

## 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:

PricewaterhouseCoopers International Limited

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

Wes Bricker and Sarah Isted

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

wesley.bricker@pwc.com, sarah.t.isted@pwc.com

### 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**

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**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).**

The strategies and workplans of the SSBs for the 2024–2027 period were primarily focused on standard-setting, particularly in relation to sustainability reporting, and on enhanced collaboration, both among the SSBs and with external stakeholders. The strategic objectives relating to strengthened coordination and agility from that period remain important as the SSBs move into the 2028–2031 strategy and workplan cycle.

The upcoming strategy period will take place against the backdrop of a rapidly evolving corporate reporting ecosystem, undergoing fundamental change driven by new and emerging technologies, particularly artificial intelligence, as well as the risk of increased fragmentation in adoption of international standards. To remain relevant and to be perceived by stakeholders as responsive and impactful in this environment, the SSBs should focus on three core priorities: modernisation, agility and alignment.

These priorities will underpin the SSBs' ability to serve the public interest and deliver high-quality, globally operable standards that remain fit for purpose in a changing landscape.

In parallel, providing enhanced transparency in due process considerations, including how stakeholder feedback was evaluated in reaching key decisions – in particular when there are competing viewpoints across different stakeholder groups – and ensuring an appropriate balance of stakeholder (including sufficient practitioner) input, will be critical to maintaining trust and confidence in the SSBs' outputs, supporting global adoption, and mitigating the risk of jurisdictional fragmentation.

## Modernisation

The SSBs, in particular the IAASB that is undertaking a significant project in the 2024-2027 work plan period, have recognised the need to address the impact of technology. Actions to modernise the international standards to ensure they remain fit-for-purpose in a rapidly evolving technological landscape that is reshaping business models, audit and assurance approaches, and ethical considerations should be a clear priority. This will require a proactive and forward-looking approach to emerging issues in order to meet stakeholder needs and serve the public interest. At the same time, any modernisation should remain firmly principles-based and outcome-focused.

## Agility

To remain relevant and responsive, the SSBs should place renewed emphasis on agility by developing more timely mechanisms to delivering Board outputs. This could include a rapid-response approach to address urgent targeted issues without undertaking full standard-setting projects, complemented by an annual improvements programme for narrower maintenance matters. Greater use of high-quality non-authoritative guidance materials, developed with appropriate Board and stakeholder engagement, would also provide practical clarity on applying principles-based standards to new and emerging circumstances.

## Alignment

Clear alignment between the IAASB and the IESBA is essential to maintaining global confidence in international standard setting. To the extent that either Board retains an explicit strategic objective addressing coordination, it is important that both Boards adopt an equivalent objective. The SSBs should continue to coordinate their strategies and project timelines, including issuing joint exposure drafts where appropriate, to present stakeholders with a coherent view of the combined implications of proposed standards. Alignment of effective dates should be the default position, unless there is a clear justification for divergence.

## 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?**

#### Our approach to assessing importance

We assessed this trend as strongly increasing in importance, while acknowledging that addressing the impact of emerging technologies is already a significant focus for both SSBs, as reflected in the IAASB's current technology-related projects and the IESBA's dedicated technology working group. We believe technological developments will continue to raise new considerations for the SSBs, for example, how AI may impact incentives and ability to commit fraud. To keep pace, efforts will need to be translated into timely guidance and, given the pace of change, may need to be updated more frequently than the Boards have anticipated to date.

#### Overarching comments

The impact of emerging technologies on corporate reporting and audit and assurance services will continue to intensify. There is also growing risk of an expectation gap for users and the potential for criticism of preparers, auditors, and standard setters if this impact is not carefully evaluated and addressed. We support ongoing efforts to clarify how existing auditing, assurance and ethical principles apply in relation to the use of emerging technologies, including AI, supported by timely non-authoritative materials to mitigate expectation and performance gaps. Proactive monitoring of whether these developments affect the core

principles underpinning international standards will remain important in evaluating the need for standard-setting or the development of non-authoritative guidance. We support the formation, by both IAASB and IESBA, of expert working groups focused on technology. It is important that such groups have the right combination of stakeholder representation, including the profession.

