

Questions or Matters for Stakeholder Input

1. 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).

APESB believes the 2028–2031 strategy period provides an important opportunity for IESBA to develop a balance between agility in standard-setting and stakeholder capacity. While timely responses to emerging issues are essential, our engagement with Australian stakeholders indicates that the volume and pace of recent consultations suggest a degree of stakeholder fatigue. APESB considers that there needs to be a period of consolidation with some focus on global adoption and implementation of the Code.

This is an opportunity to demonstrate that high-quality, principles-based frameworks can be supported through timely, targeted and proportionate interventions. APESB acknowledges that, in developing the strategy for 2028-2031, there are necessary trade-offs, including balancing the need for the IESBA to be agile in responding to emerging trends (e.g., AI) with the need for stakeholders to have stable requirements to facilitate the adoption of the Code.

APESB considers the strategy period a significant opportunity for the IESBA to obtain input from a broader and more representative range of stakeholder perspectives on its work. Users, preparers and investors are often underrepresented in consultations, and APESB believes that more deliberate engagement with these groups will help ensure that the IESBA's strategic priorities are well-informed.

APESB also considers that the SSBs are well-placed to elevate the level of coordination between the IAASB and IESBA. Improved alignment of project timing and sequencing would allow stakeholders to consider related proposals concurrently, particularly when changes to the Code affect auditing standards. APESB encourages the boards to prioritise timely responses to emerging issues, which may require more flexible project approaches, earlier identification of cross-cutting issues between the Boards, and closer coordination between the boards to avoid duplication or misalignment.

More broadly, APESB considers that, over the 2028–2031 strategy period, the IAASB and IESBA should focus on strengthening the usability and practical application of their standards in an environment characterised by rapid geopolitical, regulatory and technological change. A key aspiration should be to ensure that the standards remain principles-based yet sufficiently clear to support consistent application across jurisdictions with differing levels of maturity.

Further, APESB considers that enhancing implementation support should be a key objective of the Boards. For example, more targeted non-authoritative material, a program of post-implementation reviews, and further exploration of ways to support jurisdictions with limited resources in adopting and implementing the standards.

SECTION IV: KEY TRENDS IMPACTING THE SSBs

A – Digital Transformation

Rapid digital transformation, driven by the pace and nature of technological innovation and evolution, is reshaping the global economic and business landscape, creating both opportunities and challenges. Three areas stand out as examples of digital transformation that will influence the future of standard setting.

- A1. **Increasing Use of Emerging Technologies:** Businesses and industries are undergoing transformations driven by the adoption and increasing use of emerging technologies such as Artificial Intelligence (AI)-enabled tools and agents, internet of things, and blockchain. These technologies exhibit unique characteristics that present tremendous opportunities for increased quality, effectiveness, and efficiency, but also raise new and different challenges and risks to be managed.
- A2. **Digital Assets and Institutionalization of Digital Assets:** Given the growing use of emerging technologies such as blockchain, digital assets, including cryptocurrencies, have become more popular and their institutionalization is accelerating.
- A3. **Financial Crimes Enabled by Technology:** The growing use of emerging technology has also given rise to significant threats to cybersecurity and a significant rise in unlawful activities that exploit digital systems, networks, and AI-enabled tools and agents to commit, conceal, or facilitate financial misconduct.

Potential Impact on Audit, Assurance, Quality Management, Ethics and Independence Matters	
<ul style="list-style-type: none"> • Need to modernize or enhance the standards, or provide guidance to support stakeholders in navigating the application of the standards amid these developments. • Extended stakeholder engagement, including with emerging technologies experts. 	
Potential Impact on Audit, Assurance and Quality Management Matters for IAASB’s Consideration	Potential Impact on Ethics and Independence Matters for IESBA’s Consideration
<ul style="list-style-type: none"> • Possible need for the development of guidance (e.g., guidance about the use of emerging technological tools, auditing digital assets, blockchain audit trails and reinforcing the exercise of professional skepticism and professional judgment when using technological tools). • Increased emphasis on, or emergence of different types of assurance engagements (e.g., assurance over emerging technological tools, system controls, AI governance, and cybersecurity). 	<ul style="list-style-type: none"> • Ethics and independence considerations relating to the use of AI by professional accountants in public practice and in business and other professionals who use IESBA standards (for example, accountability and threats to professional competence and due care, objectivity and confidentiality). • Over-reliance on the use of technology and its impact on objectivity, professional judgment and professional skepticism. • Growing threats relating to financial crimes and cybersecurity. • Changing business models and

	governance, and potential impacts on ethics and independence.
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5A. 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.

