

## 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:

The South African Institute of Chartered Accountants (SAICA)

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

Thandokuhle Myoli;  
Natashia Soopal

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

ThandokuhleM@saica.co.za; NatashiaS@saica.co.za

### 2. Please select from the following options to which stakeholder group you or your organization belongs:

IFAC Member Body or Other Professional Accountancy or Professional Organization

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

#### Please specify:

IFAC Member Body or Affiliate

#### Please specify:

#### Please specify:

#### Please specify:

### 3. Please select from the following options the geographical region that best matches you or your organization:

**3. Please select from the following options the geographical region that best matches you or your organization:**

Africa

**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).**

SAICA appreciates the opportunity to comment on the consultation.

The survey questions focus on identified trends and the extent to which respondents believe the trends will increase or decrease in importance for the SSBs for their next strategy period. To provide context to our responses: Our ratings reflect our views on whether the identified trends will increase or decrease in significance. However, trends that we have rated as "strongly increasing in significance", for example, should not be interpreted as meaning that standard-setting activity is necessarily required regarding that trend. Our commentary on the ratings articulates the sentiments of our members.

SAICA appreciates that the IAASB and IESBA operate in an increasingly complex and demanding environment. Rapid digital transformation, including the use of data analytics and artificial intelligence, is reshaping how audits are planned and performed, while the global drive toward sustainability and broader non financial reporting is expanding the scope and expectations of assurance. At the same time, heightened focus on anti money laundering, fraud, and economic crime, together with growing stakeholder scrutiny and regulatory fragmentation across jurisdictions, places sustained pressure on standard setters to remain relevant, robust, and forward looking in their responses to an accelerating pace of change.

Amidst these changes, SAICA's view is that in responding to these challenges, the emphasis of standard setters should not be

on frequent revision of extant standards or the proliferation of new requirements. The strength of the IAASB's and IESBA's frameworks lies in their principles based nature, which provides durability and adaptability across jurisdictions, entities, and emerging risks.

Rather than prescribing increasingly detailed requirements, greater emphasis should be placed on high quality, timely implementation guidance that supports consistent and effective application of existing standards in evolving contexts. Such an approach would enhance understanding, scalability, and judgment, while preserving professional flexibility and avoiding unnecessary complexity or unintended consequences.

The cost of implementing new standards and additional requirements is significant for practitioners across the profession. While large network firms may be better positioned to absorb these costs through access to extensive financial and technical resources, SMPs face proportionately greater challenges, both in terms of funding and the availability of suitably skilled personnel. This creates a real risk of widening the gap between large firms and SMPs, potentially undermining audit market diversity, competition, and availability of services—particularly for smaller and mid sized entities.

These concerns are enhanced considering the suite of substantive new and revised standards coming into effect from December 2026, including those relating to fraud, going concern, and sustainability assurance amongst others, which will require substantial investment in training, methodology updates, and systems.

High quality, non authoritative implementation guidance—delivered through efficient, accessible tools—is therefore critical to supporting effective adoption of the standards by practitioners across the profession, whether early career professionals or highly experienced practitioners.

It is SAICA's view that in the 2028-2031 period, the Boards should place significantly greater emphasis and investment in developing such guidance, including practical examples, scalable applications, and digital delivery mechanisms. This need is amplified by the current pace of change in the profession, as well as the likelihood that this pace will continue to accelerate. Robust implementation support will be essential to help firms apply professional judgment confidently, manage complexity, and sustain audit quality without resorting to increasingly detailed or prescriptive standards. This will also require a lot more engagement and interaction with jurisdictional standard setters and professional bodies such as SAICA.

In addition to developing robust non authoritative implementation guidance, SAICA believes that the Boards should place greater emphasis on post implementation review activities for recently issued standards. Systematic and timely assessments of how standards are being applied in practice, and whether they are achieving their intended outcomes, are essential to maintaining their effectiveness and credibility. Such reviews can provide valuable insights into areas of unintended complexity, inconsistent application, or disproportionate cost, allowing the Boards to refine guidance and support without resorting to further amendments or new requirements. A disciplined focus on post implementation effectiveness will help ensure that standards remain fit for purpose.

