

**Meeting:** Stakeholder Advisory Council (SAC)  
**Meeting Location:** New York  
**Meeting Date:** October 21–22, 2025

# Agenda Item 1

## Open Dialogue with Standard Setting Board Chairs, Including the Boards' Strategy-Setting Cycle

### Introduction

1. The Standard Setting Boards (SSBs) are inviting Members to share their perspectives on various matters pertinent to the strategic direction of the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) on their ongoing and upcoming initiatives.

Please note that this cover note is intended to be read together with the accompanying presentation (see **Agenda Item 1-A**)

### Report Back

2. As part of their presentation, the IAASB and IESBA Chairs will report on how the SSBs responded to Members' comments provided at the May 2025 SAC meeting.

### Standard Setting Work Plans

3. During this session, the SSBs' Chairs will update the SAC on the progress of the two Boards' Work Plans since the last SAC meeting and strategically pertinent issues relevant to IAASB and IESBA for the year ahead.

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| <ol style="list-style-type: none"><li>1. <i>Members are asked to share their views on the Standard Setting Work Plans.</i></li></ol> |
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### SAC's Feedback and Impact

4. Since its inception, the SAC has met three times providing valuable insights and constructive feedback to guide the work of the SSBs. Given the breadth and depth of the input received, SSBs' staff reflected on the impact of the SAC's contributions to date. This reflection allows SSBs' staff to assess how the feedback has informed and impacted the SSBs' perspectives, processes and work to date and determine where further actions from the SSBs may be most valuable moving forward.
5. As part of the reflection:
  - The SSBs' staff began by reviewing the main discussion points from the meeting highlights of each meeting.
  - From this, the SSBs' staff conducted an analysis to identify common themes across the feedback—for example, the importance of adoption and implementation, the value of coordination and stakeholder engagement, and the need to address emerging issues.

- Building on these themes, the SSBs' staff identified the more strategic advice offered by the SAC and assessed how such advice has been actioned.

### *Main Themes and SSBs Responses*

6. The following table presents a summary of the main themes identified from the feedback received, as well as the SSBs' actions taken in responses.

Strategic Themes	SSB's actions
<p><b>Pace of Standard-Setting</b></p> <p>Members noted the importance of providing sufficient time for jurisdictions and firms to understand, adopt, and effectively implement new standards.</p>	<p>The SSBs have revised their strategies and work plans (SWPs) to slow the introduction of new significant standards, allowing the market to absorb adopt and implement the recently revised or new standards. For example, while making progress on major public interest areas, the SSBs will not issue no new major standards before the end of 2027.</p> <p>This measured approach reflects the SSBs recognition of stakeholders' resource constraints and their desire to strengthen adoption and implementation outcomes. It also reflects the need for the SSBs to allocate substantial resources to supporting the adoption and implementation of the standards, as well as to advance post-implementation reviews and enhance engagement with stakeholders on the ongoing projects. At the same time, the SSBs have continued commitments laid out in their 2024–27 strategies and work plans, that were impacted by the unplanned time pressure to finalize the sustainability standards.</p>
<p><b>Supporting the Adoption and Implementation of SSBs standards</b></p> <p>Members highlighted the importance of supporting the adoption and implementation of new and revised SSB standards to help achieve consistent, high-quality practices across jurisdictions, enhancing global comparability and ensuring that the standards deliver their intended purpose.</p>	<p>The SSBs are focusing on adoption and implementation efforts on their significant projects. More specifically, the SSBs have:</p> <ul style="list-style-type: none"> <li>• Launched joint initiatives to facilitate consistent application of standards across jurisdictions.</li> <li>• Established dedicated working groups to address issues related to sustainability assurance, ensuring that practical challenges are identified and addressed in a timely manner.</li> </ul> <p>These actions reflect the SSBs' recognition</p>

Strategic Themes	SSB's actions
	that high-quality standards alone may not be sufficient without robust adoption and implementation support.
<p><b>IAASB – IESBA Coordination</b></p> <p>Members have noted that coordination between the IAASB and IESBA is important to ensure that the auditing and assurance standards are aligned with ethical requirements, and to maintain their interoperability. This strengthens trust in the profession by promoting consistent, high-quality practices and the effectiveness of the standards. In addition, members have noted the importance of the two SSBs working closely together before starting a project which may affect the other SSB.</p>	<p>Recognizing that audit, assurance and ethics standards are often used by the same stakeholders, the SSBs have committed to earlier and even deeper collaboration on their workstreams. Examples include the joint implementation activities on sustainability, alignment of definitions between the IESBA Code and ISAs, and the creation of joint working groups to engage stakeholders and inform strategic planning.</p> <p>In addition, the SSBs established a joint working group to develop a joint stakeholder survey for their respective Strategies and Work Plans for 2028-2031 as the SSBs recognized that the strategy process offers an opportunity for the SSBs to jointly identify areas for the SSBs' work and focus.</p>
<p><b>Enhancing Stakeholder Engagement</b></p> <p>Members noted that importance of stakeholder engagement. Stakeholder engagement plays a critical role for both the IAASB and IESBA as it ensures that their standards remain relevant, credible, and responsive to the needs of its stakeholders.</p>	<p>The SSBs recognized that ever-deepening and more targeted engagement with stakeholders is key to fulfilling their mandates. The SSBs engage intensively in multi-faceted and multi-level outreach with key stakeholders, including the Forum of Firms, International Federation of Accountants (IFAC) Small and Medium Practices Advisory Group and plenary and working group discussions with International Organization of Securities Commissions (IOSCO), International Forum of Independent Audit Regulators.</p> <p>In addition, the SSBs are adopting new practices for even greater transparency to our Boards regarding the input received from key outreach engagements and a systematic approach to providing a deliberate and consistent “feedback loop” on how input has impacted the SSBs' consideration._</p>