A.1 Digital Transformation – Increasing Use of Emerging Technologies

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
✓						

[If a respondent selects “6 to 1”]

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?

Matters relating to IESBA

APESB considers the increasing use of emerging technologies to have significant implications for the IESBA’s future work program. The rapid evolution of technologies such as artificial intelligence, automation, data analytics, digital assets and cybersecurity tools is reshaping the ethical landscape in ways that require a forward-looking and principles-based response.

A key challenge is the speed at which technology develops relative to the pace of standard-setting (discussed further below). This pace of change highlights the potential need for the IESBA to complement the Code’s principles-based foundation with more agile approaches to standard-setting, such as more timely guidance, staff alerts and interpretive material to support practitioners in applying ethical requirements in fast-moving areas.

In addition, some Australian stakeholders noted that the growing reliance on large datasets and automated processes also creates ethical considerations related to data governance, data quality, and transparency. Concerns about “black box” systems arise when practitioners may have limited visibility into how information is produced. The Code may need to reinforce expectations around competence, due care, and the ethical implications of using tools or data sources that are not fully understood.

Technology-enabled services may also continue to create new independence considerations. The use of proprietary tools in both audit and non-audit engagements may introduce new forms of dependence or influence that existing independence provisions may not fully address. APESB considers this an area that may require further consideration by the IESBA.

Also refer to trend O1 – AI Governance and Explainability.

APESB supports an evidence-based approach to standard-setting and suggests that a post-implementation review of the technology-related changes to the Code be undertaken before any significant revisions are introduced.

[If a respondent selects “0”]

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

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
	✓					

[If a respondent selects “6 to 1”]

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?

Matters relating to IESBA

APESB notes that some Australian stakeholders have highlighted that digital assets are becoming increasingly mainstream, raising ethical questions about competence, reliance on experts, and the boundaries of professional practice, particularly when practitioners engage in areas that require specialised technical knowledge.

APESB is of the view that, due to the pace of technological change, guidance and education may be more appropriate tools than new standards in this area. For example, IESBA could consider producing practical guidance to help practitioners apply existing principles in new technological contexts. This approach would allow for greater agility and responsiveness, ensuring that support remains relevant as technologies evolve.

[If a respondent selects “0”]

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

A.3 Digital Transformation – Financial Crimes Enabled by Technology

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
	✓					

[If a respondent selects “6 to 1”]

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?

Matters relating to IESBA

APESB considers that emerging technologies are accelerating both the scale and sophistication of financial misconduct, creating new challenges for practitioners applying the Code’s fundamental principles and independence requirements. For example, artificial intelligence (AI) is now being used to generate fraudulent documentation, including in mortgage applications. These developments reinforce the need for the Code to provide clear expectations regarding professional scepticism, the evaluation of information produced by automated systems and the ethical responsibilities of practitioners when confronted with technology-enabled fraud.

Technology-enabled financial crime also intersects with issues of data integrity and transparency. The increasing prevalence of complex or opaque (“black box”) systems means that practitioners

may have limited visibility into how information is generated or manipulated. This raises ethical considerations related to competence, due care, and the obligation to obtain sufficient understanding of the systems and data relied upon in professional activities.

APESB also notes that this issue is highly jurisdiction-specific and shaped by local legislation and enforcement frameworks. APESB recommends that IESBA consider whether any work beyond the existing NOCLAR provisions in the Code is needed in this area.

[If a respondent selects "0"]

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

B – Changes in the Geopolitical and Regulatory Landscape

Changes to the geopolitical and regulatory landscape (in)directly influence how the SSBs' international standards evolve. Four areas stand out as particularly illustrative of how these changes shape the environment in which the SSBs operate:

- B1. **Regulatory Changes:** Financial markets, including the accounting and auditing profession, are navigating a complex regulatory environment, with ongoing changes driven by the need for market stability and to prevent economic disruptions, as well as a trend towards reducing regulatory burdens to enhance economic competitiveness and foster innovation and economic growth.
- B2. **Risk of Fragmentation:** In many jurisdictions there is a move away from international alignment toward a more national / regional focus. As a result, different jurisdictions, industries, or organizations may use varied and sometimes conflicting frameworks, rules, and metrics for reporting information. Such fragmentation contributes to uncertainties, adds costs and administrative burdens for providers of professional services and their clients, and erodes trust and confidence in financial and non-financial reporting.
- B3. **Call for Greater Agility in Standard Setting:** Professional accountants and other stakeholders have been emphasizing the need for a more adaptive standard-setting process that allows for addressing issues in a timelier manner. This includes calls for consideration of issuing non-authoritative materials instead of launching standard-setting projects, or undertaking more narrow-scope standard setting to address targeted matters, depending on the circumstances.
- B4. **Greater Diversity of Voices Sought:** Reflecting the broad use of SSBs' standards, there are calls for greater inclusion of voices from emerging economies. The ability to respond to particular needs may impact the adoption and implementation of global standards. It may also impact which stakeholders to connect with and the nature of standards and guidance the SSBs develop.

