

Sent via email:

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May 19, 2026

International Ethics Standards Board for Accountants  
International Auditing and Assurance Standards Board  
529 Fifth Avenue, 6<sup>th</sup> Floor  
New York, NY 10017

*Re: IAASB and IESBA Joint Stakeholder Survey*

Dear Members of the International Ethics Standards Board for Accountants and the International Auditing and Assurance Standards Board:

The American Institute of Certified Public Accountants (AICPA) Professional Ethics Executive Committee (PEEC or committee) and Auditing Standards Board (ASB) (together “we”<sup>1</sup>) are pleased to respond to the above-referenced Joint Stakeholder Survey (the survey) of the International Ethics Standards Board for Accountants (IESBA) and the International Auditing and Assurance Standards Board (IAASB) (collectively referred to as SSBs).

PEEC is a senior committee of the AICPA charged with interpreting and enforcing the AICPA Code of Professional Conduct (AICPA code) and for promulgating new interpretations and definitions and for monitoring the AICPA code and making revisions as needed. The ASB is the senior committee of the AICPA designated by the AICPA Council to issue auditing, attestation, and quality management standards and practice guidance for performing and reporting on (a) audit engagements for nonissuers (that is, entities not included within the jurisdiction of the Public Company Accounting Oversight Board [PCAOB]) and (b) attestation engagements.

We appreciate the opportunity to share our views and recommendations pertaining to the survey based on our experiences as jurisdictional standard setters and because of our active participation in the respective IESBA and IAASB jurisdictional standard-setting liaison groups of the SSBs.

We all share a common objective: serving the public interest by promulgating and promoting high-quality standards. Our perspectives and recommendations are offered in the spirit of supporting the continued success of the SSBs and our respective commitments to align our standards, as appropriate, with the applicable standards of the SSBs. We recognize that your success is also our success. To that end, we offer perspectives intended to be constructive and forward-looking, along with recommendations we believe are practical and actionable in the years to come.

To fully understand the design and development of our responses to the survey, we share three overarching observations that informed our joint response.

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<sup>1</sup> References to “we,” “our,” or “us” refer to the ASB and PEEC and not to the AICPA as a whole or to members or member firms.

### ***SSB response to trends***

Consistent with our objectives in drafting our response, we believe standard setting should not be the default response to emerging trends or perceived challenges. Rather, proposed initiatives should be based on clearly defined problems and an assessment of whether existing standards already address the problems. When implementation support or other nonauthoritative material could achieve the same outcome more efficiently, we believe such alternatives warrant serious consideration.

### ***Challenges in applying quantitative ratings***

We encountered challenges in assigning quantitative ratings to certain survey questions based on how the questions and preceding narratives were written and interpreted. Accordingly, we provided narrative explanations and, where appropriate, separate assessments for each SSB to reflect differences in relevance. Though some trends are undoubtedly significant and relevant, whether their importance to a particular standard setter justifies a project may not be as clear.

### ***Interpreting the six-point rating scale***

We also desire to highlight the challenge with responding to a forced-choice, even-numbered survey scale that eliminates a neutral midpoint. In our view, as noted, certain trends may warrant ongoing monitoring by the SSBs but do not necessarily require or justify a standard-setting project over the forward strategy period of the SSBs. In this context, we urge the SSBs to place greater emphasis on the narrative explanations than on the numerical ratings themselves. A high rating may reflect the significance of a trend but does not necessarily indicate that standard setting — rather than nonauthoritative material — is the expected or appropriate response.

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In closing, we appreciate the SSBs' consideration of stakeholder perspectives including ours. We would be pleased to meet with the SSBs and share our perspectives as the SSBs formulate their respective 2028–2031 strategic plans.

Sincerely,



Anna P. Dourdourekas  
Chair, Professional Ethics Executive Committee



Catherine "Halie" Creps  
Chair, Auditing Standards Board



Toni Lee-Andrews  
Senior Director, AICPA Ethics and Peer Review



Jennifer Burns  
AICPA Chief Auditor

Enclosure

## 2. SECTION I: ABOUT THE RESPONDENT

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### 1. From which perspective are you providing this feedback?

