

# Session 1 - Open Dialogue with the Standard Setting Board Chairs

Stakeholder Advisory Council

Tom Seidenstein, IAASB Chair

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Madrid | 27–28 April 2026





**REPORT BACK OCTOBER 2025**



# **STANDARD-SETTING BOARD WORKPLANS**

# IAASB Update

A large, stylized, light beige tree graphic is positioned on the right side of the slide. It features a thick trunk and several branches that curve upwards and outwards, creating a sense of growth and structure.

# IAASB's Current Work Plan Focused on Technology-Related Priorities and Support for Issued Standards

A u d i t - R e l a t e d	Technology Priority Projects	Audit Evidence and Risk Response
		Technology Quality Management
		Technology Monitoring and Consultative Group
		ISA 500 Targeted Modernization
	Maintenance & Modernization	ISRE 2410 Revisions
		ISA for LCE Maintenance
		ISA 540 Revised Post-Implementation Review
		ISA 315 Revised Post-Implementation Review
	Ongoing Efforts	Coordination on IESBA FCG Project
		Strategy and Work Plan
		Professional Skepticism Consultative Group
S o l o n e / r	ISSA 5000	Support for ISSA 5000 Adoption and Implementation and IESBA Coordination
	Other Assurance Topics	Information Gathering and Research on Other Assurance Services

# Topics Currently Outside of the IAASB Active Work Plan

## POTENTIAL FUTURE TOPICS TO BE INFORMED BY INPUT OF THE STRATEGY CONSULTATION

### Projects Planned but Not Yet Started

- Other Technology initiatives (in catalog but not resourced)
- Revising ISA 320 *Materiality in Planning and Performing an Audit*
- Adoption of the PIE definition for the ISQMs and ISAs (subject to Post-Implementation Review)

### Other Current Reserve Topics


- Assurance engagements on digital reporting tagging (e.g., XBRL)
- ISA 620, *Using the Work of an Expert*
- ISA 720 (Revised) *The Auditor's Responsibilities Related to Other Information*

### Possible Post-Implementation Reviews


- ISQMs 1, 2, and ISA 220 (Revised) *was effective December 2022*
- ISA 600 (Revised) *was effective December 2023*
- ISA 570 (Revised 2024) *effective from December 2026*
- ISA 240 (Revised) *effective from December 2026*
- ISSA 5000 *effective from December 2026*

# A Focused, Three-Pronged Evidence-Based Approach to Technology


## *Getting the Principles and Framework Right* Audit Evidence & Risk Response

- 
- Focus: ISAs 330, 500, 520
  - Integrated approach
  - Emphasis on tech & internal controls
  - ED: Q2 2026 | Final Q4 2027

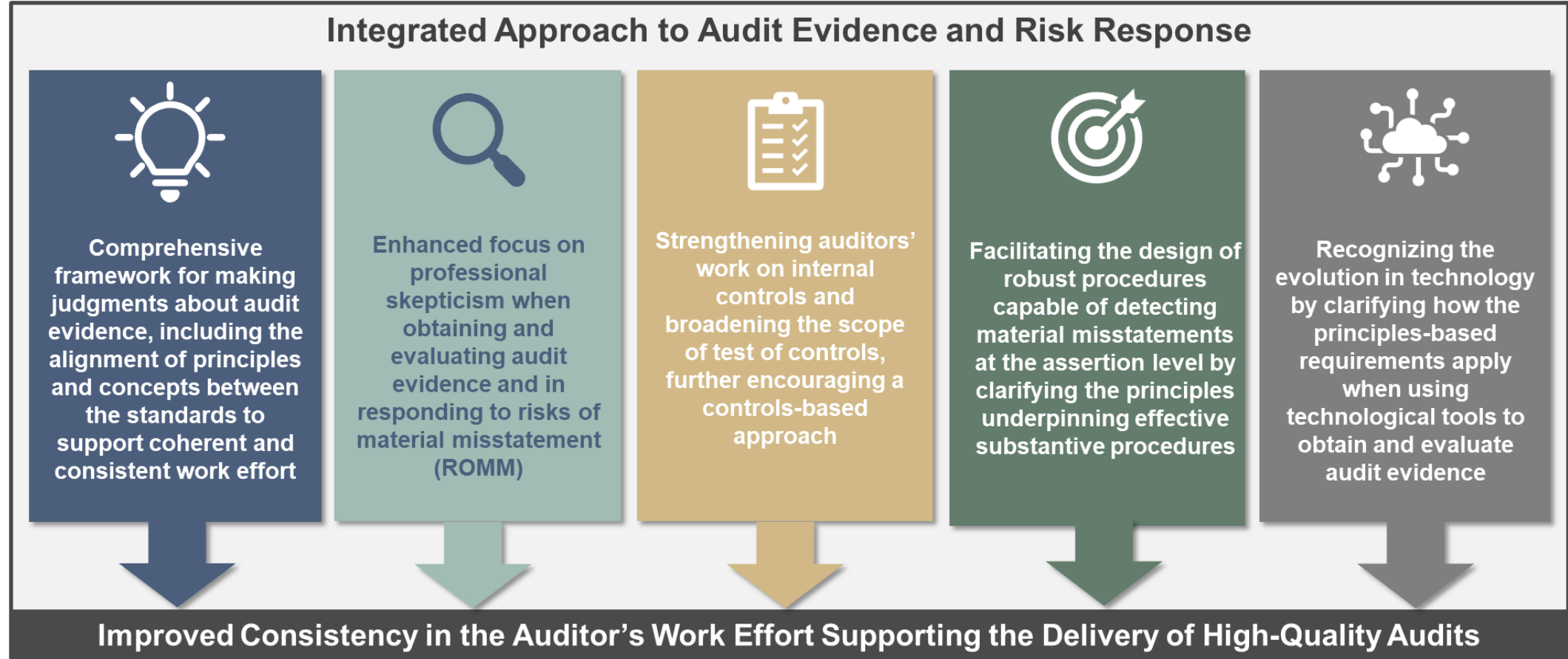
## *Providing Guidance to Emerging Circumstances* Technology Quality Management