Potential Impact on Audit, Assurance, Quality Management, Ethics and Independence Matters

- Need to identify potential areas of simplification (including scalability and proportionality).
- Need for increased agility and responsiveness.
- Balance the need for the development of standards (through either full-scope and narrow-scope projects) with the development of non-authoritative materials.
- Increased coordination and collaboration between the SSBs and with other standards setters.
- Strengthened stakeholder engagement, including with investors and those charged with governance.

5B. 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.

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
	✓					

[If a respondent selects “6 to 1”]

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?

Matters for IESBA

APESB is of the view that the IESBA should continue to monitor global regulatory developments closely and continue to strengthen coordination with other international standard-setters, regulators and other relevant international bodies to ensure that the Code remains responsive to both increased regulatory expectations and pressures for regulatory simplification.

[If a respondent selects “0”]

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

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
	✓					

[If a respondent selects “6 to 1”]

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?

Matters for IESBA

APESB observes that the geopolitical and regulatory environment is becoming increasingly complex and is directly influencing standard-setting. APESB highlights fragmentation as a significant risk, as differing regulatory priorities emerge across regions, particularly in areas such as sustainability, digital regulation, and financial market oversight. This fragmentation increases complexity for practitioners operating across borders and places additional pressure on the IESBA to ensure that international standards remain principles-based and adaptable to diverse regulatory environments.

APESB further notes that while the IESBA cannot control these developments, IESBA must be prepared for them, and its strategic planning should reflect this reality.

[If a respondent selects "0"]

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

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
✓						

[If a respondent selects "6 to 1"]

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?

Matters for the IESBA

APESB considers this to be a key area of focus. As highlighted in the earlier response, the current geopolitical and regulatory environment reinforces the need for greater agility in international standard-setting. Geopolitical risks are increasing, regulatory priorities are diverging across jurisdictions, and the pace of external change is accelerating. In this context, the traditional timelines and sequencing of standard-setting activities are increasingly misaligned with the speed at which new risks and regulatory expectations are emerging.

To maintain relevance and global consistency, APESB considers that the IESBA should work towards strengthening its capacity to act with greater agility. This includes the ability to issue timely guidance or clarifications, deploy narrow scope amendments, and adjust work plans dynamically in response to emerging developments. Enhanced agility would complement the principles-based nature of the Code and support its application in an environment characterised by uncertainty, regulatory divergence, and rapid change.

APESB therefore encourages the IESBA to prioritise operational and strategic mechanisms that enable more responsive and adaptive standard-setting.

[If a respondent selects "0"]

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

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
	✓					

[If a respondent selects "6 to 1"]

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?

Matters for the IESBA

APESB notes that the public interest is best served when standard setting is informed by a balanced set of perspectives. APESB highlights that the newly established joint user group is a positive development; additional mechanisms may be required to ensure that diverse viewpoints, including those from the public sector, smaller jurisdictions, emerging markets and small and medium-sized practices, are systematically incorporated into the IESBA's work.

In APESB's view, strengthening the diversity of input into the standard-setting process will support more globally consistent outcomes, reduce the risk of fragmentation and enhance the credibility and applicability of the Code across a wide range of geopolitical and regulatory contexts.

Feedback from Australian stakeholders suggests that some perceive it as complex, despite its principles-based nature, and that there is an ongoing need for IESBA to ensure scalability, particularly for smaller practices and jurisdictions with varying levels of regulatory maturity. This was identified by Australian stakeholders as an ongoing challenge that IESBA should keep in mind when revising standards.

[If a respondent selects "0"]

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

C – Evolving Expectations Concerning Sustainability Information

Global challenges regarding sustainability are reshaping expectations for transparency, accountability, and corporate responsibility in addressing the diverse risks and opportunities associated with sustainability matters. These expectations underscore the need for globally consistent approaches that support public trust in sustainability reporting and assurance.