In this context, we caution against presumptive standard setting. Where existing principles remain robust, a guidance-first approach is likely to best serve stakeholders. Where standard-setting action is warranted in the public interest, maintaining a principles-based approach is paramount. Excessive prescription or technology-specific requirements risks rapid obsolescence; the focus should remain on the objectives to be achieved rather than the means of achieving them. See also our views in response to question 4 regarding mechanisms to enhance agility.

#### Matters specific to the IAASB

In addition to the IAASB's existing work on technology, including but not limited to its application in an audit context, the increasing use of AI is likely to have broader implications for specific assurance engagements, such as the need for ISAE 3402 engagements to reflect the impact of AI on system and organisation controls. As AI is increasingly used by both companies and auditors, including through third-party tools, demand may also emerge for assurance over AI-related matters under the IAASB's assurance framework. The IAASB should engage with stakeholders to assess such emerging needs and determine whether any response is warranted.

These are areas where professional accountants are well placed to provide assurance services in accordance with the IAASB's existing standards, including ISAE 3000 (Revised). However, as other emerging standards in this area continue to develop (e.g., International Organization for Standardization (ISO) and U.S. National Institute of Standards and Technology (NIST)), it is important that the IAASB carefully considers developments in the ecosystem. This may necessitate the Board responding to affirm that its standards remain fit for purpose in addressing such emerging engagements and/or seeking to work with other stakeholders in the ecosystem to build consensus around consistent assurance principles and objectives.

As a prelude to the potential development of new topic-specific assurance standards, the Board may determine that it is appropriate to develop initial non-authoritative guidance to address certain questions that may arise about the application of existing assurance standards to emerging subject matter engagements. In doing so, there may be opportunities to leverage resources developed by JSS and other professional organisations to enhance the timelines of any such materials.

#### Matters specific to the IESBA

The increasing use of AI and emerging technologies raises important considerations across several of the Code's fundamental principles. Professional competence and due care will require ongoing attention as practitioners are expected to exercise informed judgement over the outputs of AI-enabled tools (understanding their limitations, potential biases, and appropriate use). As AI tools increasingly inform or contribute to professional judgements (for example, in generating risk assessments, valuations, or audit evidence summaries), the Code should reinforce that the professional accountant remains personally responsible for the exercise of professional judgement, and that the use of AI does not diminish that individual's ethical accountability. The IESBA should also be mindful of the risk that over-reliance on AI-enabled tools may create threats to objectivity and professional scepticism, and should consider whether the existing conceptual framework is sufficient to guide practitioners in identifying and addressing such threats.

We recommend the IESBA assess whether the existing provisions on confidentiality adequately address the implications of when client data is input into and retained on third-party AI platforms. As the use of such tools becomes more widespread, the risk of inadvertent disclosure or loss of control over confidential information increases, and the Code's guidance should reflect these evolving risks.

More broadly, we encourage the IESBA to consider non-authoritative guidance to support the application of the fundamental principles. Such practical guidance could usefully illustrate how to apply the conceptual framework to these emerging threats, while being mindful of tensions of setting perceived requirements that may introduce inappropriate barriers to competition within the broader profession or inadvertently stifle innovation or the appropriate use of technology.

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

6 – Strongly increasing in importance

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## **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?**

#### Our approach to assessing importance

We assessed this trend as strongly increasing in importance as, in our view, many of the considerations relating to digital assets closely parallel those associated with emerging technologies more broadly, as outlined in trend A.1.

#### Matters specific to the IAASB

Given the growing participation of companies in the crypto-asset space, together with increased user and regulatory scrutiny, we believe further stakeholder outreach would be valuable to assess whether any issues warrant action. In particular, non-authoritative guidance may help address risks associated with digital assets and promote consistent application, accountability and execution in audits. Similar to our feedback in response to trend A.1, there may be opportunities to leverage resources developed by JSS and other professional organisations (e.g., the AICPA's Assurance Services Executive Committee's Digital Assets Practice Aid) or to collaborate jointly on such matters. Greater clarity around auditors' responsibilities would support the public interest and help mitigate any expectation and performance gaps.