- 
- Evidence-based approach
  - Comprehensive information gathering and outreach, including series of global roundtables
  - Board directed to develop non-authoritative material

## *Targeted Modernization* ISA 500 Series Updates

- 
- Information gathering in Q2 2025
  - Target: ISAs 501, 505, 530
  - Modernizing tech & performance matters
  - In-scope: ISAs 501 and 505
  - Project proposal approved Q1 2026

# Integrated Approach for Audit Evidence and Risk Response Builds Adapts to Technology





# Scope for 500 Series Standard-Setting Action, with ED Approval Scheduled for December 2026

**Modernization of audit evidence standards related to inventory in ISA 501 and external confirmations in ISA 505**

**To remain fit-for-purpose**

**To address new risks and practical considerations**

**Addressing the increased use of technology in**

- Entity's management of, and audit of inventories
- External confirmation procedures

**Clarifying or enhancing the auditor's work effort relating to**

- The existence and condition of inventory
- External confirmation procedures

**Standard-setting not warranted at this time for**

**Other topics of ISA 501: litigation and claims and segment information**

**Audit sampling**

# IESBA Update



# Key Risks and Opportunities for IESBA and the Profession

RISKS AND TRENDS 2026 (FROM IESBA'S R&T SURVEY AND CONCLUSIONS)

## RISKS

- **Geopolitics:** Regulatory fragmentation and over-deregulation
- **AI governance gap:** Technology adoption outpaces governance and oversight
- **Implementation gap:** Standards adopted without effective uptake
- **Sustainability fatigue:** Reduced momentum and uneven adoption

## OPPORTUNITIES

- **Ethics as a global baseline:** Ethics and independence as a convergence, stability and trust anchor
- **AI ethics leadership:** Contribute to the AI governance ecosystem through strong ethical guidance
- **Simplification:** Enhance the usability and accessibility of the Code
- **Ethics in risk & governance:** Embed ethics in management and governance frameworks and strategies