The view of an organization

#### Please complete:

Your name:

Your organization (if applicable):

E-mail address:

#### Please complete:

Organization:

AICPA Professional Ethics Executive Committee and AICPA Auditing Standards Board

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

- Anna P. Dourdourekas, Chair, Professional Ethics Executive Committee;
- Catherine "Halie" Creps, Chair, Auditing Standards Board
- Toni Lee-Andrews, Senior Director, AICPA Ethics and Peer Review
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### 2. Please select from the following options to which stakeholder group you or your organization belongs:

Jurisdictional Standard Setter (JSS) or Other Standard Setter

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

#### Please specify:

#### Please specify:

#### Please specify:

JSS for both Auditing and Assurance, and Ethics

#### 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:**

North America

#### **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).**

During 2028–2031, we believe SSBs should aspire to achieve the following strategic and operational priorities. Though we list these priorities separately, some of these topics are interrelated and some themes may repeat across topics:

- Focus on areas that have a demonstrated need for additional guidance, whether in the form of standard-setting or nonauthoritative materials.
- Reduce jurisdictional fragmentation.
- Strengthen global adoption.
- Strengthen research and evidence-based project selection.
- Focus on project prioritization and agility.
- Enhance resource management policies and capabilities.

We expand upon these in more detail below with specific recommended actions.

Focus on areas that have a demonstrated need for additional guidance, whether in the form of standard-setting or nonauthoritative materials

We believe that the SSBs' forward 2028–2031 strategic period should focus on standard setting and related activities that align with areas that have a demonstrated need of additional guidance. To identify those needs, the SSBs should leverage the results of this current environmental survey while also performing continuous horizon scanning techniques to identify the signals that may evolve into emerging issues but are not yet present in current period outreach.

The ASB and AICPA staff are involved in such efforts, particularly the future of assurance and the potential role standard setting should play. Those insights have informed our response throughout this survey. We can share more insights from our research findings as details become available throughout 2026. Additionally, on June 8, 2026, the AICPA will release the highly anticipated Finance and Accounting 2040: Rise to the Future Together report that's based on global input. The report will envision what the world might look like in 2040 and what accountants in firms and finance departments may do to guide the profession to continued success over the next 15 years. We would be pleased to share this report after its release and discuss with the SSBs.

Reduce jurisdictional fragmentation

A needs-focused approach will help promote worldwide acceptance and reduce jurisdictional fragmentation. We acknowledge that jurisdictional standard setters (JSSs) are consulted for input at the information gathering stage of a project or potential project and at other milestones and they often respond to exposure drafts.

However, we do not believe that JSSs are sufficiently engaged or consulted throughout the standard-setting process regarding the likelihood or impediments to adoption and convergence, or promotion at the jurisdictional level. Recent SSB projects such as the publicly traded entity and public interest entities projects and the IESBA's IESSA project are prominent examples of fragmented jurisdictional adoption.

This indicates the SSBs need to do more earlier in the life cycle of their project work to discern global demand and to identify barriers to greater adoption at the jurisdictional level. Broadly expressed project objectives do not necessarily reflect the likelihood for jurisdictional acceptance and adoption. Rather than promoting standards after approval, we recommend embedding global acceptance objectives into strategic, operational, and project-level processes, supported by clear metrics and ongoing tracking.

Strengthen global adoption

It is critical to strengthen global adoption and consistent implementation through practical, scalable guidance and engagement with a broad range of stakeholders, often with an emphasis on the practitioners responsible for applying the SSBs standards. We observe that greater prescriptiveness of a standard — especially one trying to address the objectives of those charged with inspection and enforcement — can negate proportionality and scalability objectives.

Additionally, effective implementation of scalable standards requires a period of stability to allow adequate time for assessing the effects of recent amendments. We recommend more rigorous analysis of the benefits to quality relative to the costs of implementation to inform scalability and ability to implement globally. Against that backdrop, we strongly recommend that IESBA not pursue significant new amendments to the IESBA code during 2027–2031.

The standard-setting activities of the SSBs should also result in standards that are proportionate as explained in the Public Interest Framework. This includes a continual focus on interoperability of SSB standards. One recent example is the two SSBs' independent projects on the use of external experts. We anticipate professional accountants will experience confusion and duplication of effort because of the SSBs' work on this topic.

Strengthen research and evidence based project selection

We believe the SSBs should conduct a strategic review of their approaches, methods, and techniques for gathering and analyzing stakeholder input to inform all phases of the standard-setting process. The SSBs would benefit from greater research rigor to ensure standards are clear and capable of being consistently and effectively implemented by those directly responsible for applying them. We recommend the SSBs work with experts who can assist in conducting more statistically rigorous outreach activities to inform your standard-setting activities, including gaining input from broader range of key stakeholders. The ASB has

gained significant experience in this regard over the past few years, and we would be pleased to share our experiences with the SSBs.