Collectively, the SSBs should prioritise:

- Strengthening interoperability between auditing, assurance, ethics, and independence standards, especially in sustainability reporting and assurance.
- Supporting effective implementation, not only through standards but also through non-authoritative guidance, capacity building, and outreach.
- Enhancing agility in standard setting to respond more quickly to technological developments, new business models, and emerging risks.
- Deepening engagement with regulators, investors, those charged with governance, and users of information, particularly from under-represented regions.

With regards to those aspects highlighted:

Relevance, Responsiveness, and Impact of Standard Setting

The SSBs should aspire to be anticipatory, not reactive with a focus on identifying emerging risks and assurance gaps early and

responding timely, principle-based standards and guidance. For the 2028–2031 period, the SSBs should aim to build on their current progress while continuing to strengthen their role in supporting trust in a rapidly evolving global environment. Rather than a major shift in direction, the focus could be on deepening their impact, improving responsiveness, and reinforcing global relevance.

Key elements could include:

- 1) Future focused standard setting, addressing evolving business models, digitalization, use of AI in audits, group audits in complex global structures, assurance over non financial and sustainability related information.
- 2) Clear prioritisation within work plans, focusing resources on areas with the highest public interest risk rather than proliferating standards or guidance for marginal issues.
- 3) Impact oriented outcomes, where success is measured not only by standards issued, but by whether they improve audit quality, ethical behavior, and user (public interest) confidence.

#### Broader Adoption and Effective Implementation of Standards

While adoption of IAASB and IESBA standards is extensive, variability in implementation quality persists. For 2028–2031, the SSBs should aim to:

- 1) Strengthen implementation support as a core strategic pillar, not an addition or extension to standard setting.
- 2) Develop more practical, scalable guidance tailored to different firm sizes, jurisdictions, and stages of maturity, for public interest entities, SMEs, and audits in emerging economies.
- 3) Collaborate more closely with audit regulators, professional bodies, and networks to promote consistent interpretation and application.
- 4) Use post implementation reviews to identify systemic implementation challenges and respond decisively through clarifications, amendments, practical guidance or withdrawal of ineffective requirements. This will also help to ensure standards remain fit for purpose.

#### Engagement and Interaction with Key Stakeholders

The SSBs should aim to deepen and broaden engagement beyond traditional constituencies by:

- 1) Enhancing structured engagement with investors, audit committees, regulators, preparers, and civil society, particularly on public interest risks and emerging assurance needs.
- 2) Ensuring greater geographic and economic diversity in outreach, including stronger voices from emerging and developing economies.
- 3) Making consultations more accessible through clearer problem statements, focused questions, and feedback loops explaining how stakeholder input influenced outcomes.
- 4) Using roundtable discussions, engagements, pilots, and field testing more systematically to ground standards in operational reality.

These type of engagements and interactions could be effective to help the SSBs understand not only what stakeholders think, but why challenges arise in practice and what trade offs are acceptable in the public interest.

One area noted is uneven implementation support across jurisdictions, particularly in developing or emerging economies. While standards are issued globally, smaller firms and less-resourced jurisdictions have sometimes had limited access to:

- Practical guidance tailored to their environments
- Affordable or accessible training materials
- Ongoing technical support

For example, when revised auditing standards (such as those dealing with quality management) were introduced, larger international firms were generally well-equipped to implement them, but smaller practices in some regions faced challenges translating the requirements into practice without more hands-on, localized guidance.

Supporting broader adoption and effective implementation of standards could be strengthened through more practical,

jurisdiction-sensitive initiatives. This may include developing implementation toolkits, illustrative examples, and industry-specific guidance to help practitioners apply standards consistently. Capacity-building efforts—such as training programs, webinars, and partnerships with professional bodies in developing economies—could further support smaller firms and emerging markets in adopting the standards effectively.

Strengthening collaboration with regulators, firms, and educators could help ensure that standards translate into consistent, high-quality practices.