# March 2026 IESBA Meeting

## KEY DECISIONS



**NEW WORKSTREAM:** PRIVATE EQUITY INVESTMENT IN ACCOUNTING FIRMS

**ACTION PLAN FOR TECHNOLOGY**

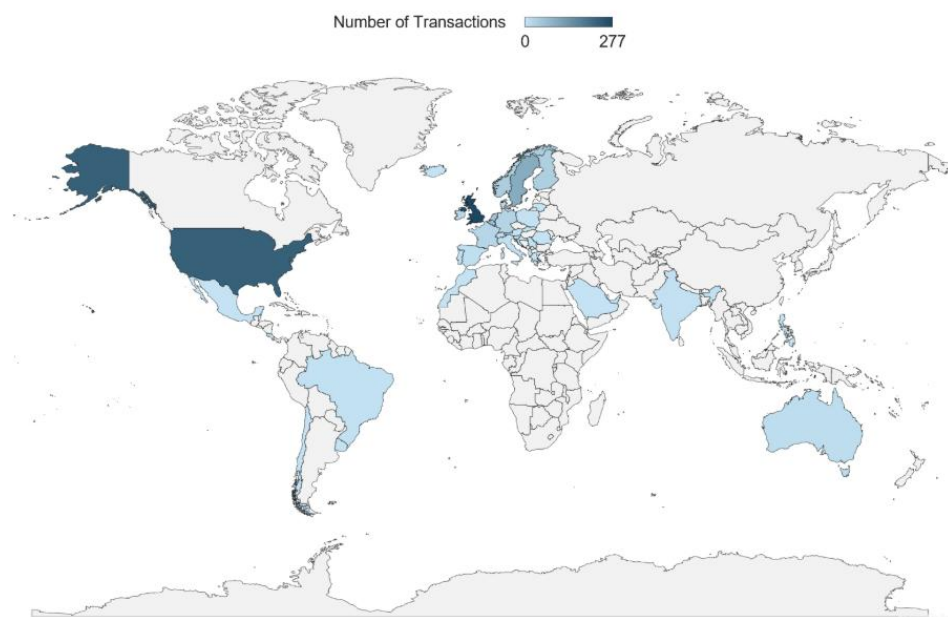
**ENHANCED FOCUS ON SUSTAINABILITY ADOPTION & IMPLEMENTATION**

# Growth in PEI Has Been Rapid, Significant and Global

IFAC RESEARCH

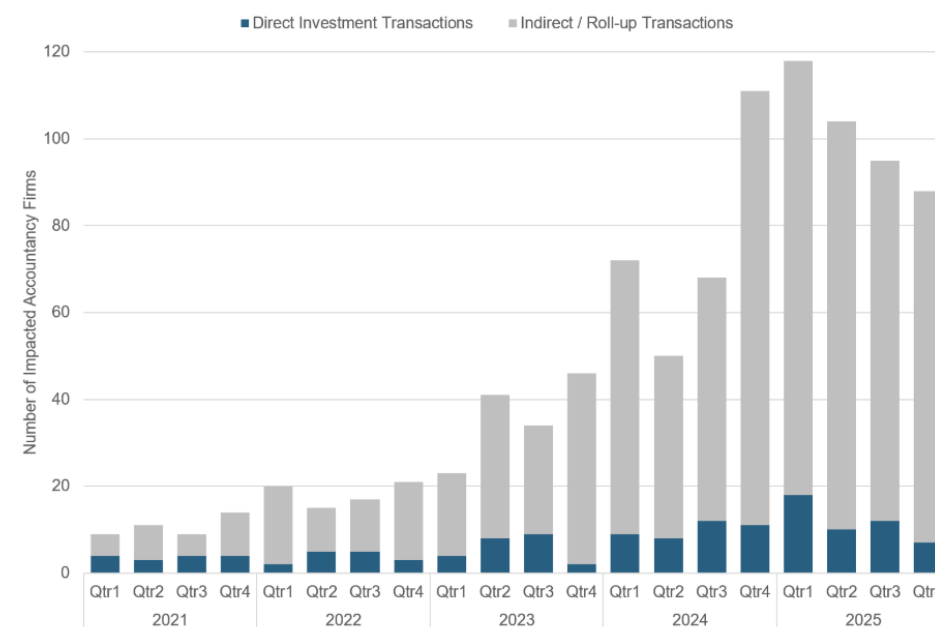
Since 2022, increasing number of accounting firms have engaged in equity capital transactions with private equity investors

WHERE PE INVESTMENT IS TAKING PLACE



Data as of December 31, 2025.

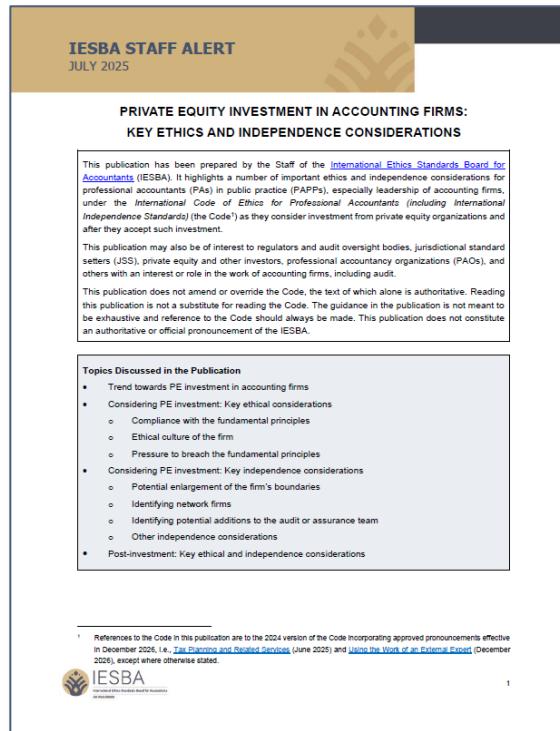
PE TRANSACTION VOLUME



Data as of December 31, 2025.

# IESBA Responds to PEI Developments

## July 2025 IESBA Staff Alert



- IESBA decision **March 2026**: Prioritize information-gathering workstream and ethics and independence issues analysis to determine need for a standard-setting project or other initiatives

Potential matters to consider from a Code perspective include:

- Whether definitions of “firm”, “network” and “network firms” remain fit-for-purpose, especially form vs. substance perspective
- Whether definitions of “audit/assurance team” cover all individuals in PEI structure who can directly influence outcome of the engagement
- Whether conceptual framework guidance is sufficiently clear and specific to address all the threats that might be created in PEI
- Special considerations re impact of PEI on firm culture and governance?

