, define clear safeguards, compliance with transparency criteria and coherent supervision approaches so that Private Equity investment does not compromise the quality of the audit, the independence and resilience of the SME audit market.

### **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?**

(See comment on D1)

### **D.3 Evolving Structure and Business Models of Accounting Firms – Challenges to**

## Attracting and Retaining Talent

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?

## 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?

Auditing accounts, despite its high economic and social relevance, requires a determined effort to disseminate, reposition and approach the new generations, which makes it essential to have an adequate implementation and coordination between auditing firms, educational centers and national and international organizations, in order to reinforce the attractiveness of the profession, adapt it to the new demands of the digital and business environment. and to guarantee the sustained incorporation of qualified young talent in the coming years.

## 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. Changes in the Geopolitical and Regulatory Landscape - Making the ISA for LCE a Strategic Priority

#### Please describe the additional trend

However, it needs to be understood within the normative framework of ISAs and not independently

Actions:

- Strengthen the definition of LCE.
- Link references in ISAs to less complex entities to the ISA for LCE. When mentioning less complex entities, explicitly indicate the ISA for LCE and even related requirements or sections.
- To promote actions and studies on the implementation of the ISA-LCE in the different jurisdictions, a comparative study of the implementation of the ISA-LCE in the different geographical areas (around the European Union, America, Africa,

Asia and Oceania).

- Conduct the first revisions to the standard – in those jurisdictions where it has been adopted – which would commence from 15 December 2028 in accordance with the IAASB 2024 work plan for the ISA for LCE.

**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?**

To make decisive progress in the acceptance and adoption of the NIA-EMC, avoiding unnecessary delays that could generate regulatory divergences between Member States and harm the competitiveness of the European audit market.

**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 : O.1. Changes in the Geopolitical and Regulatory Landscape - Making the ISA for LCE a Strategic ...)

Rank 2 : D.1 Evolving Structure and Business Models of Accounting Firms - Alternative Ownership Structures

Rank 3 : A1 Digital Transformation – Increasing Use of Emerging Technologies y A3 Digital Transformation – Financial Crimes Enabled by Technology

Rank 4 : B3 Changes in the Geopolitical and Regulatory Landscape - Call for Greater Agility in Standard Setting

Rank 5 : C.1 Evolving Expectations Concerning Sustainability Information – Continuing Demand for Sustainability Reporting and Assurance

## **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.**

- Governance and evaluation of the control environment in the use of AI: Guides on the use of new technological tools and AI in audited companies in terms of risk identification and evaluation of internal control. Future guidelines should cover the impact on AI-generated evidence, algorithmic transparency, bias, human oversight, confidentiality, and documentation of professional reasoning when using technological tools. Regarding the acceptance of the assignment and execution of the audit work. Requirement of transparency in tools, algorithms and biases when incorporating AI into processes, procedures and decision-making.
- In terms of "Protection and confidentiality": develop non-binding material for SMPs and SMEs using AI tools, focusing on confidentiality, data protection, traceability, transparency, control over technology providers and limits on the use or reuse of information. This guide should help small and medium-sized firms evaluate AI tools without imposing burdens equivalent to those of large firms with their own technology departments.
- Considerations on the independence of auditors, related to the use of AI and other professionals who use IESBA standards before AI developers or providers. IESBA should analyze the independence risks arising from the use of common technology providers by the audit firm and the audited entity, especially when these providers intervene in financial information systems, AI tools, automation of controls or generation of data used as evidence. Threats of self-review, technological dependence, confidentiality, access to data and appearance of independence must be analyzed.
- Cybersecurity Non-binding guide that analyzes the main issues on cybersecurity and good practices. Cybersecurity should be treated as a matter of managing the quality, confidentiality and operational continuity of audit firms, not just as a technological risk. The non-binding guidance should address how firms, especially SMPs, should consider cybersecurity risks in customer acceptance and continuity, information protection, third-party vendors, access control, incidents, cloud tools, and quality management systems.
- Talent, practical training and learning curve The use of AI, and in particular on future auditors, is its learning curve and the management of generational change, as it produces an alteration of the learning process that was traditionally carried out through practical experience. AI can improve efficiency, but also alter the learning curve of junior auditors, by automating tasks through which they traditionally acquired practical knowledge about evidence, exceptions, documentation, risks, and professional judgment. IAASB and IESBA should consider the impact of AI on practical training, professional competence, team supervision and generational renewal. The activity of auditing accounts must prevent automation from reducing the exposure of new auditors to the fundamentals of professional work and judgment
- Governance and evaluation of the control environment of the structures of service firms, specifically with the entry of Private Equity. Alternative ownership structures, including private equity investment in auditing and professional services firms, should be a joint IAASB–IESBA priority. These structures can provide capital for technology, talent, succession, and growth, but they can also create risks to the independence, ethical culture, resource allocation, effective professional control, and long-term resilience of the audit market. Any external investment model should be compatible with the public interest only if it is demonstrated, in practice and not only formally, that independence, audit quality and professional control by qualified auditors are preserved.