

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:

Institute of Public Accountants

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

Vicki Stylianou

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

vicki.stylianou@publicaccountants.org.au

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:

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).

IPA supports the SSB's objectives of setting high-quality and globally accepted standards for assurance and code of ethics that are responsive to stakeholder needs, that help strengthen public trust and confidence in financial and non-financial information. Given the increasing number of jurisdictions adopting the SSB standards, the increasing complexity of the reporting landscape, we think that the SSB should aspire to achieve:

- standard-setting activities that are even more targeted/relevant and responsive to the stakeholders' needs. This would require the SSB to identify potential issues early and the timely issuance of the necessary standards and/or guidance for implementation. The standards should also be where possible, scalable for implementation by entities of differing size and complexity.

- increase its interaction and engagement not only with the larger developed economies but also include other smaller jurisdictions that may not have the geographic proximity or the resources to express their voices to the ISSB.

- mitigate the risk of fragmentation.

- address the increasing involvement of non-professional accountants operating in the accounting and auditing profession.

Other comment:

IPA is of the view that the Joint Stakeholder Survey has identified the key trends impacting the standard-setting Boards (SSB), comprising the IAASB and IESBA. We appreciate that the key trends were developed following the SSB's comprehensive review of a wide range of information sources. However, we find the survey's structure misses the opportunity for the SSB to solicit more targeted and comprehensive feedback from stakeholders. The brevity of the document also belies the comprehensiveness of the SSB's work in identifying the key trends.

We think a better approach is for each of the key trends identified, for example A.1 Digital Transformation – Increasing Use of Emerging Technologies, to include specific questions relating to the trend that would better assist the SSB in considering the specific emerging technologies being used, the issues that arise from their use, their relevance and impact, and what and how specifically would stakeholders like the SSB to address. This contrasts with the approach in the survey, which comprises of a rating scale of 0 to 6 on the importance of the trend and free text fields to gather additional feedback on the trend.

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?

IPA agrees with the potential impact on audit, assurance and quality management, ethics and independence matters as outlined in Section IV. Given the rapid pace of digital transformation, any developed standard that are prescriptive in nature and addresses specific technologies may risk being redundant by the time the standard is issued for application. Consequently, we think a better approach is to develop principles-based standards that deal with technologies as a whole and can apply across a wide range of technological innovations and evolutions. The application of the standards' principles can be supported by guidance that deals with the specific technology. The use of guidance ensures that the SSB standards remain relevant and responsive to its stakeholders' needs.

We think the principles in the existing standards maybe sufficient to address the increasing use of emerging technologies. However, we recommend the SSB review the existing standards' principles are fit for purpose and develop any necessary guidance to support the standards.

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?

Refer to IPA's response to A.1

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?

Given the different frameworks in each jurisdiction in dealing with financial crimes, IPA is of the view that addressing matters relating to financial crimes enabled by technology is a matter for each jurisdiction. As per our comment in A.1, any support to stakeholder by the SSB could be in form of guidance.

7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

IPA is of the view that the increase in changes in geopolitical and regulatory landscape undoubtedly influences the SSB's next strategy period. In Australia, there has been a huge amount of regulatory changes in a short period. This was seen with the mandatory climate disclosures requirements and timeframe imposed by the Australian government. The mandatory requirements have resulted in a large volume of consultation documents for stakeholders to comment. These were followed by a raft of guidance material, voluntary and mandatory, for further comment and implementation. All of which contributed to stakeholder fatigue. The volume and pace of regulatory changes also pose a significant risk of fragmentation, as some jurisdictions moved towards reduced regulatory burdens to enhance economic competitiveness by furthering innovation and economic growth, ahead of compliance with the higher bar intended by the regulatory changes. IPA is of the view that to mitigate the risk of fragmentation, the SSB needs to have greater agility in standard-setting and seeks greater diversity of voices from its stakeholders (refer to B.2 to B.4 for more detail).

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

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?

IPA agrees with the observation that:

"In many jurisdictions there is a move away from international alignment toward a more national / regional focus. As a result, different jurisdictions, industries, or organizations may use varied and sometimes conflicting frameworks, rules, and metrics for reporting information. Such fragmentation contributes to uncertainties, adds costs and administrative burdens for providers of professional services and their clients, and erodes trust and confidence in financial and non-financial reporting." (page 10)

We therefore think fragmentation is an important risk that will shape how the SSB sets its standards. This is because the strength and benefits of the SSB standards are that they promote globally consistent practices and regulatory approaches, which serves the public interest. To mitigate the risk of fragmentation, the SSB needs to have greater agility in standard-setting and seeks greater diversity of voices from its stakeholders (refer to B.3 and B.4 for more detail).

