



International Auditing and Assurance Standards Board (IAASB)  
International Ethics Standards Board for Accountants (IESBA)  
529 Fifth Avenue  
New York, 10017  
USA

June 1<sup>st</sup>, 2026

**Re: Comment letter relating to the IESBA and IAASB Joint Stakeholder Survey “Shaping IAASB and IESBA strategies for 2028-2031”**

Dear Chairs,

1. The CEAOB appreciates the opportunity to comment on the IESBA and IAASB Joint Stakeholder Survey, the results of which will help inform the IAASB and IESBA (Standard Setters Boards – SSBs) as they develop their respective Consultation Papers for their strategies and work plans for the period 2028-2031.
2. The content of this letter has been prepared by the International Auditing Standards Subgroup and has been adopted by the CEAOB. The comments raised in the letter reflect matters agreed within the CEAOB. It is not intended, however, to include all comments that might be provided by the individual regulators that are members of the CEAOB and their respective jurisdictions.

***Overall comments***

3. The CEAOB welcomes the SSBs’ efforts to perform a joint initial survey with a view to inform the development of their strategic plans and identify key trends that may influence their future environment and standard-setting activities, based on their potential impact on both financial and non-financial reporting.
4. In addition to the trends identified in the survey, the CEAOB stresses that the SSBs should also remain alert and continue to monitor, during the implementation period of the strategy, the emergence of new trends and their implications for the standard setting environment. Maintaining a forward-looking perspective in the strategy and work plans will help ensure that the standards setters’ activities remain relevant, responsive, and aligned with the public interest.





### ***SSBs' strategy for the 2028–2031 period***

5. The SSBs' strategies should aim to develop, update, and continually enhance high-quality standards and pronouncements for audit and sustainability assurance that uphold the public interest, ensure the quality of engagements' outcomes, and allow for their consistent and effective implementation. The development of mutually interoperable and complementary standards by both SSBs - which requires a continuous and close engagement between IAASB and IESBA - strengthens the quality and reliability of engagements' outcomes and facilitates greater global consistency in their application.
6. Furthermore, to remain responsive to emerging issues, the SSBs should retain flexibility in how they allocate resources in their work program and ensure at all times a high level of agility. The CEOB emphasizes the importance of clearly distinguishing between matters that require formal standard-setting, those that call for targeted narrow amendments, and those that are better addressed through timely, principle-based guidance, particularly as rapid advances in the use of new technologies may render aspects of the current standards obsolete.
7. Finally, the CEOB reiterates the importance, as key driver for the upcoming strategy for standard-setting purposes, for the SSBs to take into consideration the needs and expectations of a wide range of stakeholders from the corporate reporting ecosystem through appropriate outreach mechanisms, to ensure that the standards remain responsive and continue to serve the public interest.
8. The CEOB outlines below the trends identified in the survey document that are likely to influence both the financial and non-financial reporting ecosystem and the broader standard-setting environment, thereby relevant for shaping the SSBs' strategic direction for the 2028–2031 period.

### ***Digital Transformation***

9. The growing use of emerging technologies will strongly influence audit, ethics, and independence standards. As companies and auditors adopt new technologies such as Artificial Intelligence and advanced data-analytics tools, new risks arise and standards must evolve to stay relevant and effective. Automated tools that analyze full data populations also change how materiality is applied and can introduce risks like technology bias or excessive reliance on system-generated results. These shifts affect auditors' approaches to risk assessment, materiality, evidence evaluation, and professional skepticism, while also raising important ethical and independence considerations.
10. Furthermore, the SSBs will need to provide clarity on the secure and responsible use of new digital tools, including AI-based applications, and/or on how existing requirements in the standards should be interpreted in technology-enhanced environments. This could include issuing updated pronouncements, practical implementation materials, and FAQs, as appropriate, to support auditors and practitioners in applying professional judgment, protecting data confidentiality, and maintaining audit quality as digital technologies are rapidly expanding.



11. Similarly, technology-enabled financial crimes pose growing challenges for society and auditors. This trend affects how auditors identify and respond to risks of material misstatement and reinforces the need for strong professional skepticism. As risks evolve, the SSBs may need to consider whether further clarification within the existing standards or additional support is warranted, informed by insights from ongoing technology initiatives and engagement with regulators and other stakeholders.
12. In the same vein, digital assets are an increasingly significant area, as their expanding cross-jurisdictional use and the growing variety of related transactions introduce new audit challenges, including the assessment of blockchain-based information and the evaluation of fraud-related risks. Given the rapid developments in this field, the IAASB would benefit from targeted information-gathering on emerging digital-asset activities, business models, and the practical challenges auditors face when applying current standards