# PEI – Significant Number of Regulatory, Standard-Setting and Other Developments Globally

## Standard-Setting Activity

- National Association of State Boards of Accountancy (NASBA) White Paper [2025]
- American Institute of Certified Professional Accountants (AICPA) Exposure Draft [December 2025]

## Regulatory Responses, e.g.

- Financial Reporting Council (FRC) [2024]
- International Forum of Independent Audit Regulators (IFIAR) [2024]
- Netherlands Authority for the Financial Markets (AFM) [2025]
- Wirtschaftsprüferkammer (WPK) [2025]
- International Organization of Securities Commissions (IOSCO) [2026]
- Dubai Financial Services Authority (DFSA)

## Public Statements

- United States Securities and Exchange Commission (US SEC) [2022]
- Public Company Accounting Oversight board (PCAOB) [2025]

# IESBA Approves Action Plan on Technology

- Awareness, adoption, implementation of tech revisions
- Awareness of ethical issues and challenges



## 2026 TWG Work Plan



### Non-Authoritative Material

- Develop new NAM
- Update existing NAM



### Communication



### Environmental Scanning



### Podcast: Decoding Ethics



### Board Education



### IAASB-IESBA Coordination



# IESBA Approves Action Plan on Technology

KEY DELIVERABLES PLANNED FOR 2026

	Overarching NAM (High-level, Technology-agnostic)	Technology-specific NAM (More Targeted)
Nature of NAM	<ul style="list-style-type: none"> <li>Applying the IESBA Code to emerging and maturing technologies</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated NAM focused on Artificial Intelligence</li> </ul>
General approach	<ul style="list-style-type: none"> <li>Common characteristics</li> <li>Related ethical and independence risks and challenges</li> <li>Conceptual framework and governance considerations</li> </ul>	<ul style="list-style-type: none"> <li>Description of technology</li> <li>Common applications and use cases</li> <li>Ethical and independence risks and challenges</li> <li>How the Code applies in practice</li> </ul>
Consultation	IESBA Technology Experts Group	
Indicative timing	Q3 2026	Q4 2026

# IESBA Approves Action Plan on Technology

KEY DELIVERABLES PLANNED FOR 2026



## IESBA Podcast: Decoding Ethics – Building Trust in a Tech-driven World

Monthly Podcast

### Episode 4 just released:

- [The Biggest Risk Isn't AI – It's Missing the Risk](#)

### Previous episodes:

- [AI and Ethics in Accounting: The Need for Human Judgment](#)
- [Quantum is coming!](#)
- [How Can Ethics Keep Pace with Innovation?](#)

# 2026 Enhanced Focus on Adoption & Implementation



## IFAC Support on A&I Crucial to Success:

- IESBA-IFAC A&I coordination
- IFAC's SMO program



## A&I WG 2026 Campaign:

- Partnership Framework to Promote A&I
- Jurisdictional Profiles and Outreach



## IIMAG:

- 6 of 11 members from FoF firms
- Quarterly meetings
- FAQs under development



## Other Planned Implementation Materials:

- Sustainability reporting case studies
- Investor and TCWG Guides

## IESSA – Global Adoption Status



Adopted	Adoption in Progress	Under Consideration	
Australia	Brazil	Botswana	Lesotho
Hong Kong SAR	Bulgaria	Croatia	Myanmar
Malaysia	India	Egypt	Nepal
New Zealand	Japan	Ethiopia	Netherlands
Pakistan	Kenya	Finland	Norway
South Africa	Nigeria	Germany	Qatar
United Kingdom	Singapore	Ghana	Saudi Arabia
	Sri Lanka	Indonesia	Uganda
	Sweden	Italy	
	Zimbabwe	Korea (Rep.)	



# — Question/ Comments



# **JOINT STAKEHOLDER SURVEY FOR THE SWP 2028–2031**

# Commencing Consultation Process for SWP 2028-2031



## Strategy and Work Plans



# SWP 2028-2031 Joint Stakeholder Survey

## Strategic Positioning

- How the SSBs should assess success by the end of the next strategy period

## Four Overarching Key Environmental Trends

- Shaping the future of audit, assurance, ethics, and independence
- Digital transformation, geopolitical and regulatory developments, sustainability expectations, and evolving business models of accounting

## Areas of Joint Actions

- Opportunities to reinforces interconnectivity of the SSBs

Questions for Stakeholder Input and Views on the Three Areas

# Way Forward

January 21, 2026



Release of Online  
Joint Survey

May 15, 2016



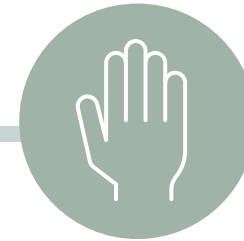
End of Comment  
Period

September 2026



Full Review of the  
Survey Responses  
First Read of IAASB  
and IESBA  
Consultation Papers

December 2026



Expected  
Approval  
Consultation  
Paper

December 2027



Expected  
Approval  
SWP







# — Question/ Comments

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# **IMPACT OF EMERGING TECHNOLOGIES**

# In Relation to Technology QM Topics, Initial Priority is the Development of Non-Authoritative Material

## Standard-Setting versus Guidance

The IAASB chose non-authoritative materials as the appropriate, immediate action at this time:

1. Principles in QM suite deemed sound—reducing need for authoritative materials
2. Nature of the guidance needed
3. Opportunity to move quickly
4. Ability to adapt guidance with rapid evolution and maturing technology, avoiding obsolescence
5. Safeguards with strong Board input and external transparency over materials