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

6 – Strongly increasing in importance

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

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

As stated in our response in B.1. there has been a large volume a large volume of consultation documents for stakeholders to comment on over at times a short time frame, while on other occasions over a protracted period.

IPA is of the view that to address the changing geopolitical and regulatory landscape, including the risk of fragmentation, the SSB will need to adopt a more agile approach to standard-setting. That is, take the time to set standards with principles that are holistic, robust and future proof to the extent possible for changes in the environments and regulations. The requirements in the standards should also, where possible, be scalable for implementation by all different entity size and complexity. This approach would reduce the need for the standards to be amended or revised in the short term. Instead, matters subsequent to the issue of the standard should be addressed in the form of non-authoritative materials or narrow scope amendments to the standard. This would enable the SSB to respond to the stakeholder needs in a more responsive and timely manner and for all applicable entities to implement the requirements.

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

6 – Strongly increasing in importance

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

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

IPA is of the view that traditionally, larger economies are often the ones that have the resources and might to voice their views and influence proposed standards. This contrasts to the smaller and emerging economies that may not be in the position to do so.

We think that for the SSB to remain the pre-eminent standard-setting bodies for high quality standards for global adoption, it is important that the SSB makes a concerted effort to consult the emerging economies to ensure their voices are included.

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?

IPA is of the view that the demand for sustainability reporting and assurance are still maturing with global adoption in varying forms and timeframes. However, as the sustainability reporting matures, it is likely the users of the reports, including users of financial and non-financial information and regulators, will demand more comprehensive and reliable sustainability disclosures that are more interconnected with financial information.

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

IPA agrees with the observation that:

"The sustainability regulatory landscape has evolved beyond climate reporting, with amendments to existing regulations and the potential emergence of new jurisdictional and international requirements. On the other hand, some jurisdictions are in the process of recalibrating their previously announced requirements around sustainability reporting and assurance."

We think the "recalibration" enables each jurisdiction to initially implement the sustainability requirements in the form and timeframe that is appropriate for the jurisdiction. We are of the view that subsequent to the initial implementation timeframe, it is likely there will be more consistency in the application of the sustainability requirements. However, this is predicated on the SSB's ability to address/mitigate the risk of fragmentation in B.2.

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?

IPA is of the view that changing ownership structures may raise quality management, and ethics and auditor independence considerations, including on firms' ethical culture. This is especially where private equity organisations are increasingly investing in accounting firms, driving growth and injecting the necessary capital for technological innovation.

However, we think the same high level of ethical requirements should apply irrespective of the organisational structure. It is therefore important that the SSB provide guidance on how this can be achieved.

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?

IPA thinks the involvement of non-professional accountants in the accounting and auditing profession is likely to increase. This is given the increasing need for specialists from other disciplines, such as technology, data science, law, consulting and sustainability, and the challenges in attracting and retaining talent in the accounting and auditing profession. At present the professional accounting bodies require its members to comply with the SSB standards and regulates/sanctions the members for non-compliance. However, other non-professional accountants may not be subject to such requirements and non-compliance oversight.

We think this is an important area that warrants the SSB's consideration in conjunction with the professional accounting bodies and regulators. This is to ensure the public continue to have confidence in the accounting and auditing profession.

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

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?

IPA agrees with the observation that:

"Challenges to Attracting and Retaining Talent: The accounting and auditing industry is facing an increasing challenge in attracting and retaining talent, driven by perceptions of the industry as less dynamic and the allure or alternative career paths. Also, given the rapid changes in technology, firms will need to attract and retain talent, and build capacity, in areas where there is strong competition for talent."

We think this is an area that requires all stakeholders in the accounting and auditing industry (including accounting firms, accounting bodies, educational institutions, students, industry organisations) to consider how to address the above perceptions.

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

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?

IPA agrees with the observation that:

"The growth of non-assurance services has become a major source of revenue for accounting firms compared to fees for their audit and assurance services. If there is a corporate scandal or failure related to the provision of these services, it impacts the trust in the accountancy profession and its public interest role."

This has been an on-going issue for some time. Much research, consultation, government inquiries and recommendations have been garnered on this matter. We think that this is a matter that requires standard-setters, profession and regulators with the political to come together to resolve.

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 (0.1, 0.2, 0.3, ...)

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 : B2 Changes in the Geopolitical and Regulatory Landscape – Risk of fragmentation

Rank 2 : B3 Changes in the Geopolitical and Regulatory Landscape – Call for greater agility in standard-setting

Rank 3 : B4 Changes in the Geopolitical and Regulatory Landscape – Greater diversity of voices sought

Rank 4 : D2 Evolving Structure and Business Models of Accounting Firms – Increased involvement of non-professional accountants in the accounting and auditing profession

Rank 5 : A1 Digital Transformation – Increasing use of emerging technologies

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.