The IAASB could also work with relevant stakeholders, such as IOSCO and IFIAR, to help clarify expectations for entity internal controls and how these should be considered in both audits of publicly traded and non-publicly traded entities.

The auditor's risk assessment will drive judgements about the nature and extent of evidence that is necessary to respond to the assessed risks of material misstatement. Establishing a consistent framework to support auditor judgements about how best to obtain sufficient appropriate audit evidence—tailored to the entity's facts and circumstances—would support audit quality and enhance stakeholder understanding of what is expected of auditors. This includes clarifying how risks related to digital assets affect the auditor's determination about whether substantive procedures alone can provide sufficient appropriate audit evidence and promote more consistent consideration as to when it is likely necessary to obtain evidence about the operating effectiveness of controls.

#### Matters specific to the IESBA

As digital assets become more widely held by institutions and individuals, the IESBA should consider whether the current provisions in the Code relating to financial interests are sufficiently clear to address newer forms of asset ownership, such as cryptocurrency or tokenised holdings by firm personnel or their immediate families. In addition, the IESBA should consider whether digital assets may give rise to conflicts of interest or create sensitive situations not fully contemplated by existing provisions, particularly where a professional accountant, their firm, or their close associates hold interests in digital assets that are also held, issued, or traded by an audit or assurance client.

## **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?**

#### Our approach to assessing importance

In a rapidly evolving, technology-driven environment, technology-enabled financial crime may be expected to increase.

However, we have assessed this trend as only slightly increasing in importance for the SSBs, reflecting our view that existing standards—including those addressing risk assessment and non-compliance with laws and regulations (NOCLAR)—already provide a robust foundation for practitioners. This assessment also reflects the need for proportionality: while incidence may rise,

any SSB response is more likely to focus on targeted clarification of existing requirements rather than on redefining underlying principles or new standard setting activity. Nevertheless, as described in our response to trend A.1, the SSBs may need to give further specific consideration to how technology, and specifically AI, may be used to facilitate and/or conceal fraud.

#### Overarching comments

Both SSBs have addressed NOCLAR in relatively recent standard setting activities. Accordingly, the focus should be on assessing whether incremental guidance is warranted, particularly in relation to how technology enabled financial crime may affect practitioners' audit and ethical responsibilities.

#### Matters specific to the IAASB

In addition to evaluating whether non-authoritative guidance may be warranted in respect of ISA 250 (Revised), auditors may benefit from non-authoritative guidance addressing relevant considerations when obtaining an understanding of the entity, its environment and its system of internal control, relating to how an entity's use of technology may create opportunities for financial crime and pose a related risk of material misstatement of the financial statements (ISA 315 (Revised 2019)), and in applying ISA 240 (Revised). Such guidance could usefully also emphasise the scope of the auditor's responsibilities as it relates to financial crime committed by, or perpetrated against, the entity in the context of an audit of financial statements.

#### Matters specific to the IESBA

We encourage the IESBA to consider, as part of its post-implementation review, whether the current NOCLAR framework provides sufficiently clear guidance for professional accountants who encounter or suspect financial crime enabled by sophisticated technology. The use of digital assets and other technology-enabled structures can obscure the identity of ultimate beneficiaries, creating practical compliance challenges for professional accountants in identifying and responding to potential non-compliance.

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

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

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?**

Our approach to assessing importance

The current geopolitical landscape has the potential to significantly impact both jurisdictional and international standard setting, driving pressures toward both convergence and divergence. Accordingly, we assess this trend as increasingly important to the SSBs through 2027. Looking ahead to 2028–2031, the prospect of continued geopolitical volatility—including changes in government priorities across jurisdictions—may further affect areas such as sustainability reporting and assurance, international convergence and market regulation. While this trend is already highly significant, there is potential for its importance to increase further and influence the SSBs' prioritisation decisions.