- C1. Continuing Demand for Sustainability Reporting and Assurance: Reporting on sustainability information continues to grow as a critical component of corporate transparency. Stakeholders, including users of financial and non-financial information and regulators, are demanding more comprehensive and reliable sustainability disclosures. Also, sustainability information is more and more interconnected with financial information.
- C2. Regulatory and Geopolitical Changes: The sustainability regulatory landscape has evolved beyond climate reporting, with amendments to existing regulations and the potential emergence of new jurisdictional and international requirements. On the other hand, some jurisdictions are in the process of recalibrating their previously announced requirements around sustainability reporting and assurance.

Potential Impact on Audit, Assurance, Quality Management, Ethics and Independence Matters

- Monitoring the adoption and implementation of the SSBs' Sustainability Standards and providing timely responses to implementation questions or challenges, including the need to develop further guidance or standards.
- Establishing potentially new mechanisms to develop materials in an agile fashion and to draw on specialized expertise.
- Extended outreach to ensure alignment, interoperability and global consistency across jurisdictions.

Potential Impact on Audit, Assurance and Quality Management Matters for IAASB Considerations	Potential Impact on Ethics and Independence Matters for IESBA Considerations
<ul style="list-style-type: none"> Address the increased connectivity between sustainability assurance and financial audits to contribute to a coherent approach and consistent assurance quality. 	<ul style="list-style-type: none"> Consideration of need for ethics standards for all preparers of sustainability information.

5C. 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.

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
	✓					

[If a respondent selects “6 to 1”]

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?

Matters for the IESBA

APESB considers that the continuing demand for sustainability reporting and assurance reinforces the importance of ensuring that the ethical requirements remain fit for purpose as this area evolves. While the recent work on Part 5 provides a strong foundation, the rapid expansion and increasing complexity of sustainability information mean that ongoing assessment of the new Part 5 will be essential.

In APESB’s view, the IESBA should continue to evaluate whether additional guidance is needed to support practitioners in addressing sustainability information. Given the uneven regulatory trajectory across jurisdictions, maintaining coherence and consistency will be critical to supporting high-quality sustainability reporting and assurance and avoiding fragmentation.

A significant emerging trend is the rapid expansion of sustainability reporting and assurance beyond climate – into biodiversity, nature-related financial disclosures (consistent with the Taskforce on Nature-related Financial Disclosures framework), water security, and natural capital more broadly. These areas introduce entirely new assurance challenges: highly uncertain measurement methodologies, limited established data sources, novel forms of expertise required, and significant jurisdictional variation in how such disclosures are being mandated or encouraged. For Australia in particular, nature-related risk is a material and growing area of corporate accountability. APESB considers that, as reporting and assurance evolve, there will be a need to assess whether the existing ethical frameworks are adequate to support reporting and assurance engagements on nature- and biodiversity-related information, and whether dedicated guidance or standard-setting activity will be required during the 2028–2031 period.

APESB encourages the IESBA to continue closely monitoring developments and remain open to targeted enhancements that strengthen the Code’s relevance and usability in sustainability assurance engagements.

[If a respondent selects “0”]

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

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
	✓					

[If a respondent selects “6 to 1”]

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?

Matters for the IESBA

APESB observes that regulatory and geopolitical developments are reshaping sustainability reporting and assurance. Jurisdictions are moving at different speeds, adopting different frameworks, and responding to local policy priorities, creating an uneven global landscape. This increases the risk of fragmentation and puts pressure on international standards to remain coherent and adaptable. In this context, it is important that the IESBA’s ethical requirements continue to support consistent, high-quality sustainability reporting and assurance across jurisdictions with different regulatory settings.

[If a respondent selects “0”]

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

D – Evolving Structure and Business Models of Accounting Firms

The accounting profession is undergoing profound shifts in how its work and firms are structured, financed, and operated, with direct implications for the future of audit, assurance, and ethics standard setting.

- D1. **Alternative Ownership Structures:** Changing ownership structures raise quality management, and ethics and auditor independence considerations, including on firms’ ethical culture. In particular, private equity organizations are increasingly investing in accounting firms, driving growth and technological innovation.
- D2. **Increased Involvement of Non-Professional Accountants in the Accounting and Auditing Profession:** Traditionally, accounting firms were staffed almost exclusively with accountants and auditors. Now, like other private enterprises, a growing share of their workforce consists of specialists from other disciplines, such as technology, data science, law, consulting and sustainability.
- D3. **Challenges to Attracting and Retaining Talent:** The accounting and auditing industry is facing an increasing challenge in attracting and retaining talent, driven by perceptions of the industry as less dynamic and the allure or alternative career paths. Also, given the rapid changes in technology, firms will need to attract and retain talent, and build capacity, in areas where there is strong competition for talent.