#### Serving the Public Interest in a Broader Sense

In serving the public interest in 2028–2031 the SSBs should:

- 1) Reinforce ethical leadership, particularly in areas of independence, conflicts of interest, economic pressures, and the use of technology and data.
- 2) Maintain a strong focus on professional skepticism, judgment, and culture, recognizing that standards alone cannot drive behavior.
- 3) Act visibly and decisively where public trust is threatened through timely responses to major failures, crises, or systemic risks.
- 4) Balance innovation with stability, ensuring that change enhances trust rather than creating confusion or regulatory fatigue.
- 5) Articulate a clear public interest narrative by explaining how their work protects capital markets, supports confidence in reporting, and ultimately benefits society—not just the profession. Maintaining flexibility and responsiveness in standard-setting is beneficial. As the global environment continues to change, approaches such as principle-based standards, modular frameworks, and more timely updates could help the SSBs remain relevant while still upholding due process and quality.

The SSBs should consider ways to better understand and demonstrate the impact of their work in the public interest. This involves exploring metrics or feedback mechanisms that provide insight into adoption, consistency, and overall effectiveness of the standards.

## 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?**

Emerging technologies are fundamentally reshaping audit, assurance, and ethical decision making and are becoming increasingly central to how the profession operates. In particular, the use of artificial intelligence in audits is evolving at a rapid pace, with several large firms already signaling that AI will be used to perform testing in low risk audit areas. These developments have the potential to enhance efficiency and quality, but they also raise important considerations around professional judgment, accountability, transparency, and ethical compliance.

With developments in artificial intelligence and data analytics becoming more prominent, the SSBs have an opportunity to provide practical guidance that supports their responsible and effective use. This might include considerations around data integrity, professional judgment, and ethical implications in increasingly automated environments.

While there is an evident need for guidance to address technological developments and their impact on audit and ethics, SAICA cautions that this should not be interpreted as a justification for revising existing standards or introducing new ones as a default response. Given the fast paced and evolving nature of technology, any standards based response risks becoming outdated

shortly after issuance—artificial intelligence being a prominent example today, but potentially superseded by other innovations in the near future.

It is therefore critical that the standards remain firmly principles based, providing a stable and enduring foundation, while the Boards develop agile mechanisms to respond swiftly through non authoritative guidance and other flexible tools.

From an IESBA Code perspective, SAICA's view is that the existing principles and fundamental principles remain appropriate and sufficiently robust to accommodate technological developments. It is only in those instances where a clear public interest need has been identified and where non-authoritative guidance alone may be insufficient that amendments to the Code should be made. Non authoritative guidance should serve to reinforce and elevate the importance of the fundamental principles in a technology enabled environment, rather than suggesting that technological change necessitates amendments to the Code itself.

The IESBA Code remains principles based and recent revisions already accommodate the use of technology. However, targeted non-authoritative guidance is required to support consistent application in practice.

For the IESBA, SAICA believes that there is currently no need for a revision to the Code on Technology due to the revisions that have recently taken place. A post implementation review of the technology revision should first take place before considering further update to the Code. We recommend that the IESBA should consider developing the following guidance:

- Clarifying accountability when using third-party AI tools,
- Reinforcing application of professional judgment, skepticism and competence, and
- Providing guidance on confidentiality and data governance risks.

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

5 – Increasing in importance

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

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

A critical consideration of IAASB and IESBA will be whether standards continue to serve the public interest in a digital economy. The challenge to be addressed is to ensure assurance standards remain credible and effective as evidence, systems, and risks digitalize as well safeguarding ethical behavior, independence, and accountability as technology reshapes incentives, roles, and judgments. The SSBs should focus on guidance that reinforces professional judgment, skepticism, accountability, and ethical responsibility when technology is used. Addressing this trend proactively and coherently will be essential to maintaining trust in audit, assurance, and the profession during the next strategy period.

SAICA is of the view that jurisdictions are at markedly different levels of maturity with respect to the use, regulation, and prevalence of digital assets. While some jurisdictions have advanced frameworks and more widespread adoption, others—such as South Africa—remain at an earlier stage, where regulatory developments are still evolving and the use of digital assets is not yet pervasive. These differing levels of maturity should be carefully considered in the standard setting process to ensure global applicability and proportionality.