The SSBs should prioritize a focused, evidence-based work plan aligned to areas where the public interest needs and quality gaps are greatest. This requires stronger discipline at project initiation to ensure standard setting is evidence based and targeted to systemic issues, balanced with greater emphasis on stability, scalability, and post implementation evaluation. Such an approach will support effective implementation, preserve professional judgment, reduce unnecessary complexity, and enhance confidence among stakeholders that standards serve the public interest without imposing undue burden. We believe this will have a substantial impact on reducing jurisdictional fragmentation.

#### Focus on project prioritization and agility

The SSBs should more routinely reassess priorities to ensure the agenda focusses on projects that can be implemented effectively and adopted globally, with initiatives paused or discontinued if the benefits to quality relative to development efforts diminish. We encourage routine and periodic meetings of the SSB planning committees to gain sufficient situational awareness of the other SSB's work plan.

It is also important that the SSBs' SWPs not commit to so many projects that the SSBs lose adequate bandwidth and flexibility to tackle emerging matters. Once a project appears in the SWP, it can be perceived as "must do."

The SSBs should dedicate executive session time each meeting to review ongoing horizon scanning results to calibrate the scope and priority of their work plans to be more agile. When the SSBs re-sequence or pause projects, it is usually to reorder project work aligned with staff capacity, rather than to demonstrate agility or a pivot to prioritize what matters.

#### Enhancing resource management policies and capabilities

To deliver against each SSB's 2028–2031 strategic plan, we offer several perspectives and recommended actions the SSBs should take to invest in resources and capacity ahead of the expected demand and need.

- SSB coordination and collaboration. The SSBs need to enhance their coordination and collaboration on crossover topics of interest and in those matters that are pivotal to the interoperability of SSB standards. This includes undertaking crossover projects simultaneously where global needs are most relevant. We offer several specific recommendations in our response to question 8.

To improve interoperability, we encourage the IAASB and IESBA to more clearly delineate the respective application of their standards where concepts overlap, particularly between IAASB quality management and other performance-related requirements and IESBA ethics principles. This would help clarify how similar concepts, such as objectivity, are intended to be applied in practice and reduce potential ambiguity for professional accountants.

We also recommend the SSBs develop a clear framework for determining the subject matter that each board should address and those situations in which one SSB should "act first." When the SSBs are not well-coordinated, it raises questions about where accountability rests and may create further implementation barriers for JSSs.

In addition, the SSBs should be more direct and focused on accountability when delivering against their respective forward strategic plans and their joint activities. Performing an "after-action" review of why and how separate standards came about is a specific action the SSBs could take to help shared stakeholders better understand accountability. Examples include NOCLAR, public interest entities, and external experts. This is fundamentally different than a post-implementation review; an after-action review is intended to promote learning, trust, and continuous improvement regarding how the SSBs coordinate and collaborate in their standard setting processes.

- Obtaining input from stakeholders. Both the IAASB and IESBA would benefit from seeking input from key stakeholders beyond that received through comment letter responses on proposed standards, particularly when the objectives of a new or revised standard are intended to drive behavioral change to improve quality and when public interest needs are cited as an impetus for change.

In this regard, IESBA's established use of roundtables — and its recent introduction of pilot testing — provides a strong foundation that could be further leveraged. Similarly, we encourage the IAASB to be more intentional about conducting field-testing to gain an understanding about issues in practice that cannot be identified through general outreach. The benefits of such work can (1) raise awareness earlier among the stakeholders interested in auditor/practitioner performance and performance reporting requirements and help the SSB consider various alternatives, (2) identify whether proposed standard setting actions do or do not address the quality objectives and public interest needs of users and other stakeholders, (3) inform the adoption and

implementation of performance and reporting requirements, such as phased implementation for smaller and medium size audit firms that would benefit from such measures, (4) provide for more tailored and specific training upon final adoption of a new or revised standard, and (5) encourage wider acceptance and adoption of SSB standards.

- Resource management. The strategies and work plans of the SSBs are ultimately about resource management and organizational positioning; the more the SSBs can do to improve each, the greater the likelihood the SSBs can deliver their forward strategies and work plans. We observe that the existing work plans of the SSBs currently require a significant amount of time, focus, and resources. SSB staff resource capacity and expertise often needs to be supplemented through mechanisms such as seconded resources, outreach to firms, the use of technical advisors to augment staff, various advisory and other expert groups (often associated with technology) and co-sourcing arrangements with jurisdictional standard setters (e.g., the IAASB ISRE 2410 project).

We applaud these innovations but at the same time, we believe the work of other jurisdictional standard setters could be more directly leveraged and used for agility for project work. We recommend the SSBs carefully consider how they allocate finite resources to the projects that matter most (i.e., those that serve the greatest quality and public interest need and that can be jurisdictionally implemented) and identify what structural or perceived impediments may exist to using the knowledge and intellectual outputs of others, such as JSSs. The SSBs should set a goal to identify how they can work with their JSS partners to pool resources to accomplish shared objectives. For the IAASB, this could include partnering on the development of guidance on the use of technology in financial statement audits.

