

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:

EAA Auditing, Assurance and Ethics Standard Committee

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:

Academia

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:

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).

Looking ahead to the 2028–2031 strategy period, the Committee hopes that both the IAASB and the IESBA will continue to build on the significant progress achieved in recent years, with a shared focus on consolidation, coherence, and responsiveness to an increasingly demanding and fast-changing environment with a potential standard overload risk. Collectively, the Committee would welcome a strategic period oriented towards improving the usability and consistent application of existing standards, supporting practitioners across firms of different sizes and jurisdictions, and maintaining a strong focus on implementation support and coordination. In this regard, the Committee welcomes the attention that both the IAASB and the IESBA are giving to the implications of artificial intelligence and digital transformation — including questions around confidentiality, audit quality, and data analytics integration — recognizing their importance for preserving the value and credibility of professional assurance.

With respect to the IAASB, the Committee notes the importance of continuing to develop a future-ready assurance framework capable of addressing both financial and non-financial information in a coherent and integrated manner. As sustainability assurance and AI-related risks continue to evolve, the Committee would welcome an approach that prioritizes clarity and practical usability across diverse contexts. Continued attention to fraud risk, audit evidence, and the auditor's responsibilities in technology-driven environments — including questions around third-party providers and AI-generated information — would also be valuable as experience in these areas develops.

Regarding the IESBA, the Committee recognizes the importance of its ongoing focus on ethics and future-oriented assurance, and hopes that the coming strategy period will provide an opportunity to deepen this work across several interconnected areas. These include the ethical implications of AI adoption and digital transformation, the evolving landscape of firm culture and governance, and the broader challenge of attracting, developing, and retaining talent in a profession whose complexity and

skillset requirements continue to grow. The Committee also looks forward to following the further development of the IESBA's work on firm structures and alternative ownership models, as well as its efforts to promote consistent application of ethics standards across diverse global contexts.

More broadly, the Committee hopes that the 2028–2031 period will be one oriented to strengthen public trust in the profession. Engaging meaningfully with a diverse range of stakeholders, including those from emerging and developing economies, will be important to ensure that standards continue to reflect and serve the global public interest. The Committee looks forward to continued engagement with both the IAASB and the IESBA as these important areas evolve.

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?

The Committee welcomes the initiatives already undertaken in the area of digital transformation and AI, and shares the concern about the significant challenges that remain. In this regard, the Committee wishes to highlight two main impacts. First, the need for greater practical guidance on how existing standards apply in AI-enabled environments, particularly regarding audit evidence, professional judgement, professional skepticism, and the reliability of outputs generated by complex systems, given that current technology-neutral standards may not fully address the distinctive challenges posed by generative AI. Second, the growing reliance on a small number of dominant third-party AI and cloud providers, which expands the auditor's responsibilities beyond the traditional organizational boundary and calls for coordinated oversight arrangements. The Committee encourages the ongoing coordination between IAASB and IESBA enhancing consistency and implementability, and practical guidance and coordination in this area.

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?

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?

The Committee would like to draw attention on the role of AI in the context of fraud risk. As AI continues to evolve and its use in financial reporting and control environments expands, emerging fraud typologies and data governance expectations will require continued attention. In this regard, the Committee encourages both IAASB and IESBA to monitor developments in this area as experience grows, ensuring that standards remain fit for purpose in increasingly AI-driven contexts. The Committee further encourages close coordination to ensure consistency.

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?

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

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?

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

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 growing complexity of the standard-setting environment is a key cross-cutting concern. The accumulation of new standards and requirements is increasing, particularly in areas such as sustainability and technology. This complexity may impact the

implementation and consistency across jurisdictions and firms of different sizes, with a direct impact on audit quality. The Committee encourages both the IAASB and the IESBA to prioritize clarity, coherence, and usability in their standard-setting work. Efforts to simplify requirements, enhance navigability, and reduce unnecessary complexity would support both practitioners and users, and ultimately contribute to a more effective and resilient standard-setting system.

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?

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?

The Committee welcomes the progress achieved in developing dedicated sustainability assurance standards, and recognizes this as a key area of development for the profession. However, we wish to highlight that the integration of sustainability assurance within the broader system of auditing and ethical standards remains challenging, with a direct impact on effective implementation in practice.

In this regard, the Committee encourages both SSBs to prioritize greater alignment between assurance and ethical requirements, clarity on the role and responsibilities of assurance providers, and consistency across standards — avoiding unnecessary duplication or fragmentation — with a view to ensuring a coherent and practical framework for sustainability assurance

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?

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?

The Committee views firm culture and governance as a foundational issue with direct implications for audit quality, ethical behavior, and public trust and therefore of clear public interest relevance, as increasingly recognized by regulators and oversight bodies worldwide.

The key impact highlighted is that firm structures and incentive mechanisms, if not carefully designed, can create pressures that are difficult to reconcile with the independence and professional skepticism that auditing and assurance require. This is not merely an internal firm matter, but a systemic concern that warrants continued attention at the standard-setting level.

In this regard, the Committee warmly welcomes the IESBA's ongoing work in this area and encourages continued dialogue between standard-setters, firms, and regulators. Greater transparency and shared understanding of good practice in shaping culture and incentives may prove at least as valuable as formal standard-setting in driving meaningful and lasting change.

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

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?

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?

The Committee highlights talent attraction, development, and retention as a structural challenge for the profession, driven by increasing complexity and rapidly evolving skillset requirements — particularly in technology and sustainability — rather than merely cyclical pressures.