## Ensuring Quality and Transparency of Process

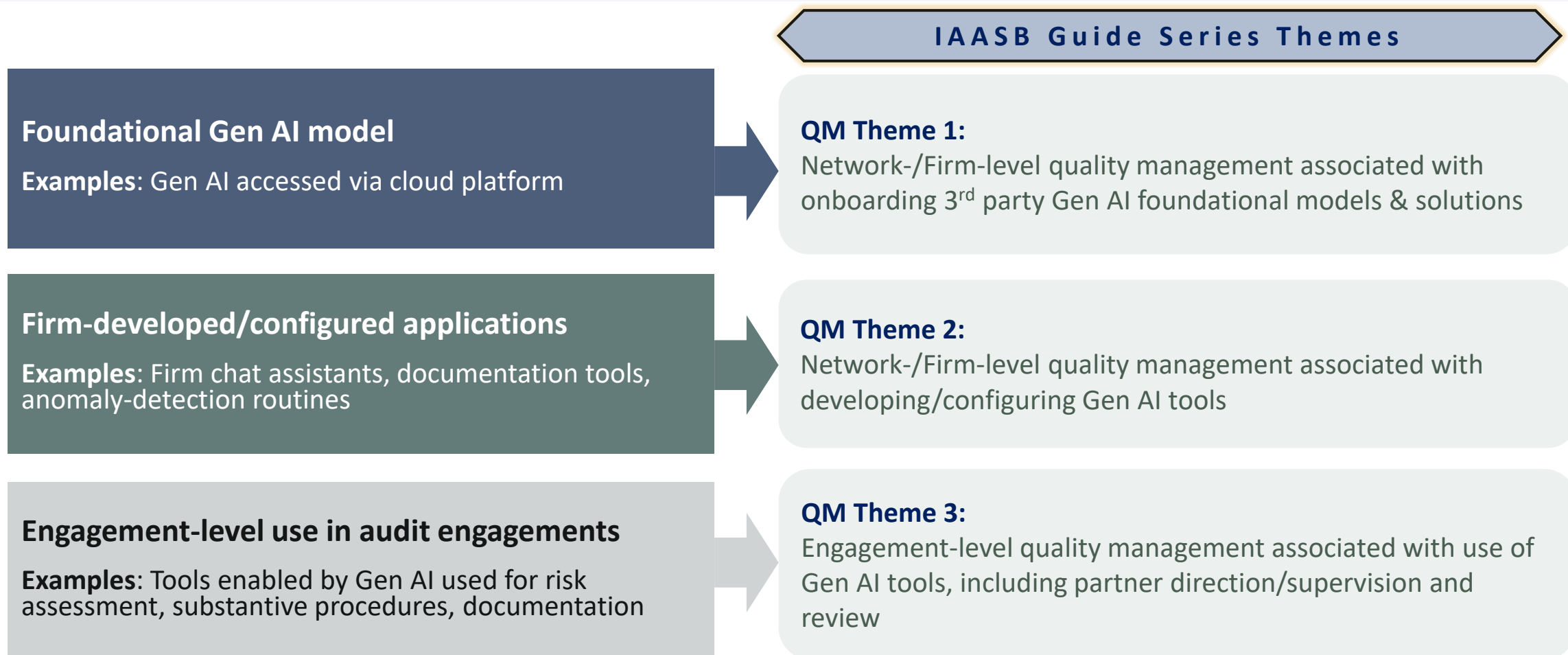
Full Board approves non-authoritative materials after public deliberation

- Focus on consistency with principles, not creating new requirements outside due process, quality of drafting, scalability issues

Supported by:

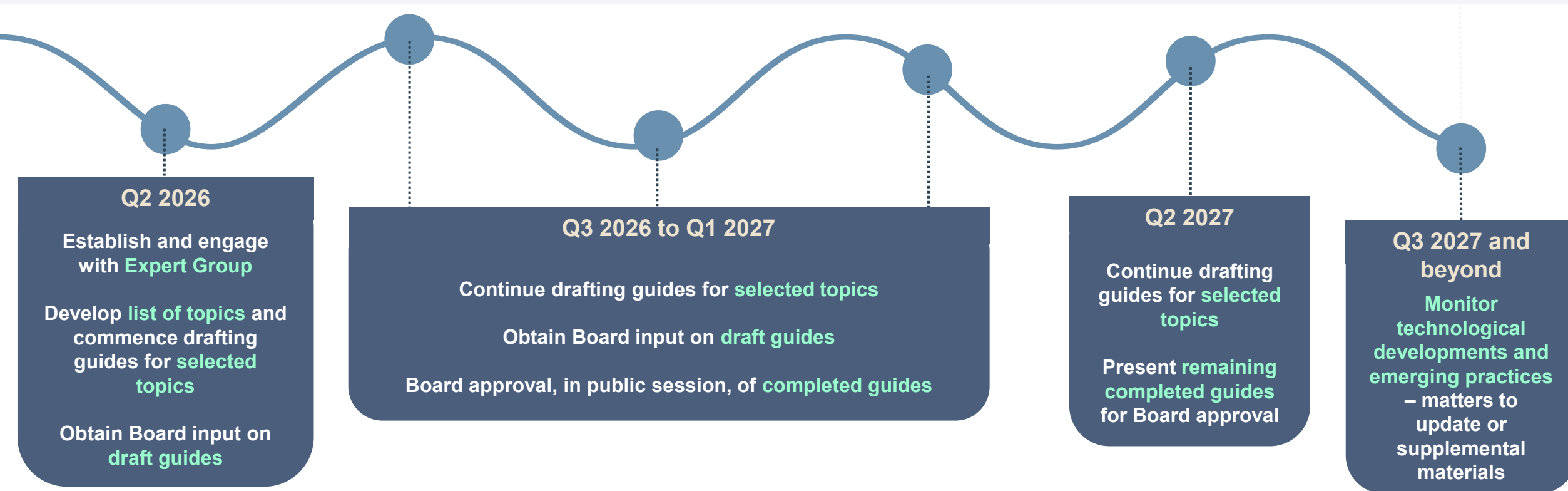
- **Dedicated staff and Board members** assigned
- **Workstream Expert Group** – 12-14 Experts to provide input on topics and drafts, help drive clarity of content
- **Leveraging existing materials** created by national standard-setters and regulators