#### Overarching comments

The forthcoming strategy period may present a unique opportunity to advance convergence between international and jurisdictional audit, assurance and ethics standards. Recent public commentary suggests there may be renewed appetite in some jurisdictions to align standards and reduce unwarranted divergence, for example, for audits of publicly traded companies in

the US. We encourage the SSBs to engage in constructive dialogue with relevant jurisdictional stakeholders to explore these opportunities.

At the same time, political developments across jurisdictions are driving changes in sustainability reporting regulation, with implications for the demand for assurance. The SSBs should monitor how these developments affect market expectations, including assumptions about the need for further standard setting, while continuing to support the adoption and implementation of recently issued standards. This includes addressing how jurisdictional tailoring interacts with the intended application of ISSA 5000 and the IESSA. We comment further on these matters in our response to trends C.1 and C.2.

More broadly, greater transparency around how jurisdictional regulatory developments are monitored and assessed, to determine whether and when action is warranted at an international level, could help stakeholders better understand proposed actions by the Boards, thereby supporting confidence in, and adoption of, global standards.

#### Matters specific to the IESBA

Building on the above, we encourage the IESBA to adopt a more proactive and structured approach to engaging with jurisdictional regulators on how emerging regulatory developments may intersect with the Code, with a view to positioning the Code to complement rather than conflict with jurisdictional requirements. The IESBA's work on profession-agnostic independence standards for sustainability assurance could also serve as a fragmentation-mitigation measure, providing a consistent ethical baseline that jurisdictions can adopt and build upon. As an overarching principle, seeking to build consensus for changes to the Code across jurisdictional standard setters prior to commencing detailed standard setting projects should also be a priority.

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

6 – Strongly 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?**

Our approach to assessing importance  
See trend B.1.

#### Overarching comments

A continued focus on high quality, scalable and principles-based standards, supported by stakeholder confidence in the standard setting due process, promotes jurisdictional adoption of international standards and reduces the risk of fragmentation. Strengthening structured dialogue with jurisdictional standard setters and regulators further supports consensus on the direction and outcomes of international standards and enables early identification of potential divergence.

#### Matters specific to the IAASB

We encourage the IAASB to monitor jurisdictional adoption of the ISA for LCE, including any modifications, to inform assessments of the cost benefit of future maintenance activities as part of its ongoing prioritisation and resource allocation.

#### Matters specific to the IESBA

For the IESBA, fragmentation risk may take a somewhat different form than for the IAASB. We recommend that the IESBA considers further research into the consistency of adoption of the Code across jurisdictions, recognising that the term 'adopted' may encompass a wide spectrum of implementation, including local amendments and adoption of older versions. While many jurisdictions purport to have adopted, or make reference to, the Code, a number have implemented additional or modified requirements (for example, partner rotation periods, or definitions of public interest entities), such that fragmentation exists even within apparent adoption. We encourage the IESBA to consider whether a more systematic approach to monitoring and understanding these jurisdictional deviations would be valuable, as this would help the IESBA determine whether the issue lies

in the standards themselves or in communication and adoption support. This is particularly pressing for the IESSA, where there is a narrow window to invest in adoption support, including implementation guidance, jurisdictional outreach, and tailored non-authoritative materials, before divergent approaches become entrenched. More broadly, we encourage the IESBA to enhance its adoption and implementation support infrastructure, leveraging the approaches that have supported jurisdictional adoption of IAASB standards.

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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?**

Our approach to assessing importance

We recognise that agility is already a key priority for both SSBs. However, consistent with our responses to trends B.1 and B.2, ongoing geopolitical developments—and the related risks and opportunities associated with fragmentation or convergence of standards—are likely to further elevate its importance during the 2028–2031 strategy period. The SSBs' ability to respond rapidly and efficiently to emerging issues will be critical to maintaining relevance and sustaining confidence in international standards.

Overarching comments

We believe the SSBs should place renewed emphasis on agility by developing more timely mechanisms to delivering Board outputs. This could include a rapid-response approach to address urgent targeted issues without undertaking full standard-setting projects, complemented by an annual improvements programme for narrower maintenance matters. Greater use of high-quality non-authoritative guidance materials could also provide practical clarity on applying principles-based standards to new and emerging circumstances.