The key identified impact is that sustained talent shortages can adversely affect the financial reporting process, contributing to delays in the preparation and publication of financial reports and placing strain on output quality. This has potentially significant consequences for market participants who rely on timely, high-quality financial information, with broader implications for market confidence and stability.

The Committee therefore encourages both the IAASB and the IESBA to give continued attention to this issue in their strategic planning, recognizing that a resilient and well-equipped profession is a prerequisite for the integrity and efficiency of the broader financial reporting ecosystem

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?

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. Private equity in Accounting firms

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?

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

O.2.

Please describe the additional trend

O.2. Related to D3 is the issue of attracting and training students to accounting courses in universities

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 : A1

Rank 2 : A3

Rank 3 : D2

Rank 4 : B3

Rank 5 : D3

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.

AI / Technology

The Committee notes the central importance of digital transformation, and in particular artificial intelligence, as a key driver of change in auditing and assurance. While both the IAASB and the IESBA have already undertaken important initiatives in this area — including the development of technology-related guidance, Technology Quality Management initiatives, and the consideration of emerging risks— significant challenges remain.

In particular, the Committee highlights the need for greater clarity and practical guidance on how existing standards apply in AI-enabled environments, especially with respect to audit evidence, professional judgement, professional skepticism and the

reliability of outputs generated by complex systems. In this regard, the Committee notes that technology-neutral standards currently in use can provide a useful baseline but require auditors to exercise extensive professional judgement and may not fully address the distinctive challenges posed by generative AI, including its probabilistic behavior, opacity, and eventual configuration changes.

The rapid evolution of AI technologies, combined with increasing reliance on third-party providers, also raises important questions regarding the scope of assurance and the auditor's responsibilities beyond the traditional organizational boundary. The Committee notes that critical AI and cloud services are highly concentrated among a small number of dominant providers, and that coordinated or regulator-endorsed oversight arrangements — such as those developed in the European financial sector which collaborates on auditing of cloud providers — may offer useful models worth exploring in the audit context.

The Committee also wishes to draw attention to the growing relevance of AI in the context of fraud risk. The recent revision of ISA 240 is a welcome and important step, and the Committee recognizes the significant work undertaken in this area. As AI continues to evolve and its use in financial reporting and control environments expands, questions may naturally arise regarding emerging fraud typologies and data governance expectations, requiring continued attention as experience in this area develops. The Committee therefore encourages continued coordination between the IAASB and the IESBA to ensure consistency between auditing and ethical requirements, as well as a focus on improving the usability and implementability of existing standards in technology-driven contexts, rather than adding further complexity.

Sustainability / ESG

The Committee also notes the continued importance of sustainability reporting and assurance as a key area of development for the profession. While important progress has been made in developing dedicated standards, the integration of sustainability assurance within the broader system of auditing and ethical standards remains challenging.

In this context, the Committee emphasizes the need for greater alignment between assurance and ethical requirements, as well as clarity regarding the role and responsibilities of assurance providers. Ensuring consistency and avoiding unnecessary duplication or fragmentation of standards will be critical to support effective implementation in practice.

More broadly, this raises important questions about the overall architecture of the standard-setting system in this area.

Firm culture and governance

Firm culture and incentives remain a foundational concern. The way firms are structured, led, and rewarded has a direct impact on audit quality, ethical behavior, and ultimately on the trust that stakeholders place in the profession. The Committee notes that firm culture is not merely an internal matter, but a systemic issue with broader public interest implications and increasingly attracting the attention of regulators and oversight bodies worldwide.

In this regard, the Committee observes that structures within firms can, if not carefully designed, create pressures that are difficult to reconcile with the independence and skepticism that auditing and assurance engagements require. The Committee therefore welcomes the ongoing work of the IESBA in the area of firm culture and governance, and encourages continued dialogue between standard-setters, firms, and regulators to better understand how culture and incentives can be shaped in ways that consistently support audit quality and public confidence. This is an area where greater transparency and shared understanding of good practice may prove at least as valuable as formal standard-setting.

Complexity & Overload

A key cross-cutting concern emerging from the Committee's discussion is the increasing complexity of the standard-setting environment. The accumulation of new standards and requirements, particularly in areas such as sustainability and technology risks creating challenges for implementation and consistent application.

The Committee therefore highlights the importance of improving the clarity, coherence, and usability of standards. Efforts to simplify requirements, enhance navigability, and reduce unnecessary complexity would support both practitioners and users, and ultimately contribute to audit quality.

Talent & Profession

The Committee further notes challenges related to attracting, developing, and retaining talent within the accounting and auditing profession. These challenges are not merely cyclical in nature but reflect deeper structural trends linked to the increasing complexity of the profession and the rapidly evolving skillsets required, particularly in areas such as technology and sustainability.

In this regard, the Committee wishes to highlight that sustained talent pressures can adversely affect the financial reporting process — contributing to delays in the preparation and publication of financial reports and placing strain on output quality — with potentially significant consequences for market participants who rely on timely, high-quality financial information, and broader implications for market confidence and stability.

Addressing these challenges in a sustained and forward-looking manner will therefore be important not only for the resilience of the profession itself, but for the integrity and efficiency of the broader financial reporting ecosystem.

Conclusion

Overall, the Committee encourages a balanced approach that supports innovation and responsiveness to emerging challenges, while maintaining a strong focus on clarity, coherence, and the practical implementability of standards.