D4. Non-Assurance Service Line: The growth of non-assurance services has become a major source of revenue for accounting firms compared to fees for their audit and assurance services. If there is a corporate scandal or failure related to the provision of these services, it impacts the trust in the accountancy profession and its public interest role.

Potential Impact on Audit, Assurance and Quality Management Matters for IAASB Considerations	Potential Impact on Ethics and Independence Matters for IESBA Considerations
<ul style="list-style-type: none"> Need for guidance or potential enhancement of standards that address firm level or engagement level quality management. For example, the impact on the governance and leadership, client acceptance and continuance, relevant ethical requirements, and information and communication 	<ul style="list-style-type: none"> Consideration of issues related to ethics and independence raised by private equity investments in firms and their impact on firm culture, and whether, and how, guidance or standards could help address challenges to a firm’s ethical culture arising from new ownership models. Consideration of challenges regarding familiarity and compliance with the IESBA Code of Ethics in a multidisciplinary context.

5D. 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.

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
	✓					

[If a respondent selects “6 to 1”]

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?

Matters for the IESBA

APESB notes that the emergence of alternative ownership structures, particularly increased private equity investment in accounting firms, is raising important ethics, independence and quality management considerations. APESB notes that new ownership models may influence firms’ strategic priorities, commercial pressures, and internal culture, including how firms make decisions and what they prioritise. This reinforces the need to ensure that ownership and funding arrangements do not compromise ethical culture or the consistent application of the fundamental principles.

APESB observes that private equity involvement is also associated with accelerated growth and technological investment. While these developments can support innovation, they may also introduce new risks if commercial imperatives outweigh professional obligations. APESB considers that the IESBA should continue to monitor these trends and assess whether additional guidance is needed to ensure that alternative ownership structures do not undermine auditor independence, objectivity, or the public-interest focus of the profession.

[If a respondent selects “0”]

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

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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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
	✓					

[If a respondent selects "6 to 1"]

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?

Matters for the IESBA

APESB observes that the growing involvement of non-professional accountants in the accounting and auditing profession is reshaping how engagements are delivered and introducing new ethical and independence considerations. As firms expand their use of specialists in areas such as technology, data science, engineering, law, consulting, and sustainability, concerns arise about the implications for quality and for the consistent application of the fundamental principles.

APESB notes that multidisciplinary teams are now a key element of both financial and sustainability-related work. This highlights the importance of ensuring that all individuals involved in an engagement understand and adhere to the ethical expectations that underpin high-quality professional behaviour.

APESB considers that the IESBA should continue to assess whether additional guidance is needed to support the effective application of the fundamental principles and independence requirements in multidisciplinary environments. Maintaining a strong ethical culture and the consistent application of the Code are essential as professional services firms' workforce continues to diversify.

[If a respondent selects "0"]

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

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
✓						

[If a respondent selects "6 to 1"]

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?

Matters for the IESBA

APESB notes that attracting and retaining talent is a significant challenge for the profession, driven by strong competition for skilled professionals, changing workforce expectations, and growing demand for expertise in technology, data, and sustainability. These pressures are occurring alongside changes in firm structures and business models, including broader service offerings and increased reliance on multidisciplinary teams.

As firms adapt to evolving market demands, it remains important that the IESBA continue to monitor how these developments intersect with ethical culture, capability and the consistent application of the Code.

[If a respondent selects "0"]

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

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

6 Strongly increasing in importance	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing in importance	0 I do not agree that this is a trend to be considered
		✓				

[If a respondent selects "6 to 1"]

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?

No further comments.

[If a respondent selects "0"]

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

Other Trends and Ranking

6. Are there trends or related areas or matters that you believe the SSBs should consider that are not covered? If so, please provide details.

- Yes

[If "yes" is selected, text boxes appear.]

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

O.1

Please describe the additional trend

O.1 – AI Governance and Explainability

The survey appropriately addresses the use of AI tools by practitioners within trend A.1. However, a distinct and emerging trend is the rise of AI governance, model risk management, and AI explainability as subjects of assurance and ethical scrutiny in their own right – going beyond the use of AI as a tool. Regulatory developments, including the EU AI Act and emerging guidance in other jurisdictions, are creating demand for assurance over AI systems: their inputs, outputs, decision logic, and controls.