### ***Expectations Concerning Sustainability Information***

13. Despite recent changes in the EU regulatory landscape regarding eg. the thresholds for mandatory sustainability reporting and the simplification of the disclosure obligations, demand for high-quality sustainability information remains strong. Stakeholders continue to expect reliable, decision-useful disclosures, and assurance plays a critical role in reinforcing credibility and supporting trust in sustainability reporting.
14. The implementation of ISSA 5000 and IESSA is likely to offer valuable lessons for strengthening the sustainability assurance standards and facilitating consistent application across jurisdictions. As new questions emerge with the experience gained in using the standards, a targeted and responsive approach to updating or complementing these standards will be essential.
15. In addition, the CEAOB continues to call for the development of provisions that address assurance over the digitalization of information, which is relevant for EU reporting requirements for both financial and sustainability information.
16. Additional guidance and practical examples, particularly on assessing the materiality of misstatements in Environment, Social and Governance and other non-financial disclosures, would further enhance the usability and robustness of the international standards, and further developments to facilitate consistency in engagement performance would be of high relevance.
17. A Post-Implementation Review of ISSA 5000 and the IESSA should be conducted by the SSBs, with close coordination on changes to the standards in this area. In particular, the SSBs should focus on addressing practical issues arising in the interpretation and application of these new standards to ensure they are fit for purpose and consistently applied.

### ***Evolving Structure and Business Models of Accounting Firms***

18. Alternative ownership structures — such as private equity investment and alternative practice structures — are continuing to develop and introduce new risks to audit quality, independence, and governance of the firms. These arrangements can create pressures linked to investor



expectations, shorter-term incentives, and increasingly complex organizational structures, making this an important area for further attention by the SSBs.

19. While we acknowledge IESBA's project on private equity investment, coordinated information-gathering by both SSBs would help to build a shared understanding of how these models operate and where practical challenges arise. This should involve engaging a broad range of stakeholders, including regulators, to assess the implications for audit quality, ethics, and independence. As the SSBs continue to explore this topic, it will be important to consider how these developments interact with the existing quality management standards as well as the ethics and independence frameworks to determine whether the current standards remain sufficient or whether further action is needed.
20. The involvement of non-professional accountants in the auditing and assurance profession is an increasing trend which can enhance audit quality by bringing expertise from different fields such as technology, data science and sustainability. Auditors might benefit from provisions on how to effectively use and integrate the work of these professionals within the audit team. At the same time, their participation raises important considerations related to supervision, quality management, ethics, and independence. Continued coordination between the IAASB and IESBA is essential to address these issues without adding unnecessary complexity and to facilitate alignment with the existing quality management framework.

#### ***Areas of common interest for the work plan***

21. The CEAOB wishes to underline also the importance of conducting post-implementation reviews of the recently adopted/revised standards to determine whether the changes have been properly understood and implemented. In addition to new trends that need to be addressed, timely and periodic reviews of existing standards are needed to address practical challenges and areas that require further attention, and should also incorporate, in a systematic way, take-aways from inspections and enforcement activities. In particular, the Post-Implementation Review of the new sustainability assurance provisions should be conducted together by the SSBs, with close coordination, on any future changes to the standards in this area.
22. Other trends that should be addressed in a coordinated manner by the SSBs are the increasing use of new technologies in audits, addressing both quality management and ethical implications as well as firm governance, culture, and independence, especially in the context of alternative ownership structures. These developments may influence decision-making processes and internal incentives as well as the independence of the audit work.
23. The CEAOB strongly believes that addressing these trends through the SSBs' joint work will help ensure that the standards remain robust, coherent, and capable of responding to the evolving dynamics of the corporate reporting ecosystem. Both SSBs' work plans should reflect the expectation that the international standards constitute together a robust and coherent auditing and assurance framework.
24. Additionally, the CEAOB considers it essential for the SSBs to work to further enhance the clarity of the standards, as excessively long sentences and overlapping terminology for distinct concepts may create ambiguity and hinder effective and consistent implementation and enforcement.



## **Materiality**

25. The CEAOB considers materiality to be a continued priority for the standard-setting agenda. Concerns continue to arise regarding how materiality is currently interpreted and applied in practice, suggesting that the existing requirements may not provide auditors and sustainability assurance providers with sufficiently clear or operational guidance. Because materiality is a foundational concept in auditing and sustainability assurance, ambiguity in its application can have significant implications for engagement quality and for the consistency of auditors' judgments across jurisdictions.
26. Furthermore, materiality should explicitly cover the risk of omission or incomplete disclosure of material information. The ISAs and ISSA5000 acknowledge that omissions or incomplete disclosures may be material, but they offer limited guidance on how to determine if a qualitative disclosure is materially misstated. As a result, the determination relies primarily on professional judgment and should be based on a more robust framework. This is also relevant in the context of sustainability information (ISSA 5000).

## **Audit Evidence and Risk Response Project**

27. In the same vein, there is limited guidance in ISAs (and ISSA5000) on how to respond to identified and assessed risk of omissions or incomplete disclosures that may be material. This response should be based on a more robust framework. This comment is also relevant in the context of sustainability information (ISSA5000).
28. The CEAOB stresses in this regard the continued importance of the “audit evidence and risk response” project, ensuring due process and consideration of CEAOB comments and feedback. Sufficient resources should be allocated to deliver high-quality standards that will help to enhance audit quality.

Please feel free to contact me, should you need any further information about the content of this response.

Yours faithfully,

Panos Prodromides

Chairman