Furthermore, it is imperative that the Boards work closely with financial reporting standard setters in this area, as it is ultimately the recognition, measurement, and disclosure requirements in financial reporting that will drive the nature and scope of assurance. In this context, the Boards should critically assess the extent of global usage and relevance to determine whether digital assets warrant prioritisation within their work programmes, balancing emerging risks against broader and more pervasive areas of impact on audit and assurance.

Entities that make use of digital assets are, more often than not, likely to rely on service organisations and specialists, given the technical complexity and evolving nature of these arrangements. In such circumstances, targeted guidance from the standard setting Boards may be necessary to support consistent and effective application of existing standards. In particular, standards such as ISA 402, Audit Considerations Relating to an Entity Using a Service Organisation, ISAE 3402, Assurance Reports on Controls at a Service Organisation, and ISA 620, Using the Work of an Auditor's Expert, provide an appropriate foundation but may benefit from non authoritative guidance that addresses specific considerations arising when digital assets are utilised. Such guidance would assist auditors in exercising professional judgment when evaluating the nature and extent of reliance on service organisations and experts, without necessitating changes to the underlying standards themselves.

We recommend that both SSBs should consider issuing practical and easy to understand guidance to help practitioners navigate these questions consistently and confidently, before market practice diverges further.

---

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

6 – Strongly increasing in importance

---

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

---

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

SAICA acknowledges that attention should be given to AI governance, cybersecurity, fraud risk, and overreliance on automated tools. Cyber security breaches are a significant contributor to financial crimes. These crimes originate both from internal (modification of coding and/or unauthorized transactions through the unauthorized use of access privileges) and external sources (phishing, unauthorised remote access, leaked data available on the dark web, API vulnerabilities).

Financial crime is a matter of significant public interest and is subject to increasing scrutiny by regulators globally, including bodies such as the Financial Action Task Force (FATF). Given the role of audit practitioners as trust and company service providers (TCSPs), and their proximity to the establishment of legal entities as well as oversight of financial information, there is a growing expectation that the profession should play a more prominent role in the prevention and detection of money laundering and other financial crimes.

This was evident in South Africa following the country's inclusion on the FATF grey list, where TCSPs (including those providing auditing services) were designated as accountable institutions under recently promulgated legislation aimed at combating financial crime.

While emerging and enabling technologies used by reporting entities may increase the risk of misuse for illicit purposes, the varying levels of regulatory maturity across jurisdictions necessitate a cautious and measured response by the SSBs.

SAICA is of the view that adequate research should be undertaken to clearly identify the areas where standard setting intervention or guidance would add value. Therefore, during the 2028-2031, the SSBs could focus on extensive research rather than looking to produce guidance or standards. Constructive engagement with FATF, national regulators, financial reporting standard setters and other relevant global bodies could assist in clarifying expectations, identifying gaps, and determining the appropriate role for the Boards without inadvertently extending responsibilities beyond their intended remit. Ultimately, any standard setting intervention in this area would need to be part of a jurisdictional regulatory framework.

---

## **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?**

The regulatory environment continues to evolve at a rapid pace and is becoming increasingly complex, underscoring the need for the Boards to engage regularly and constructively with a wide range of participants across the financial reporting ecosystem. Such engagement is important to understand emerging public interest concerns and to assess where standards and related guidance can appropriately support high quality audit and assurance outcomes.

However, it is equally important to recognise the limits of standard setting in this regard. Auditing and ethics standards should not be used as instruments to address regulatory objectives or compliance requirements, nor should they be drafted primarily to satisfy regulatory expectations. Their primary purpose must remain to support practitioners in exercising professional judgment and delivering high quality audits and assurance engagements. Maintaining this focus is essential to preserving the integrity, usability, and global applicability of the standards.

Geopolitical developments, regulatory divergence and economic instability (including conflict and supply chain disruptions) are increasing complexity for professional accountants.

For the SSBs, the impact includes:

- Increased regulatory fragmentation affecting global consistency,
- Greater implementation burden on PAOs and regulators, and
- The need for scalable and adaptable standards across jurisdictions.

The SSBs should prioritise proportionality and responsiveness while maintaining global consistency.