Strategic Themes	SSB's actions
	Also, the IAASB is putting together a reference group for users of the financial statements and academics.
<p><b>Monitoring Emerging Issues</b></p> <p>Members emphasized the importance of continually monitoring emerging issues given the rapidly evolving environment in which the SSBs operate. Monitoring emerging issues ensures that the SSB standards remain relevant. In particular, members noted that the SSBs must monitor the developments as they relate to technology and private equity investments.</p>	<p>The SSBs continue to monitor developments in the external environment including developments related to technology, sustainability, and private equity. In addition, the SSBs, jointly, actively monitor trends in the external reporting ecosystem as part of the development of their respective strategies and work plans for 2028–2031.</p> <p>The IESBA also has an Emerging Issues and Outreach Committee with the objective of identifying development in the external environment that may impact its strategy and work plan. The IAASB uses its Planning Committee to perform a similar scanning role. These efforts demonstrate the SSBs' responsiveness to a rapidly evolving environment and their commitment to ensuring that standards remain globally relevant.</p>
<p><b>Principle Based Standards</b></p> <p>Members highlighted that it is important that the SSBs' standards remain principle-based standards as that allows for flexibility to address diverse and evolving circumstances and for the standards to be scalable.</p>	<p>The SSBs recognize the importance of principle-based standard, especially in the current environment that changes rapidly.</p> <p>The SSBs have taken this advice into account in the various standard-setting projects underway.</p>
<p><b>Evidence Based Standards</b></p> <p>Members noted that the SSBs' standard should be grounded in (academic) research and stakeholder input. Levering these sources will make the standards evidence-based, effective and workable in practice. To do so, the SSBs should undertake information-gathering activities, such as post-implementation review (PIR).</p>	<p>The SSBs recognize the importance of evidence-based research and note that all current standard setting projects are grounded in (academic) research and stakeholder input as part of their due process.</p> <p>The SSBs also recognize the importance of PIRs and will perform several PIR in the coming years. In addition, the IAASB putting together a reference group for academics to further leverage of academic research performed.</p>

2. *Are there any other Strategic themes that you have identified and that the SSBs should reflect on more explicitly?*
3. *Looking ahead, are there additional actions the SSBs should consider in response to the strategic themes identified?*

## 2025 Meetings and Conferences

### *Multi-Stakeholder April 2025 IFAC–IESBA Paris Summit*

7. IFAC and the IESBA, alongside the IAASB, convened a multi-stakeholder Summit in Paris on 14 April 2025. The Summit focused on the practical implementation of the new International Ethics Standards for Sustainability Assurance (IESSA), and strengthening current and future engagement with the IESBA and the IAASB in the evolving global standard-setting landscape.
8. The Summit reaffirmed the important role that global assurance and ethics standards need to play in building trust in reported sustainability information, and hence the importance of ensuring successful global adoption and implementation.
9. Drawing on the rich and diverse contributions, IFAC, IESBA, and IAASB leadership acknowledge two priority areas highlighted by participants for engagement among the standard-setters, oversight bodies, and IFAC:
  - (a) The clear value of enhanced coordination among the IESBA, the IAASB and IFAC leadership, working together to maximize the use of limited resources to progress the adoption of the IESBA's and the IAASB's international standards globally and support their consistent implementation.
  - (b) The importance of continued improvement in the transparency and effectiveness of the due process for standard setting, including:
    - (i) Appropriate effects analysis of new or revised standards;
    - (ii) The performance of post-implementation reviews of significant new or revised standards, generally within five years post-effective date;
    - (iii) Use of narrow scope amendments to resolve relevant issues identified through implementation or emerging issues monitoring mechanisms; and
    - (iv) Enhanced engagement and feedback on how stakeholder input is considered and feeds into decisions.
10. The SSBs' chairs committed to taking forward those suggestions.

