

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:

Forvis Mazars Global Limited

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

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

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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).

We do not believe that standard setting is necessarily the answer to many of the current topics and developments under consideration, and the Boards should carefully consider whether their resources are better used in developing non-authoritative guidance to support existing standards where possible. For example, standard setting is not the answer to geopolitical uncertainty or in responding to regulatory changes, nor is standard setting timely and prompt enough to respond to challenges such as these and standards can quickly become outdated. Guidance, however, can be quicker to produce and more easily updated to reflect ongoing developments. Standard setting is most effective where issues are pervasive and cannot be sufficiently addressed through application of existing principles.

It is imperative that the Boards focus on developing principles-based standards and to avoid the proliferation of rules that are making their way into standards. In the case of IESBA in particular, it would be helpful if the Board focused on considering "how" auditors can apply the extant Code, in particular the conceptual framework, rather than making further changes to the Code itself. We would also urge IESBA to pause and reflect on the Code, giving time for recent complex standards to be embedded through jurisdictional adoption and implementation by firms.

High quality, globally consistent international standards are critically important for ensuring the public interest. However, there is a risk that the ever-increasing complexity of auditing standards and the IESBA Code may increase the risk of regulatory

fragmentation due to difficulty in implementation and adoption, ultimately leading to further risk to the public interest. The standards boards' efforts would be better spent in supporting wider adoption and implementation rather than further standard setting.

For both boards, when determining the need for a standard setting project, there needs to be a focus on whether standard setting meets the needs of all stakeholders, including for example auditors, investors and other users of financial statements, audit committees and national standard setters rather than focusing on the needs of public interest entity regulators above others, to ensure that their standards are relevant and have broad applicability, making them more likely to be widely adopted both geographically and across audits and assurance engagements of all types of entity. The Boards should also communicate the decision-making process with greater transparency on how comments were weighted and balanced for all stakeholders.

6. SECTION IV: KEY TRENDS IMPACTING THE SSBs

A.1 Digital Transformation – Increasing Use of Emerging Technologies

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?

Although technological developments are clearly important, they do not necessarily always warrant a standard setting response. Given the pace of change, standard setting may not always be the most effective way to address emerging technologies.

The SSBs should instead focus on development of non-authoritative material to support adoption and implementation of existing principles-based standards. Our score reflects a balance of the importance of the issue in this context, reflecting a need for guidance rather than standard setting.

A clear definition of the auditors' responsibilities, including consideration of ethical factors, in relation to adoption of emerging technologies would be helpful as guidance to support the application of the IESBA Code.

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

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?

Digital assets is first and foremost an issue for financial reporting standard setters. The Boards should monitor any practice issues that arise from accounting for digital assets to consider whether any such issues should be addressed by the auditing or ethical standards.

With respect to auditing standards, guidance may be helpful to address risks such as demonstrating control and price volatility and ensuring proper cutoff. We note that some national standard setters have issued guidance, including accounting for, and

auditing of digital assets, to address the lack of authoritative literature.

A.3 Digital Transformation – Financial Crimes Enabled by Technology

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?

Financial crime, including Anti-Money Laundering, is primarily a jurisdictional legal and regulatory issue with significant variation in local requirements, and is therefore not an area where international standards would be appropriate. However, the Boards may consider non-authoritative guidance which could support application of existing standards (e.g. ISA 240 – Fraud; NOCLAR provisions) when considering financial crime that may occur at a client when performing an audit or assurance engagement.

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?

Geopolitical and regulatory changes are not new, and the profession has been dealing with such challenges for decades, although there are periods where such changes are more rapid as they are at the present time. However, it is not clear that the current rate of change will be maintained throughout the upcoming strategic planning period.

Given the uncertainty and pace of change, allied with significant jurisdictional variation in requirements, we do not believe that standard setting is the most appropriate response to geopolitical and regulatory changes. The SSBs should focus on development of non-authoritative material to support adoption and implementation of existing principles-based standards. Our score reflects a balance of the importance of the issue in this context, reflecting a need for guidance rather than standard setting.

The SSBs should also consider how they can monitor the regulatory environment to identify any significant longer-term trends, rather than responding to events and other shorter-term developments. We believe the outcome of such monitoring should be used to focus efforts on the development of non-authoritative material.

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?

In the current environment there is a significant risk of fragmentation in the adoption and implementation of the international standards, much more so for the IESBA Code than the ISAs on the whole.

The ever-increasing complexity of auditing standards and the IESBA Code, and in some cases challenges with the interoperability of those standards, increases the risk of regulatory fragmentation due to difficulty in implementation and adoption, as a result of which many jurisdictions adapt the international standards rather than adopting them. Indeed, some jurisdictions have moved ahead of the standards boards in developing their own standards (e.g. ISA 240 and ISA 570 in the UK, ISRE 2410 in Australia). In our view, the standard boards' efforts would be better spent in supporting wider adoption and implementation of existing standards rather than further standard setting.

For both boards, when determining the need for a standard setting project, there needs to be a focus on whether standard setting meets the needs of all, or the majority of, stakeholders, to ensure that their standards are relevant and have broad applicability, making them more likely to be widely adopted both geographically and across audits of all types of entity. As an example, the ISA for LCE was developed as a response to a fragmentation risk arising from some jurisdictions developing their own LCE standard in response to increasing public interest entity focus in the ISAs – however, the ISA for LCE itself is not being widely adopted yet, suggesting the needs of the majority of stakeholders have not been met.