In parallel, greater transparency around decisions to initiate standard setting projects—including the rationale and supporting evidence for the defined scope and issues to be addressed—would provide a stronger foundation for constructive dialogue with stakeholders on the prioritisation of the SSBs' resources.

Matters specific to the IESBA

In a rapidly evolving environment, particularly in relation to technology and sustainability, there is a risk that the pace of formal standard-setting may not always keep up with the pace of change. We encourage the IESBA to consider making greater use of Staff Publications and Alerts, developed with appropriate Board member input and stakeholder engagement, as an interim measure to provide timely, practical guidance on emerging ethical and independence issues while the IESBA evaluates the need for standard-setting responses. This approach could enhance the IESBA's responsiveness to stakeholder needs and help bridge the gap between the emergence of new challenges and the completion of formal due process. It would also complement the broader agility measures we have recommended for both SSBs, building on the Staff Publication and Alert mechanisms that the IESBA has used effectively in the past.

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

4 – Slightly increasing in importance

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### **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?**

### Our approach to assessing importance

We assess this trend as broadly unchanged in importance relative to the current strategy period. Both SSBs have undertaken extensive regional and jurisdictional outreach in recent years, and we expect this level of engagement to continue as a core element of international standard setting. While diverse stakeholder input will remain important—particularly from investors, preparers and those charged with governance—we do not anticipate material shifts that would significantly alter the importance of this trend. We do, however, note the increasing importance of sufficient practitioner input throughout the standard setting lifecycle to ensure practical considerations are appropriately reflected and to avoid unintended operability issues.

### Overarching comments

Given the growing role of technology across the reporting and assurance ecosystem, it will be important for the SSBs to maintain ongoing mechanisms for drawing on insights from technology experts. Timely and sufficient practitioner input, particularly in rapidly evolving areas such as developments in use of agentic AI and broader digital transformation, will be especially important. We support the SSBs' engagement with jurisdictional standard setters and regulators and note the importance of periodically assessing representation from emerging economies to ensure stakeholder perspectives remain aligned across markets. The SSBs may also wish to consider enhancing the frequency and depth of interactions with the jurisdictional standard setters as well as the Forum of Firms and the GPPC.

### Matters specific to the IESBA

The IESBA is currently exploring the potential extension of the Code's application through several active workstreams, including ethics standards for all preparers of sustainability information and profession-agnostic independence standards for sustainability assurance. These initiatives have the potential to bring within the scope of the Code individuals and entities that have not traditionally been subject to the IESBA's standards, and whose perspectives may not yet be well represented in the IESBA's consultation activities. We encourage the IESBA to ensure that its outreach in connection with these workstreams is sufficiently broad to capture the views of those who would be newly affected, including sustainability practitioners, technology professionals, and preparers of non-financial information. This will be essential to establishing a clear basis for proceeding with such workstreams and appropriate and proportionate boundaries for the Code's application and to securing broad-based support for the resulting 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?**

### Our approach to assessing importance

By 2028, many jurisdictions are expected to be entering an initial phase of mandatory sustainability reporting and assurance, while others may remain in earlier stages of adoption. In this context, we do not anticipate new drivers that would increase the relative importance of this trend for the SSBs compared with recent years. Rather, the coming period is likely to be characterised by monitoring and evaluating adoption and reporting practices. Combined with the recent recalibration of

sustainability reporting in certain jurisdictions, this suggests the relative importance of this trend for the SSBs may slightly decrease, notwithstanding that sustainability reporting and assurance will likely remain a critical area for the profession.

#### Overarching comments

A critical activity during the next strategy period will be the post-implementation review of ISSA 5000 and the IESSA. Given the close interrelationship between the two standards, it is essential that this review is conducted as a joint project of the SSBs.