### *September 2025 IESBA Conference*

11. On September 15, 2025, the IESBA held its [Ethics & Independence Conference](#) in Lisbon under the theme "*Ethics and Audit Independence: Pillars of Resilience and Competitiveness in Turbulent Times*". This inaugural IESBA conference brought together international leaders to discuss global trends impacting the accountancy profession and explore how ethics and independence can anchor trust, resilience, and competitiveness in the midst of disruption and major business transformations.

12. Keynote speakers included Joaquim Miranda Sarmento (Portuguese Government, Minister for State and Finance), Jean-Paul Servais (IOSCO, Chair), Maria Luís Albuquerque (European Commission, Commissioner for Financial Services and the Savings and Investments Union).
13. Throughout the day, senior leaders from across business, regulation and professional services participated in panel discussions and fireside chats on key topics including regulatory shifts and market transformation, trust and transparency in capital markets, ethical culture and governance, the future of technology in audit and accounting, the rise of private equity in accounting, and ethics in the fight against financial crime.
14. Over 750 participants attended this event, including over 200 in-person participants from across jurisdictions and regions.

4. *In light of these Summit and Conference, members are asked to share their views on the matters raised.*

#### **Joint Stakeholder Survey for the SWP 2028–2031**

15. As the IAASB and IESBA prepare for the development of their next SWPs covering the period between 2028–2031, both SSBs recognize the importance of seeking stakeholder input at the outset of the process as well the benefits of both SSBs integrating their work efforts further. The strategy process offers an opportunity for the SSBs to jointly identify areas for the SSBs' work and focus.
16. To this end, the SSBs agreed to launch a joint stakeholder survey as a first step in the strategic planning process. The joint survey will seek stakeholders' feedback on the SSBs' joint value proposition and relevant trends in the SSBs' environment, taking into account feedback already received from the SAC at its April 2025 meeting.
17. The joint approach to the survey offers a practical and efficient means of gathering early guidance to direct the SSBs' work. It underscores the SSBs' commitment to addressing stakeholder demands cohesively, while also allowing stakeholders to provide input from both an audit and assurance and an ethics perspective.
18. The survey results will help the IAASB and IESBA develop their respective Consultation Papers for their SWPs. Stakeholder input, along with SSB research, will inform their respective strategic drivers,<sup>1</sup> strategic objectives<sup>2</sup> and strategic actions<sup>3</sup> as well as the development of their respective work plans.

5. *How should the SSBs best approach the topic of trends in the joint survey given the pace of change?*

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<sup>1</sup> Strategic drivers are the environmental factors that drive the opportunities and challenges impacting the SSBs' ability to deliver on their mandates in the public interest.

<sup>2</sup> Strategic objectives are the targeted outcomes that address the strategic drivers in support of achieving the SSB's overarching goal or vision. The strategic objectives will guide the selection and prioritization of standard-setting and related activities.

<sup>3</sup> Strategic actions are the high-level actions to achieve the SSB's strategic objectives, and which inform its work plan.

## IESBA Firm Culture and Governance Project

19. At its June 2025 meeting, the IESBA supported the Firm Culture and Governance (FCG) project team's proposed revised strategic approach to the project which aligned with the IESBA's revised overall forward strategy for 2025-2026. This revised approach includes a re-sequencing of the FCG project's standard-setting and non-authoritative material (NAM) work streams, with a focus on the development of NAM and other supporting materials while continuing to explore the best approach to the FCG framework.
20. As part of the re-sequencing, the IESBA agreed to develop a series of IESBA Viewpoints ("Viewpoints") on the eight elements<sup>4</sup> of the FCG framework identified in the project proposal. The IESBA also agreed that, at its June 2026 meeting, the IESBA will reflect on feedback from engagement with stakeholders on the Viewpoints in considering the way forward on the FCG framework.
21. At its September 2025 meeting, the IESBA considered:
  - The first draft of the Viewpoints and agreed that they should be principles-based and actionable, promoting practical outcomes with regards to improving ethical culture.
  - The project team's preliminary plan for other supporting materials and initiatives which covers the period through Q2 2026. Amongst other matters, the IESBA highlighted the importance of having clear messaging regarding any linkages between the principles set out in the Viewpoints and the relevant provisions in ISQM 1.<sup>5</sup>

6. <i>Members are asked to share their views on the IESBA FCG project update.</i>
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## Material Presented

### *For Discussion*

Agenda Item 1-A      Presentation: Open Dialogue with the Standard Setting Board Chairs

### *For Reference*

- IESBA's Strategy and Work Plan for 2024–2027: [Towards a More Sustainable Future: Advancing the Centrality of Ethics](#)
- IAASB's Strategy and Work Plan for 2024–2027: [Elevating Trust in Audit and Assurance: IAASB's Strategy and Work Plan for 2024-2027](#)

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<sup>4</sup> The eight elements of the FCG framework, as identified in the project proposal, include the following: ethical leadership, oversight and governance, provision of independent input, accountability across the firm, rewards, open discussion and challenge, education and training, and transparency.

<sup>5</sup> ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*