There is a perception that the SSB's focus has been on the needs of public interest entity regulators and members of the monitoring group above other stakeholders, leading to a need for jurisdictions to adapt the standards, rather than adopt them.

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

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?

We believe that there should be greater agility in standard setters addressing certain specific issues by providing implementation or other non-authoritative guidance, rather than more standard setting. By this, we mean that the response to developments should not always be standard setting but could be a wide range of non-authoritative material supporting the application of the existing standards.

There is very little evidence from issues that have arisen on audits that the standards themselves are deficient, rather issues arise from the application of the existing standards and providing further support to auditors applying a set of principles-based standards would be of significantly more benefit than producing more rules-based standards. Furthermore, ensuring that standards remain principles-based enables global adoption by allowing local implementation guidance to focus on jurisdictional laws and regulations.

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

Voices Sought

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?

We believe that the standard setting boards already receive diversity of feedback, what is less clear is how the SSBs weight the feedback they receive. There is a perception that feedback from certain stakeholders (e.g. monitoring group members) is given significantly more weight than that received from, for example, the audit profession. There have been examples where multiple responses from the profession, both firms and PAOs, have raised consistent messages but a single response from a regulator is given more weighting. It is important that the SSBs, despite the careful consideration and display of all feedback received as presented in issues papers, communicate the decision making process with greater transparency on how comments were weighted and balanced for all stakeholders – Some stakeholders would always consider that more standards is a good thing in principle, but without necessarily considering the wider costs and benefits of new requirements.

There has been a proliferation of roundtable discussions by the standards boards, in particular, IESBA in recent years and we question the value for money of this approach. Where roundtables are held, we would urge the boards to ensure multi-stakeholder roundtables to enable a wider range of views to be discussed, and for stakeholders to better understand each other's perspectives, rather than separate roundtables for different types of stakeholders. Such multi-stakeholder roundtables have been successful in the past.

Diversity of views is also important on the standard setting boards themselves, including diversity of thought, experience, geography and professional backgrounds. That said, we believe that professional auditors should have greater representation on the Boards to drive higher quality standard setting. Other standard setting bodies have a higher percentage of professional auditors on their Boards to ensure they are getting enough of that unique perspective and in-depth understanding of the application of the standards. Regulators, financial statement users and others bring their own unique perspectives, but do not always have the same consideration of balancing standard setting with cost-effectiveness and an appreciation of the auditor effort to adopt new standards.

8. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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?

We do not believe that further standard setting activity is needed by the SSBs in the short, or perhaps medium-term on sustainability reporting and assurance.

A period of stability is necessary to enable consistent implementation of existing standards and to minimize the risk of

fragmentation. Sustainability reporting requirements are rapidly evolving around the world, often with associated assurance requirements, and the SSBs should monitor the adoption and implementation of existing standards and, where possible and appropriate, look to simplify requirements (e.g. the value chain requirements in the IESSA).

The SSBs efforts should be focused on supporting jurisdictional implementation of the international standards and, as necessary, providing non-authoritative material to support the application of ISSA 5000 and IESSA, in the coming years. We question whether the proposed IESBA project on all preparers of sustainability information is appropriate and within its scope as a standard setter for accountants. If anything, such a project should be focused on accountants preparing sustainability information and should be restricted to providing non-authoritative material around the application of the existing code, including the conceptual framework.

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

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:

Our answers to other questions have highlighted that regulatory and geopolitical changes are not areas where standard setting is appropriate. In those responses we have identified other areas where we believe non-authoritative material may be helpful.

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?

It is not the role of standard setters to regulate ownership of accounting firms.

The SSBs should focus on principles-based standards supported by guidance on the application of those standards. In the context of alternative practice structures, it may be appropriate for IESBA in particular to issue non-authoritative material supporting the application of the IESBA Code in such circumstances, for example explaining the code to potential investors to help them understand the ethical principles that firms must apply, how individuals fulfill their responsibilities, the importance of the code and the "Non-negotiables" for professional accountants.

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

Profession

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?

The involvement of a range of specialists and non-accounting practitioners in the profession is not new and is not, in our view, an area where standard setting is required.

As the profession evolves, there may be new types of specialists (e.g. sustainability, IT, AI assurance) but the well-established principles of how the professional accountant gains comfort over the work of non-accountants whose work they use can be applied. Non-authoritative material and specific examples may be helpful in these new areas to support the application of the existing standards.

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

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?

Challenges around the attraction and retention of talent are not new, though they are increasingly prevalent given regulatory pressures and a perception that audit is increasingly a compliance exercise which is, in part, driven by the increasingly rules-based nature of standards. It is imperative that the SSBs focus on principles-based standards, supplemented with guidance to support the application of the principles, to avoid further proliferation of rules that drive such compliance behavior.

The standard setters can do more to promote the accounting profession and the value of acting in the public interest with ethical values, through more positive communication than is currently the case from, in particular, IESBA. We believe that the SSBs should consider how they can contribute to describing the benefits of professional accountants, and their role in the public interest, to the younger generations.

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

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?

We do not believe standard setting or other activities are necessary, other than post implementation review reviews of some of the recent changes to the IESBA code (e.g. NAS and fee-related provisions) to assess whether they are effective and proportionate.

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.

No

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.

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.

The SSBs should focus their joint efforts on driving the consistent implementation and adoption of the suite of international standards to mitigate the risk of fragmentation, as well as development of non-authoritative materials that support the implementation and application of existing standards.

The Boards should also jointly consider how they can better balance their response to feedback from stakeholders, providing greater transparency over how stakeholder feedback is weighted.