---

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

4 – Slightly increasing in importance

---

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

---

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

The International Standards on Auditing (ISAs) and the IESBA Code have been adopted in full within the South African environment, reflecting strong support for globally consistent, high quality standards. South Africa did not adopt the ISA for Audits of Less Complex Entities (ISA for LCE), as it is our view that the existing ISAs already incorporate appropriate provisions for scalability and proportionality when applied with sound professional judgment.

The risk of fragmentation is however relevant for audits of South African subsidiaries of foreign holding companies in territories where the IAASB and IESBA standards have not been adopted.

The introduction of separate standards for specific categories of entities risks unintended consequences, including fragmentation and reduced comparability across jurisdictions. It is therefore critical that the standards and the Code remain

firmly principles based, with scalability and proportionality embedded within a single, coherent framework that can be applied consistently across entities of differing sizes and complexities, thereby supporting global adoption and audit quality.

Fragmentation increases the burden on professional accountancy organisations (PAOs), who must support members navigating multiple frameworks.

This leads to:

- Increased cost of compliance and training,
- Challenges in consistent application and enforcement, and
- Risks to public trust due to inconsistent reporting.

IESBA should enhance coordination with global standard setters and enable aligned implementation support for PAOs.

---

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

5 – Increasing in importance

---

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

---

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

The SSBs should continue exploring agile approaches, including targeted revisions and timely non-authoritative materials.

For the IESBA, agility should be achieved through maintaining a principles-based Code rather than frequent rule changes.

The IESBA should:

- Continue relying on principles that remain relevant across changing environments, and
- Enable PAOs to provide jurisdiction specific guidance to address emerging issues.

This approach balances global consistency with local relevance.

---

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

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?**

Effective standard setting requires the deliberate inclusion of diverse perspectives in the Boards' agendas and due process.

This includes representation from different jurisdictions, various participants in the financial reporting and assurance ecosystem, and firms of all sizes—ranging from large network firms to Small and Medium Practitioners (SMPs)—as well as other assurance providers, education and training providers, academia, regulators, and other stakeholders.

Audit committees, financial sector regulatory authorities, and Chief Financial Officer forums should be proactively engaged, as they represent key users of the audit product. Incorporating these voices is critical to ensuring that standards and related guidance are relevant, practicable, and responsive to the needs and expectations of those who rely on audit and assurance outcomes.

The SSBs should also place emphasis on enhancing their role within the broader global reporting ecosystem. In addition to developing high-quality standards, there may be value in supporting implementation and adoption more actively—particularly in jurisdictions where capacity or resources are still developing. There have been practical gaps and limitations in how consistently and effectively support has reached all stakeholders and jurisdictions. SAICA remains open to collaborate and work with the Boards in ensuring consistency in the application of the standards in the South African environment.

Greater diversity of stakeholder input is essential to:

- Ensure global applicability and adoption,
- Reflect challenges faced by emerging and developing economies, and
- Enhance the relevance and legitimacy of standards.

Without diverse input, the standards risk being perceived as regionally biased limiting uptake and effectiveness.

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

---

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

5 – Increasing in importance

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

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

Sustainability reporting and assurance will remain a defining priority. The SSBs should focus on consistency and credibility across jurisdictions, while supporting developing markets facing capacity constraints. An important aspiration for the SSBs should be to further establish themselves as a trusted global reference point for assurance on both financial and non-financial reporting. As sustainability reporting continues to mature, the SSBs should look to work toward ensuring that assurance standards are consistently applied and widely understood across jurisdictions, while supporting developing markets facing capacity constraints. Strengthening alignment with other international standard setters and regulators may also help promote comparability and confidence in reported information.

SAICA's view is that, for the 2028–2031 period, the Boards should prioritise monitoring and tracking the effective global adoption and implementation of the sustainability assurance standards. This focus should be underpinned by close collaboration with bodies such as the IFRS Foundation, which is actively promoting the uptake of sustainability reporting standards, including IFRS S1 and IFRS S2. The widespread adoption of these reporting standards is a critical precondition for the effective implementation of the related assurance standards, as it is the underlying reporting framework that ultimately drives the scope, nature, and value of assurance.