## 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?**

IESBA rating: 4

Though this is an important global trend, because IESBA has already issued applicable guidance, IESBA focus should be on reinforcing trust regarding how existing standards address emerging issues.

The technology-related revisions to the code were informed by extensive fact finding and stakeholder outreach. These revisions are principle based, apply to all technologies, and are designed to guide the ethical mindset and behavior of professional accountants in both business and public practice as they use technology and adapt to ongoing innovation. This approach helps ensure that the code remains relevant and fit for purpose and minimizes the fragmentation threat as technologies evolve.

With respect to emerging technologies — such as artificial intelligence — absent specific, clearly articulated concerns that cannot be addressed through existing authoritative guidance, IESBA's focus should remain on the development of educational materials to help professional accountants apply the existing guidance to these emerging technologies such as the recent "Decoding Ethics: Building trust in a tech-driven world" podcasts.

To minimize the impact this trend has on IESBA limited resources, IESBA could explore opportunities to leverage educational material developed by JSSs or other connected stakeholders. For example, the AICPA Professional Ethics Division staff, with input from PEEC, issued Q&As related to blockchain and digital assets as well as an Ethics Staff Insights article addressing ethical considerations relevant to professional accountants' use of AI, including confidentiality, professional judgment, due professional care, bias, and independence.

During the March 2026 meeting, the board discussed the need for organizations to develop governance practices for AI use. Though such practices are important, they appear to extend beyond the code's intended scope. That said, organizations may nevertheless find it useful to consider the code's fundamental principles when developing their own AI-related practices.

IAASB rating: 6

Rapid developments in technologies are having a profound effect on audit and assurance engagements, including

- the introduction of new concepts (for example, modern technology terms and definitions);
- the need to gain an understanding of new and innovative technologies (for example, artificial intelligence) used by entities in their financial reporting and internal control processes;
- the increased use of technology-assisted audit procedures (for example, the use of artificial intelligence by practitioners); and
- adjustments in how engagement teams are structured and interact.

The use of technology and reliance on its outputs is often a focus of audit and assurance engagements, which is another reason appropriate involvement of the IAASB can be beneficial.

Smaller and medium-sized practitioners need "how to" guidance as they struggle with technology selection, managing their technology stacks, change management, activities and examples and use cases employing technology on engagements. These types of resources are best provided through non-authoritative guidance.

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

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:**

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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?**

IESBA rating: 2

Though this is an important global trend that warrants continued monitoring by IESBA, we do not currently see a need for the board to undertake a standard setting project 2031. We do encourage close coordination between the SSBs, so if one board undertakes a project, the other should remain informed and, where relevant, consider implications.

To minimize the impact this trend has on IESBA's limited resources, the board could explore opportunities to leverage educational material developed by JSSs or other connected stakeholders. For example, the AICPA Professional Ethics Division staff, with input from PEEC, issued Q&As related to blockchain and digital assets.

IAASB rating: 4

Firms in the United States have mixed views about authoritative and nonauthoritative guidance on digital assets. The ASB's recently completed research, which we shared with you at the May 2026 JSS meeting, indicates that smaller firms are not often encountering digital assets in their engagements, and they do not believe that is an area for priority action by the ASB. On the other hand, digital assets are more prominent in audit engagements at larger firms. Some of those firms would prefer the AICPA to maintain the widely used nonauthoritative AICPA Digital Assets Practice Aid and others believe standard setting-action is necessary. The IAASB has indicated a desire to "not recreate the wheel" when jurisdictions have developed credible nonauthoritative material. We recommend that IAASB partner with JSSs and public accounting organizations to meet global needs by referencing such materials. This would demonstrate market responsiveness without expending significant financial or human capital to develop IAASB branded nonauthoritative material. Furthermore, developments in the applicable financial reporting frameworks may be necessary before considering future IAASB action.

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

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:**

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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?

IESBA and IAASB rating: 4

Though this is an important global trend that warrants SSB monitoring, we believe existing principles-based requirements in extant standards are fit for purpose.