# Three Series of Guides Will Comprise Initial Efforts to Provide Flexibility and Broad Coverage



# Action Plan for Developing Technology QM NAM (Cont.)

TIMETABLE AND WAY FROWARD, ALLOWING FOR MAXIMUM FLEXIBILITY



Ongoing Engagement with Expert Group and Undertake Outreach, including Targeted Consultation



# — Question/ Comments



# STRATEGIC PARTNERSHIPS

AN IESBA INITIATIVE

# Public Interest Framework

## STRENGTHENING THE INTERNATIONAL AUDIT AND ETHICS STANDARD-SETTING SYSTEM

### THE MONITORING GROUP

July 2020



#### D. Public Interest Framework (Framework) for the Development of International Audit-Related Standards

##### The Framework's Context

All parties who have interest in international audit-related standards recognize that the public interest is best served when the standards are developed by *independent, transparent and publicly accountable* boards that set standards with the *relevant expertise focusing on the public interest* and are subject to *direct oversight* by an independent oversight body, which is equally focused on the public interest, ensuring that the standards appropriately address all stakeholder needs and that no undue influence is exercised by any stakeholder.

This Framework sets out the way development and oversight of international audit-related standards are responsive to the *public interest*.<sup>31</sup>

The Framework has been developed in the context of the Monitoring Group recommendations presented in the previous sections. The Monitoring Group also contemplates that in order to maintain its relevance, the Public Interest Framework should periodically be evaluated and refreshed as deemed necessary by the PIOB and the standard-setting Boards. Changes to the Public Interest Framework shall be made in accordance with normal due process requirements.

The Framework sets out considerations essential to the judgments needed by the Boards when developing their standards and by the PIOB in its oversight of the responsiveness of the standard-setting process to the public interest. The Framework, together with due process,<sup>34</sup> articulate the public interest responsiveness of international audit-related standard-setting.

The Framework recognizes the criticality of well-functioning, competent and authoritative standard-setting boards, and a competent, alert, and well-informed oversight body, with clarity

<sup>31</sup> This would include standards for audit, review, and related services engagements. This would also include standards on quality control for those engagements along with ethical and independence requirements for accountants.

<sup>34</sup> The Boards follow due process as approved by the PIOB and subject to Monitoring Group oversight. Adherence to, and oversight of, due process by the Boards ensures that all necessary procedures for the development of high-quality international standards have been executed, thereby enabling the appropriate evaluation, balancing and weighing of evidence and diverse stakeholder viewpoints.

Public Interest Framework:  
For whom  
are the  
standards  
developed?