During this period, the Boards should devote particular attention to identifying and addressing implementation challenges associated with ISSA 5000, International Standard on Sustainability Assurance, and the International Ethics Standards for Sustainability Assurance (IESSA), including an assessment of whether these two standards operate in a fully interoperable and coherent manner in practice.

Given that ISSA 5000 and IESSA are profession agnostic standards, it is imperative that the Boards closely monitor their application by non accountants to identify any unintended consequences. Although the standards have been developed by the accountancy profession, any significant assurance failures arising from their application—regardless of the practitioner's professional background—could still have adverse reputational implications for the profession. In this context, the development of targeted, supplementary non authoritative implementation guidance aimed at supporting non accountants in the consistent and appropriate application of ISSA 5000 and IESSA is of critical importance to safeguarding audit and assurance quality and maintaining public trust.

Following recent sustainability related amendments the focus for the IESBA should now shift to:

- Monitoring implementation,
- Identifying application challenges and
- Providing clarifying guidance where necessary.

The SSBs' role is not to duplicate frameworks, but to ensure consistent and credible application.

---

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

4 – Slightly increasing in importance

---

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

---

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

South African entities that form part of multinational groups headquartered in jurisdictions that have adopted sustainability reporting standards may be required to obtain sustainability assurance from local assurance providers. This dynamic heightens the need for robust, high quality sustainability assurance and ethics standards and implementation guidance that are globally applicable, in order to mitigate the risk of greenwashing and to maintain public trust in sustainability information.

In this context, it is imperative that the Boards work very closely with each other and sustainability reporting standard setters, such as the International Sustainability Standards Board (ISSB), given that the adoption of reporting standards will ultimately drive the demand for, and adoption of, assurance standards.

SAICA acknowledges and commends the Boards for developing sustainability assurance and ethics standards that are framework neutral, as this approach supports applicability across jurisdictions regardless of the sustainability reporting frameworks in use. At the same time, it is important that the Boards remain within their remit of setting standards for practitioners, rather than responding directly to regulatory expectations, notwithstanding the legitimate needs and requirements that regulators may place on assurance engagements.

In the South African context, ISSA 5000 and the International Ethics Standards for Sustainability Assurance (IESSA) have been adopted by the local regulator, the Independent Regulatory Board for Auditors (IRBA). However, sustainability reporting itself is not yet mandatory, and engagements are currently underway with relevant authorities regarding the potential adoption of sustainability reporting standards, including associated timelines. As a result, entities that are currently implementing sustainability reporting in South Africa are doing so largely on a voluntary basis, reinforcing the importance of scalable, principles based assurance and ethics standards supported by strong implementation guidance.

The Code already provides a strong ethical foundation. The priority is not additional requirements, but:

- Monitoring whether the Code sufficiently addresses greenwashing risks and
- Issuing application guidance where gaps emerge in practice.

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

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

4 – Slightly increasing in importance

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

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

We regard this trend to have more relevance to the IESBA than to the IAASB.

Private equity ownership of audit and assurance firms is a jurisdiction specific matter and should be considered within the context of local legal and regulatory frameworks. In South Africa, the Auditing Profession Act currently does not permit the ownership of an assurance practice by a private equity firm. The move to allow such ownership would therefore require legislative amendments to the Act. This underscores the importance of the Boards recognising jurisdictional differences when considering matters relating to firm structures and ownership, and avoiding assumptions of uniform applicability across markets.

Observations from global developments:

Private equity poses a real risk that professional accountants work primarily with profit as their first priority, rather than acting in the public interest. Private equity holders may not understand the nature and priorities of the work well, posing various risks to the profession.

With the continued advances in AI, there is rapidly increasing interest from parties (including private equity) that historically have not had interest in the profession or ability to challenge long-established incumbents, to see how AI and automation can be incorporated into the audit process and reduce the barriers to entry into the market.

The risk is that these new parties are aiming to disrupt the market through the introduction of 'quicker' and 'cheaper' service offerings and that there is huge incentive in being the first to market in offering such a service as they stand to corner it and become entrenched (i.e., to beat other parties with similar goals).

It will therefore be of strongly increasing importance that standard setting keeps abreast of these fast-moving changes in technology and the knock-on impact on the industry to ensure that the value of assurance is not eroded as a consequence of failure to manage any technological transition and maintain the quality of the assurance provided.