The IESBA code addresses fraud through two complementary mechanisms. First, the NOCLAR provisions equip professional accountants to respond appropriately to actual or suspected noncompliance. Second, and more fundamentally, the principles of integrity and professional behavior establish enforceable ethical expectations that operate as a strong deterrent against engaging in or enabling fraudulent conduct. These principles shape professional judgment and behavior ex ante, influencing decision-making before misconduct occurs and reinforcing accountability through ethical obligations, disciplinary mechanisms, and reputational consequences. Taken together, these mechanisms create a framework that supports fraud prevention in a manner that is scalable, globally applicable, and resistant to rapid obsolescence, suggesting that further prescriptive intervention by IESBA in this area would yield diminishing returns relative to other priority areas.

Similarly, existing IAASB standards, including ISA 240 and ISA 250, provide an appropriate foundation for auditors and practitioners dealing with these topics. However, nonauthoritative material developed by the SSBs may be used to address the implications of AI (e.g., fake authorization, deepfakes). For example, IESBA could consider whether focused educational material would be helpful in supporting professional accountants' awareness of new and evolving forms of financial crimes, such as AI-enabled fraud, while underscoring that the existing NOCLAR framework and core ethical principles continue to be relevant and effective in digital environments. In doing so, IESBA could explore opportunities to collaborate with other stakeholders actively engaged in this area and coordinate with the IAASB to help mitigate the impact of limited resources.

## 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?**

IESBA and IAASB rating: 5

The regulatory landscape related to reporting and assurance environments is rapidly evolving within and across jurisdictions. New types of assurance engagements are emerging in response to changing regulatory requirements.

This provides a unique opportunity for the SSBs to partner with their respective JSS liaison groups to address how standards and regulations can be more complimentary without crossing over into each other's remits.

For IESBA, more direct engagement with jurisdictional regulators is critical to avoid unintended conflicts between the code and local requirements and to support broader and more effective global adoption. At the same time, such engagement should not be understood as an effort to resolve regulatory fragmentation, which falls outside the SSBs' remit. Rather, the SSBs should maintain a globally applicable ethical framework that can operate effectively across diverse regulatory environments.

Accordingly, the strategic focus should remain on reinforcing confidence in the code's resilience and global applicability, including by pursuing opportunities to simplify the code and standards where appropriate without diminishing their effectiveness, and by avoiding reactive responses to regulatory or political cycles that risk introducing unnecessary complexity and burden.

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

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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?**

IESBA and IAASB rating: 6

Conflicting domestic and global regulations could threaten standards' interoperability and create challenges for entities and practitioners across jurisdictions. The rapid pace of change in the global political and regulatory and standard setting environment is leaving practitioners with little lead time to respond. The pace and volume of changes to the code and related standards place a disproportionate burden on small and medium firms, which often lack the dedicated compliance resources available to larger firms, underscoring the need for greater proportionality, scalability, and sensitivity to cumulative implementation impacts.

Fragmentation results (1) when international solutions are viewed as not meeting a clear or broadly-based global need (e.g. ISAs for LCEs, and IESSA), (2) when profession-agnostic standards are developed that cannot be adopted by jurisdictions, (3) when the SSBs impose requirements that other jurisdictions disagree with, and (4) when ethics standards impose requirements more appropriate for performance standards (e.g., NOCLAR, public interest entities, external experts).

The risk of fragmentation is further heightened by the pace of change in international standards and the code's shift away from a principles based approach toward more prescriptive and detailed requirements. When standards are tailored to address regional or specific needs (e.g., public interest entities), their global applicability diminishes, reducing the likelihood of full — or even partial — adoption across jurisdictions. This risk is particularly evident where application guidance becomes disproportionate to the underlying principles and requirements, potentially undermining clarity and operability.

Response 4 has several overarching suggestions for counteracting these trends. An additional practical step is to provide a period of stability by slowing the pace of new or revised standards, recognizing the significant downstream effort required for endorsement, training, translation, and implementation. We welcome the recent launch of post-implementation reviews and encourage the SSBs to treat these reviews as a core priority, using real-time input from professional accountants, firms, professional bodies, and regulators to evaluate whether the standards achieve their intended purpose.

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

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?**

IESBA and IAASB rating: 6

The standards should be sufficiently principles-based to remain relevant as issues and practices evolve, without requiring a new standard each time a new topic emerges. Accordingly, changes to standards should be pursued only after other tools — such as nonauthoritative or educational materials — have been thoroughly considered. Principles-based standards are also more enduring; frequent or piecemeal revisions are unlikely to stand the test of time and can impose significant costs to adopt, implement, and sustain relative to a marginal quality benefit.

The SSBs should consider not only the pace of final standard issuance, but also the cumulative resource demands on

stakeholders, particularly practitioners, throughout the entire standard-setting lifecycle. Meaningful engagement does not begin when the standard is exposed or finalized; it is required throughout the lifecycle. Each of these phases requires time, expertise, and coordination.