This raises important questions about practitioners' competence and independence, and whether existing assurance standards are sufficient to address matters that extend beyond those contemplated by trend A.1. It also raises significant ethical considerations. Practitioners who rely on opaque automated systems in performing their work may face heightened obligations regarding professional competence and due care, professional scepticism, and accountability for AI-assisted outputs. APESB considers that the SSBs should assess, as a matter of priority, whether existing frameworks remain adequate for these purposes or whether targeted guidance or standard-setting activity is required to address AI governance and explainability as a distinct topic of interest.

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	5 Increasing in importance	4 Slightly increasing in importance	3 Slightly decreasing in importance	2 Decreasing in importance	1 Strongly decreasing 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?

Matters for the IESBA - O.1

APESB assesses O.1 (AI Governance and Explainability) as strongly increasing in importance (6). While trend A.1 addresses the use of AI as a tool, the emergence of AI systems as subjects of assurance and ethical scrutiny in their own right represents a distinct and rapidly evolving development that, in APESB's view, warrants specific consideration in the SSBs' work plans.

[Further boxes will appear to add more than one trend, if necessary]

- No

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.

Please enter the trend code for each of your top five trends (e.g. A.1, B.3), **in order of importance from 1 to 5**, where 1 is the most important. You may include:

- Any of the pre-identified trends (A.1 to D.4), and/or
- Any additional trends you identified above (e.g., O.1).

- 1 – [A1 INCREASING USE OF EMERGING TECHNOLOGIES]
- 2 – [O.1 AI GOVERNANCE and EXPLAINABILITY]
- 3 – [B3 CALL FOR GREATER AGILITY IN STANDARD SETTING]
- 4 – [D1 ALTERNATIVE OWNERSHIP STRUCTURES]
- 5 – [B4 GREATER DIVERSITY OF VOICES SOUGHT]

SECTION V: AREAS FOR JOINT ACTIONS IN SSBs' WORK PLANS

Background and Context

Although the IAASB and IESBA are independent Boards, each with its own remit, their standard-setting actions have a collective impact on the financial and non-financial reporting ecosystem. Given this collective impact, the two SSBs work closely together to ensure their standards are interoperable and complementary. They endeavor to maintain and enhance their coordination on topics of mutual interest, including improving on the early identification of work plan topics where both SSBs have a role to play and can act jointly or in parallel.

Both the IAASB and IESBA anticipate that certain projects or initiatives on their current 2024–2027 work plans will be carried over to their 2028–2031 work plans.¹ The SSBs will elaborate on these topics or initiatives, as well as possible new projects or initiatives for their 2028–2031 SWP period, in their respective Consultation Papers targeted for the end of 2026.

This survey focuses **only** on the call from various stakeholders for the early identification of possible joint or parallel work plan topics, or other initiatives or activities. Based on the trends identified in **Section IV** and stakeholders' expectations about the collective impact of the IAASB's and IESBA's work, the SSBs are seeking feedback about areas of common interest that may lead to potential projects or initiatives in which both SSBs have a role to play and that may be undertaken jointly or in parallel.

Questions or Matters for Stakeholder Input

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.**

APESB strongly supports early alignment on topics that span both boards, particularly where timing, terminology, and scope must be consistent to avoid unnecessary burden on practitioners.

Key topics for joint or parallel work include sustainability and technology. APESB also considers that the following additional trends identified in the Other Trends section above represent areas of common interest warranting coordinated attention by both Boards: (i) AI governance and explainability, where the IAASB and IESBA will need to develop coordinated frameworks addressing practitioner competence, professional scepticism and the scope of assurance and ethics standards; and (ii) nature, biodiversity and beyond-climate sustainability assurance, where existing frameworks established under ISSA 5000 and the Code's Part 5 may require assessment and possible extension.

APESB encourages the boards to strengthen mechanisms for identifying cross-cutting issues earlier in the standard-setting process and to consider joint approaches where this would enhance clarity and reduce fragmentation. More broadly, APESB supports continued collaboration between the boards to ensure that international standards remain coherent, principles-based and responsive to developments affecting both ethics and assurance.

¹ The IAASB's Work Plan for 2024–2027 is included in the IAASB's [Strategy and Work Plan for 2024-2027](#) and IESBA's Work Plan for 2024–2027 is included in the IESBA's [Strategy and Work Plan for 2024-2027](#). See **Appendix 1** for a summary of projects or workstreams that are on the IAASB's and IESBA's work plans for 2026 and 2027, some of which are expected to be carried over to the next work plan period.