#### Matters specific to the IAASB

As part of the post-implementation review of ISSA 5000 and ongoing monitoring of the evolving sustainability reporting ecosystem, including trends toward integrated financial and sustainability reporting, the IAASB may need to consider whether further standard setting activity or nonauthoritative guidance is warranted to address the interrelationship between the financial statement audit and sustainability assurance engagements. This could include matters relating to risk assessment, communications, reporting, and responsibilities for other information.

#### Matters specific to the IESBA

As jurisdictions move into the early phases of adopting and applying the IESSA, practical implementation questions and challenges will inevitably arise, e.g., application of the provisions related to the concept of a value chain entity. We would encourage the IESBA to ensure it is well positioned to provide timely and proportionate responses to emerging issues identified through the IESSA Implementation Monitoring Advisory Group (IIMAG) and any future implementation advisory groups. Where such questions arise, the IESBA could consider addressing them through non-authoritative Q&A publications, Staff Alerts, or targeted guidance to support consistent and high-quality application of the ethical and independence requirements for sustainability assurance from the outset.

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

3 – Slightly decreasing in importance

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

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

#### Our approach to assessing importance

Refer to our assessment rationale under trend C.1. By the start of 2028, sustainability reporting and assurance frameworks are expected to be more established, reducing the likelihood that regulatory and geopolitical developments will drive significant new standard setting demands for the SSBs.

#### Overarching comments

The SSBs should continue efforts to promote the adoption of ISSA 5000 and the IESSA, while also monitoring jurisdictional adoption, including evaluating the nature, extent, and rationale for jurisdictional tailoring of the standards, including areas that may not have been adopted in full or in part. Such activity can usefully inform the post-implementation review of both standards.

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

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

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?**

Our approach to assessing importance

The implications of alternative ownership structures, including private equity investment in accounting firms, are currently being considered by the IESBA. We have presumed that key matters relevant to this topic will largely be progressed through the remainder of the 2024-2027 strategy period. We do not anticipate that further alternative ownership structures are likely to emerge that would drive an increase in the importance of this trend for the SSBs through the 2028-2031 strategy period.

While we have rated this as slightly decreasing in importance, we recognise that there may be unknown elements around how this may evolve in the future, including the views of regulatory bodies, therefore it may slightly increase or decrease in importance. Consequently, we believe it is important that the SSBs continue to monitor how this matter evolves and determine whether there is any potential impact to the international standards.

Matters specific to the IESBA

The IESBA's current work plan project on firm culture and governance, ongoing through 2027, will impact ethics and independence considerations raised by alternative ownership structures. Looking ahead, we encourage the IESBA to evaluate whether the output of this workstream is effective in addressing the emerging ethics and independence considerations that such structures may pose.

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

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

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

While the involvement of non-professional accountants continues to be important, the IAASB's standards already address the composition of engagement teams, including their competence and the principles for direction, supervision and review of engagement team members. Both SSBs have also recently completed revisions to their standards addressing use of the work of an expert, which explicitly addressed the capabilities, competence and objectivity of such experts. Similarly, the IESBA Code addresses ethical and independence requirements applicable to all individuals who form part of the engagement team, regardless of professional background.

Taken together, we believe these requirements already provide a robust and principles-based framework for managing the involvement of non-professional accountants. Accordingly, we do not consider this trend to introduce new or incremental risks that would warrant additional standard setting or guidance by either SSB during the 2028–2031 strategy period.

**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**

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?**

Our approach to assessing importance

Attracting and retaining talent remains a key consideration across the profession, with gaps being seen in certain territories and sectors; driven by market dynamics, evolving workforce expectations, increasing engagement complexity, and market competition for skills in areas such as technology, data and sustainability. With evolving use of technology, such pressures may only increase. While this is primarily a matter for firms and professional accountancy bodies, rather than one that can be addressed directly by the SSBs, changes in team composition and staff retention may have implications for engagement quality and ethical behaviour. We therefore encourage the SSBs to continue monitoring this area to assess whether any issues emerge that may warrant action, for example through non-authoritative guidance.