Although the SSBs have indicated that no new standards will be finalized until 2027, this largely reflects a timing shift rather than a reduction in stakeholder burden, as project activity and the associated expectation of sustained stakeholder engagement remain high.

For example, in 2026

- IAASB has five public exposures planned (e.g., joint IAASB-IESBA strategy survey, ISA 540 PIR, audit evidence and risk response project (which affects three core standards and many conforming amendments to others), the ISRE 2410 ED, and the first exposure draft to update the ISA for LCE for going concern and fraud).

- IESBA has four planned public exposures (e.g., joint IAASB-IESBA strategy survey, Role of CFOs survey, Post-Implementation Review of the Restructured Code survey, and Post-Implementation Review of the Provisions on Responding to Non-Compliance with Laws and Regulations (NOCLAR) survey).

These activities represent a significant continuing call on stakeholder resources, even in the absence of issuance of final standards. Greater acknowledgment of, and transparency about, this reality would support more realistic expectations about stakeholder capacity and help ensure that engagement remains meaningful and sustainable over time.

The SSBs need to prioritize which matters are most important given finite resources and the SSBs own capacity, as well as those of stakeholders to participate optimally in due process.

Against that backdrop, we find the IESBA code fit for purpose for professional accountants serving as CFOs. Though the environment for professional accountants in business is evolving, these changes introduce new contexts rather than new ethical threats. Accordingly, we do not believe a standard-setting project is currently necessary. Further, because many CFOs fall outside the code's scope, targeted communications reinforcing existing requirements will more effectively address the identified concerns and support alignment with sound governance practices.

Relatedly, we believe firm culture and governance can be more effectively addressed through jurisdiction-specific audit firm governance frameworks than through an IESBA standard-setting project. Therefore, we suggest IESBA should not pursue a standard-setting project on this topic.

For the IAASB, we recommend removing XBRL assurance from the 2024–2027 work plan. Moreover, consistent with our response to question 4, it would allow the IAASB to be more needs-based focused, which we anticipate will relate to monitoring and other work to understand the ongoing market demand for non-financial assurance in areas such as AI assurance, cybersecurity, and matters related to data privacy.

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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:**

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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?**

IESBA and IAASB rating: 4

The following considerations are intended to help guide the SSBs in prioritizing the needs of the accounting profession as the primary stakeholders affected by the SSBs' standards:

- Strive for an appropriate weighting of perspectives in project selection and standard setting, giving due consideration to the substance of all input regardless of source. Remain unbiased regarding the source of input and give due consideration to the substance of all feedback.
- Though the public is the ultimate beneficiary of the SSBs' standards, the accounting profession is the primary user of SSB standards. It is important to ensure the standards remain practical and operable for professional accountants across diverse firm sizes.
- Increasing the number of perspectives is not as critical as the qualifications and technical experience of those providing perspectives.
- Strengthening the research rigor and evidence basis for SSB action should be a guiding element in respective outreach. More statistically rooted outreach and research can mitigate potential biases in outreach design, evidence collection and related analysis.
- More frequent and intentional outreach with JSSs is vital for the SSBs to achieve global acceptance and adoption of your 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?**

IESBA rating: 1

Sustainability preparers

We do not believe IESBA should pursue a workstream to develop ethics standards for all preparers of sustainability information. Our responses to The IESBA Strategy Survey 2022 and to the Proposed Strategy and Work Plan 2024–2027 indicated concern about IESBA expanding the code to providers other than professional accountants.

We continue to believe IESBA should prioritize developing guidance for professional accountants rather than other professions that may want to use IESBA's code. IESBA was created with a focus on the accounting profession and should maintain that focus over others. Further, IESBA acknowledged in its basis for conclusion for International Ethics Standards for Sustainability Assurance (January 2025), that there was no urgent regulatory call for profession-agnostic standards for sustainability reporting and no strong stakeholder views supporting such an expansion at that time (paragraph 152 of section IV).

Because the recently completed sustainability project updated the code for professional accountants who are sustainability preparers, any further IESBA activity should be limited to targeted, practical refinements identified through the implementation experience.

Development of ethics standards for preparers of sustainability information who are not professional accountants risks materially undermining the value of professional licensure and the rigorous qualification and accountability framework that underpins public trust. The credibility of services provided by professional accountants is inseparable from the competence, ethical obligations, and enforceability that accompany licensure. Diluting this foundation by extending standards beyond the profession threatens to weaken confidence in the quality of professional services and to blur expectations regarding the qualifications necessary to perform them. We therefore encourage IESBA not to pursue profession agnostic standards as doing so could impose potentially serious and lasting consequences for the global profession — and, by extension, for the public interest.