As a starting point, the Boards should test the existing Code and Quality Managements standards for durability against these developments in ownership structures with the first response to be considered being supplementary guidance rather than revisions or the introduction of new standards.

In considering developments in firm ownership structures, it is essential that the profession as a whole—including standard setters—remains mindful of the need to preserve the core strengths and credibility of the accountancy profession. Any changes, whether driven by market forces or alternative capital models, should not erode the gains achieved through long standing adherence to the fundamental principles of the Code, including integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. Safeguarding these principles is critical to maintaining public trust and ensuring that evolving firm structures continue to support, rather than undermine, audit quality and the public interest.

While private equity ownership is currently limited in South Africa due to regulatory constraints, it remains a globally relevant

risk.

The IESBA should:

- Monitor whether existing provisions on independence and firm culture remain sufficient, and
- Consider whether additional guidance is needed to address threats arising from external ownership structures.

---

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

5 – Increasing in importance

---

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

---

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

Given developments in the profession arising from increasingly complex financial reporting requirements and the growth of non financial reporting, it is inevitable that future engagement teams will be multi disciplinary and will make greater use of emerging technologies. This trend is already evident in current practice.

Importantly, existing standards—including the quality management standards and requirements relating to the use of experts—provide an adequate and robust framework for managing such engagements effectively. In SAICA's view, these standards, together with the Code, establish sufficient guardrails to ensure accountability, consistency, and ethical behaviour within multi disciplinary teams. Therefore, SAICA has not identified a need for a separate standard setting project specifically focused on the involvement of non accountants, as the existing framework is capable of appropriately accommodating these developments without further regulatory intervention.

With the continued advances in AI and its incorporation into the audit process, there is uncertainty as to the role and extent of involvement of professional accountants in the audit process in this new assurance paradigm as well as the training model be applied to develop future professional accountants. Engagements with the IFAC Group responsible for Accountancy education is important in this regard.

It will therefore be of strong increasing importance that standard setting keeps abreast of these fast-moving changes in technology and the knock-on impact on the industry to ensure the body of experience that currently resides with practicing professional accountants is not lost in the transition process but rather continues to be both maintained and developed (passed on).

The increasing use of multidisciplinary teams requires:

- Reinforcement of ethical culture and accountability,
- Clarification of responsibility where non accountants perform key functions and
- Guidance to ensure all contributors align with the Code's principles.

---

## **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:

Given that the changes in business models are not impacting all jurisdictions, it is SAICA's view that this does not necessitate changes to global audit and assurance standards and the Code. Initiatives may be implemented at jurisdictional level to address attraction and retention challenges. These initiatives often require the collaboration of various role players within the jurisdiction itself.

**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:**

The IESBA, in particular, should ensure that the existing ethical principles remain clear and enforceable across increasingly complex business models. The business models of accounting firms, including the provision of non assurance service lines, are appropriately shaped by jurisdiction specific regulatory requirements. The Code already contains well established provisions to address potential threats arising from such services, particularly where they may impact independence or give rise to conflicts of interest—for example, through the provisions relating to fees, self interest, and self review threats. In SAICA's view, these principles based safeguards remain effective and proportionate. Unless there is clear, robust, and comprehensive evidence—supported by extensive research—that demonstrates a compelling need for global standard setting intervention or amendments to the Code in this area, the existing standards and ethical requirements should remain unchanged. Maintaining stability in the ethical framework is critical to preserving professional judgment, managing complexity, and avoiding unnecessary regulatory burden.

The IESBA, in particular, should ensure that ethical principles remain clear and enforceable across increasingly complex business models.

The SSBs should recognise that:

- Increased regulation may impact attractiveness of audit roles and
- There is a need to ensure standards remain proportionate and practical to support talent retention while maintaining quality.

**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.**

No

### Additional trends

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

**Please describe the additional trend**

**On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.**

**Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?**

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

Rank 1 : A.1

Rank 2 : A.3

Rank 3 : C.1

Rank 4 : B.4

Rank 5 : B.3

**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.**

Potentially emerging technologies and governance aspects.