Matters specific to the IAASB

A key consideration for the IAASB is whether sustained resource constraints, skills gaps or changes in team composition are affecting the consistent application of standards, including core concepts such as professional scepticism and professional judgement. Such factors may give rise to additional quality risks or firm and network level resource considerations that warrant attention in the application of ISQM 1.

Matters specific to the IESBA

Resource constraints and difficulties in retaining experienced professionals may heighten threats to compliance with the fundamental principles, including professional competence and due care. We see value in the IESBA considering whether non-authoritative guidance on identifying and addressing such threats would be helpful to practitioners.

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

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:**

The growth of non-assurance services and their implications for independence, audit quality and public trust have been the subject of significant and relatively recent standard-setting activity through the IESBA's 2020 Non-Assurance Services (NAS) revisions. The IESBA has scheduled a post-implementation review of the NAS revisions for 2027. We consider it appropriate to await the outcome of this post-implementation review before assessing the need for any further action.

**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 – Effective governance and transparency of due process

### Please describe the additional trend

We believe the following additional trend requires consideration during the 2028–2031 strategy period, related to reinforcing trust in the effectiveness and outputs of the standard setting system.

### 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?

We consider it a key priority for the SSBs in the upcoming strategy period to strengthen stakeholder trust in the due process and governance that underpin standard-setting activities. This includes demonstrating sufficiently broad and balanced participation in the standard-setting process, including appropriate input from the profession, to maximise the quality and operability of standards in the public interest. Further confidence would be supported by greater transparency about how stakeholder feedback—particularly concerns about the clarity, understandability and operability of requirements—has been evaluated and addressed when reaching key decisions and finalising proposed and final pronouncements.

## 7. Based on your evaluation of the identified trends, please rank what you believe are the TOP FIVE most important trends for the SSBs to consider for their next strategy period starting in 2028.

Rank 1 : A.1 [Digital Transformation – Increasing Use of Emerging Technologies]

Rank 2 : B.2 [Changes in the Geopolitical and Regulatory Landscape - Risk of Fragmentation]

Rank 3 : O.1 [Effective governance and transparency of due process]

Rank 4 : B.3 [Changes in the Geopolitical and Regulatory Landscape - Call for Greater Agility in Standard Setting]

Rank 5 : B.1 [Changes in the Geopolitical and Regulatory Landscape – Regulatory Changes]

## 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.

We believe the following areas of joint or parallel work are relevant to the 2028–2031 strategy period:

#### Joint enhancements to due process to support agility

In relation to our comments in response to trend B.3, any development of a rapid-response mechanism and/or annual improvements plan should be designed and applied consistently by both SSBs.

#### Joint post implementation review of ISSA 5000 and the IESSA

As noted in our response to trend C.1, the SSBs should conduct a joint post implementation review of ISSA 5000 and the IESSA.

#### Effective governance and transparency of due process

In line with our additional trend, proposed enhancements to SSBs governance and due process should be conducted as a joint exercise.

#### Joint post implementation review on the using the work of an external expert provisions

In our view, the interconnectivity between the Code provisions and IAASB standards necessitates a joint post-implementation review of the revised provisions, with a focus on operability of the Code provisions and the implications for the ability of auditors and assurance practitioners to use the work of external experts.

#### Coordination on future actions relating to the PIE definition

The IAASB has committed to revisiting the definition of Public Interest Entity (PIE) in 2027. To avoid misalignment of each SSBs understanding of the intended future application of the PIE definition, when applied in the context of the Code and the IAASB's standards, and the intersection of the two, this work should be undertaken jointly by the SSBs. The IAASB should also be directly engaged in, or kept informed about, the IESBA's efforts to monitor jurisdictional adoption of the revised IESBA Code PIE provisions, as well as any preliminary views with respect to conducting a post-implementation review of those provisions. Early and ongoing coordination will be important.

#### Technology

We recommend that the SSBs consider whether the overall approach to technology guidance warrants greater coordination. As both SSBs continue to explore the potential impact of technology on its respective standards, it is important that issues of a cross-cutting nature are identified and addressed concurrently and holistically, to avoid repeating past challenges where one Board is forced to react and "catch up" to address a decision taken by the other Board.