### Sustainability assurance

With respect to sustainability assurance, given that IESBA has recently finalized the IESSA, we do not see a need for additional new workstreams in this area. The priority should be effective adoption and implementation, with any further activity limited to targeted, practical refinements to the IESSA if significant practical implementation challenges are identified.

With respect to Independence Standards for Sustainability Assurance Engagements Outside the Scope of the International Ethics Standards for Sustainability Assurance, at the March 2026 IESBA meeting, the project team reported there have been challenges in gathering the data necessary to determine whether there is a growing demand for sustainability assurance engagements outside the scope of the International Independence Standards (IIS) in the IESSA. We do not recommend a standard-setting project until data demonstrates demand for assurance on engagements outside the scope of IIS in the IESSA. Finally, we encourage reconsideration of the level of detail and prescriptiveness in the IESSA to ensure the standards remain practical and operable.

IAASB rating: 3

There will be continuing demand for sustainability reporting and assurance, but not any great general increase.

## 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?**

IESBA and IAASB rating: 3

We anticipate that during the 2028–2031 strategic period, sustainability reporting and assurance frameworks will be more established. Therefore, we recommend you continue to promote the adoption of ISSA 5000 and the IESSA, while monitoring jurisdictional barriers and variations to inform future joint and standalone PIRs, including assessments of whether the standards remain practical and operable.

## 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?**

IESBA and IAASB rating: 3

IESBA

Responding to the six-point rating approach to this topic was a challenge because IESBA already committed to a project and the project timetable indicates that the terms of reference will be brought to the Q2 2026 meeting. As such, we rated this as 3 which is the mid-point of the selection criteria.

Professional accountants in public practice are held to one set of ethical and quality management expectations regardless of a firm's ownership structure or financing model. For that reason, the code should continue to function as the global ethical baseline and should be amended only when there is clear, compelling evidence of a new, globally relevant risk that cannot be addressed through existing requirements. If making amendments, IESBA should consider differences in legal, governance, and regulatory frameworks across jurisdictions to help ensure that any resulting provisions remain globally operable and can be applied consistently in practice, thus minimizing fragmentation risk.

We acknowledge that private equity investment can broaden and intensify a firm's independence and conflict-of-interest considerations and, in some cases, expand the entities captured within a firm's network. However, these are not new concepts — they are addressed in the code's existing framework and can be applied effectively in this context without introducing additional, prescriptive requirements that may create unnecessary complexity or unintended consequences.

Importantly, in considering these matters, IESBA should not venture into regulating the day-to-day operations or overall governance of firms. Those matters are more appropriately addressed through jurisdiction-specific legal, regulatory, and oversight frameworks, which are best positioned to reflect local conditions and enforcement mechanisms.

Accordingly, IESBA should approach private equity and similar ownership models with discipline and restraint — prioritizing targeted analysis and limiting any code changes to circumstances where a clear, evidence-based gap is identified and cannot be addressed through the current framework. IESBA should work to ensure any outcomes remain globally operable and capable of consistent application across jurisdictions, recognizing differences in legal, governance, and regulatory regimes.

#### IAASB

IAASB members need to monitor global developments along with staff. The IAASB may determine it is appropriate to work with IESBA on developing nonauthoritative material to the extent alternative ownership structures, including the increasing involvement of private equity investments in firms, which may affect a firm's system of quality management, engagement quality, and independence required for IAASB audit and assurance engagements.

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## **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

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

IESBA and IAASB rating: 0

The IESBA code already addresses the involvement of non professional accountants through requirements that are grounded in authority, control, and supervision. In particular, the code requires a professional accountant in public practice to take reasonable steps to ensure that individuals working in a professional capacity under the PA's authority have appropriate training and supervision, and to ensure that personnel under the PA's control comply with the code's ethical obligations, including professional competence and due care (R113.2) and confidentiality (R114.1(d)). More broadly, the code requires the application of the conceptual framework to identify, evaluate, and address threats to compliance with the fundamental principles arising from firm roles, responsibilities, and relationships, including those involving non professional accountants. This framework is sufficiently scalable to address the increased use of specialists because the relevant ethical expectations and safeguards attach to the professional services performed and the supervision and control exercised by professional accountants. Accordingly, the code places responsibility on professional accountants, especially those in leadership or supervisory roles, for the ethical oversight and management of non professional accountants within the firm, and additional standard setting is not necessary to respond to this trend.

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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?**

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

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:**

IESBA and IAASB rating: 0

Challenges in attracting and retaining talent — particularly amid rapid technological change and strong competition for specialized skills — are primarily workforce and business-model issues that are best addressed by firms, educators, and jurisdictions through training, career pathways, and practice transformation.

That said, the SSBs are part of the same eco-system with professional accountants. Accordingly, SSB standards underpin the accountancy "profession" and not the accounting and auditing "industry" as described in D.3 above. We believe this choice of words matters, as the accountancy profession is distinguished from other occupations because of its commitment to a comprehensive system built to protect the public interest (i.e., standards, ethics, licensing, training, oversight and enforcement and regulatory requirements). The distinction between "profession" and "industry" remains useful in reminding students and early career talent of this commitment.

For ethics standard-setting, IESBA should maintain a stable, principles-based code that supports professional accountants as they adapt to new technologies and multidisciplinary teams.

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

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

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:**

IESBA and IAASB rating: 0

Though non-assurance service lines may grow, we note that IESBA has already issued guidance addressing fees and non-assurance services and related threats to independence. Accordingly, we do not see a need for additional standard-setting activity in this area unique to evolving structure and business models absent clear evidence of a systemic problem requiring such intervention. The same is true for the IAASB – no standard setting is needed in this area.

**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.**

## Additional trends

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

- O.1 Improving understanding and use of the IESBA code (IESBA) O.2 Changing Information needs of users (IAASB)  
O.3 Expectations of stakeholders (IAASB)

### Please describe the additional trend

#### Other trends

#### O.1 Improving understanding and use of the IESBA code (IESBA)

- Develop a targeted, implementation focused initiative that enhances professional accountants' understanding of how to apply the IESBA code to practical ethical challenges across diverse firm sizes, service lines, organizations and jurisdictions, with the goal of strengthening ethical decision making and reinforcing confidence in the code's principles based approach.

#### O.2 Changing Information needs of users (IAASB)

- External reporting is evolving, with report users increasingly looking for information beyond financial statements (for example, cybersecurity, governance, and related controls) and seeking assurance thereon.
- Evolving user needs require that assurance standards be sufficiently flexible to permit performance across a broader range of subject matters and that standard setters respond appropriately and timely.

#### O.3 Expectations of stakeholders (IAASB)

- An increase in stakeholder expectations about the auditor's/practitioner's responsibilities — for example, in relation to the detection of fraud — may widen or perpetuate expectation gaps regarding the scope of a reasonable or limited assurance engagement.
- Auditing and assurance, ethics, and independence standards are expected to be interoperable and able to be consistently applied through common definitions and complementary performance requirements.

### 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?

#### Other IESBA trends

O.1 The effectiveness of the code depends far more on how well it is understood and applied than on the continual expansion of requirements. By focusing on helping professional accountants connect real world challenges back to the fundamental principles and conceptual framework, IESBA reinforces the strengths of a principles based approach, supports consistent global application, and advances ethical behavior in a way that is scalable, proportionate, and durable. This focus enhances public trust, strengthens adoption and convergence, and positions IESBA as a global leader in ethical application.

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

Rank 4 : O.1 Improving understanding and use of the IESBA Code (IESBA)

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.

Parallel projects are unlikely to mitigate our concerns, as noted in our response to question 4. Joint projects are likely, at least in the short term, the most effective way to address activities based on crossover topics and subject matters. When the SSBs work on a topic jointly, any related PIRs should also be coordinated to minimize the risk of misalignment. For example, IESBA is currently conducting its PIR of the NOCLAR standard, yet Appendix 1 does not clarify when IAASB will conduct its PIR of ISA 250 (Revised). When PIR timelines do not align, it is important for any workstreams that come out of PIRs to be coordinated to minimize misalignments.

When the SSBs agree to work on a project jointly,

- The workstream should be reflected on both SSBs' work plans so stakeholders are aware of the work. For example, in appendix 1 the PIR of the public interest entities is identified as a "joint action", but it is described as revisiting the PIE definition for the IAASB and described as a "Terms of Reference" action for IESBA. Therefore, it's unclear how this will become a joint action in 2027 relative to conducting a PIR.
- The SSBs should clarify where each SSB's remit begins, so each remains within their respective remits and avoids overlap by refraining from issuing guidance on matters more appropriately addressed by the other SSB. As demonstrated by this survey, not every trend requires both IESBA and IAASB to act.

Subject matters of common interest requiring joint projects:

- Use of technology (with an AI focus)
- PIEs
- PIRs: NOCLAR, sustainability, external experts

Subject matters of overlapping interest requiring board-level (not just staff) monitoring and oversight because of direct or indirect implications

- IESBA's firm culture and governance
- IESBA's private equity investments
- PIRs: PIEs, NOCLAR, external experts