The  
profession

Those in  
charge of  
adoption,  
implementation  
and  
enforcement

Users of  
financial  
statements

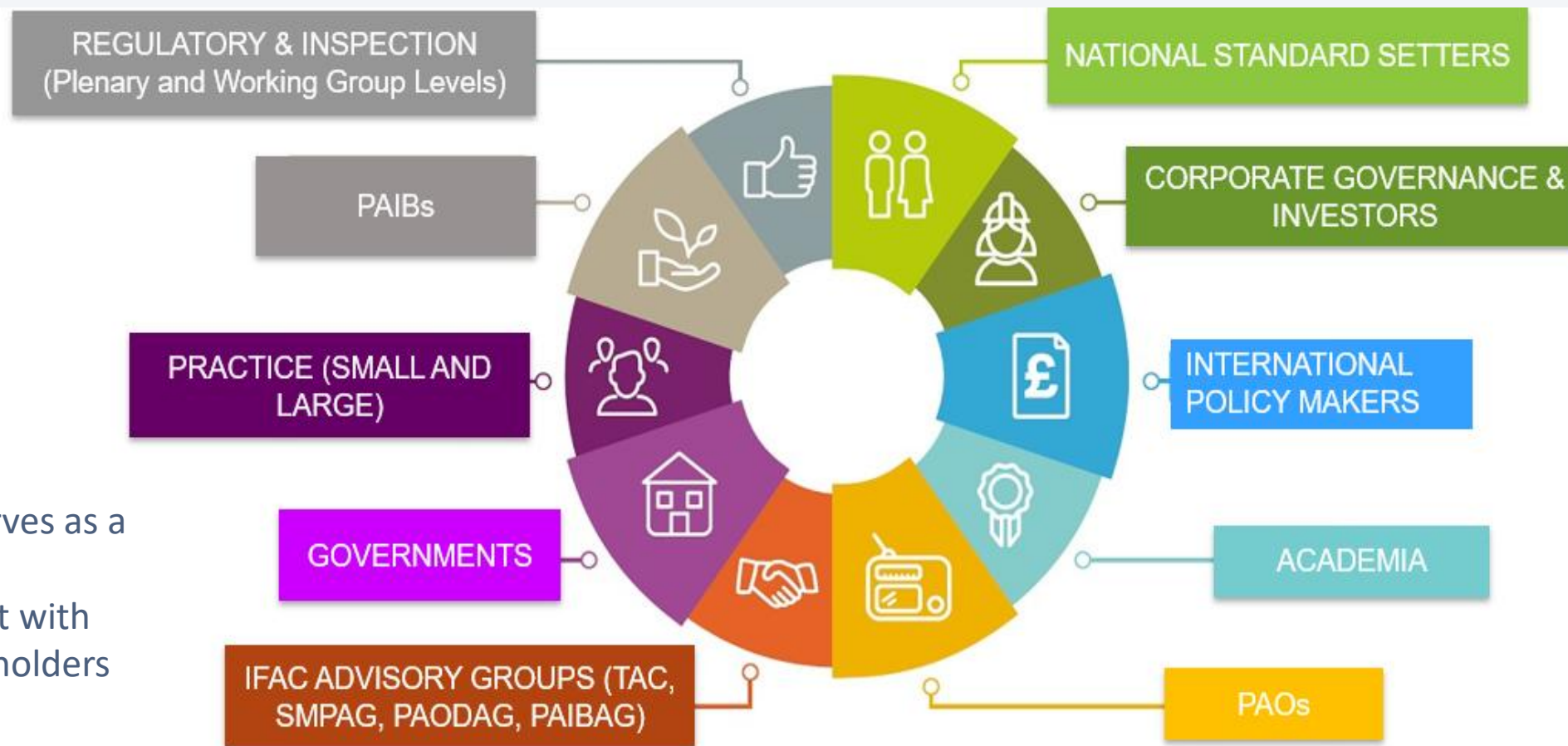
Preparers

Other  
users



# Stakeholder Engagement

GENERAL OUTREACH PROGRAM AND PROJECT-SPECIFIC OUTREACH

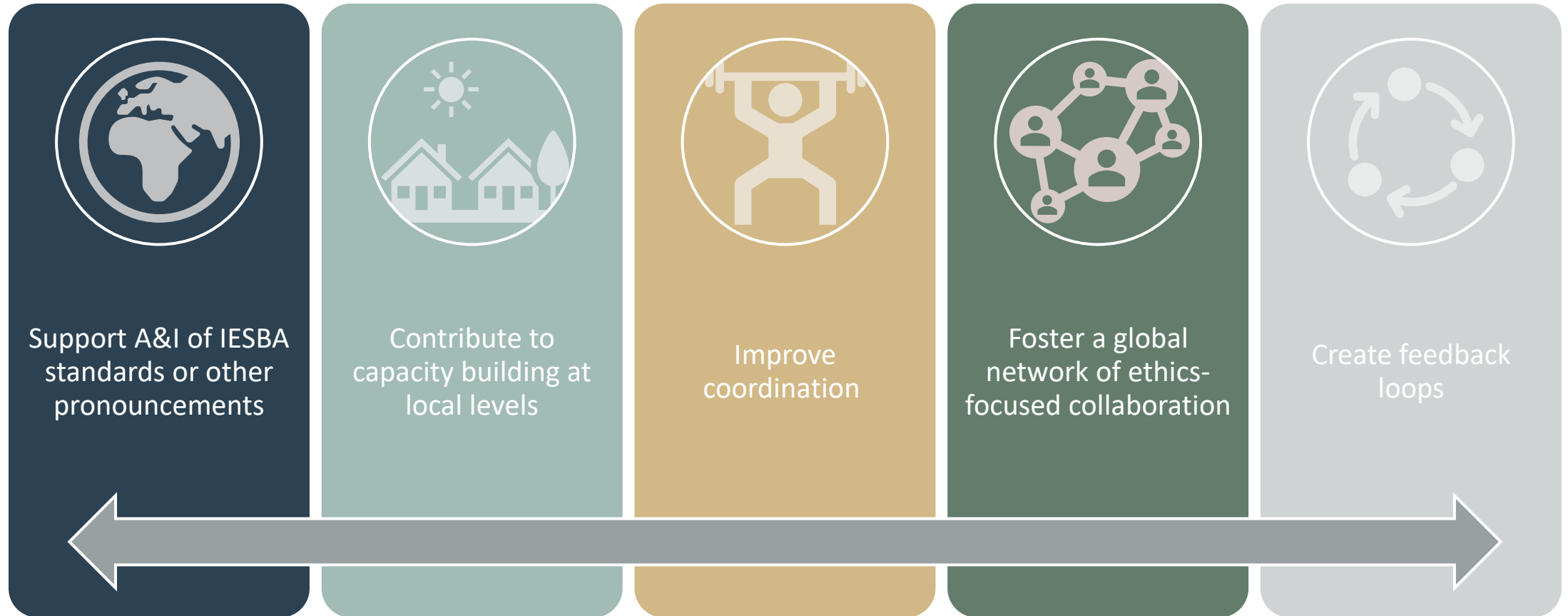


SAC also serves as a channel for engagement with these stakeholders

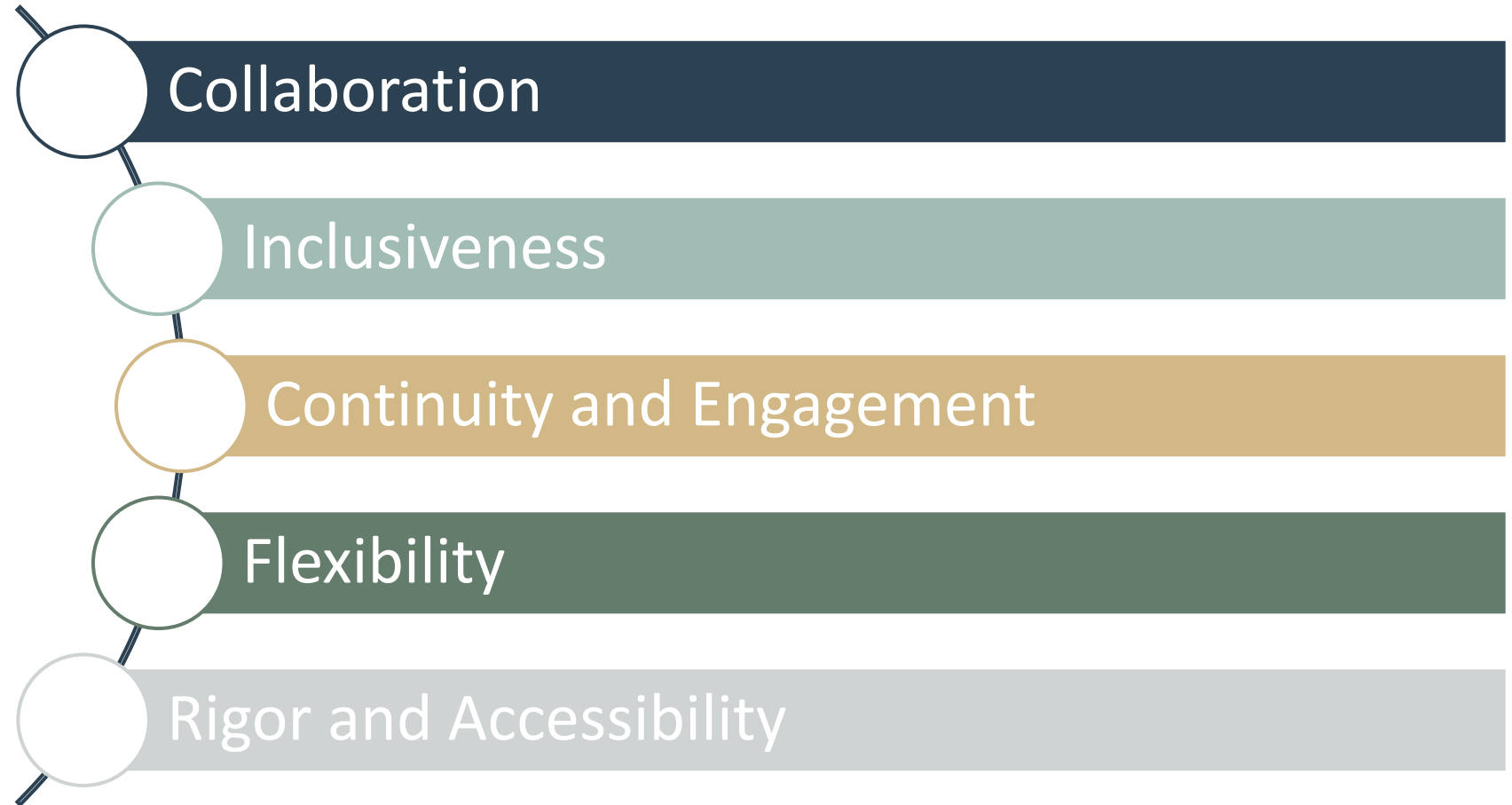
**Via Scheduled Meetings, Consultations & Surveys, Roundtables, Targeted Outreach (country & projects), Media...**

# Objectives of the Partnership Framework

LEVERAGE THE EXPERTISE, REACH, AND RESOURCES OF PARTNERS TOWARDS THE FOLLOWING:



# Principles



# Role of Partners & Monitoring

## Role of Partners

### **Active and collaborative role**

- Conduits of engagement - promote awareness, facilitate dialogue, and promote A&I
- Enable capacity building at scale - work with IESBA to develop supporting resources

### **Onboarding**

- Document commitment to framework objectives
- Indicate tangible and practical contributions

## Implementation and Monitoring

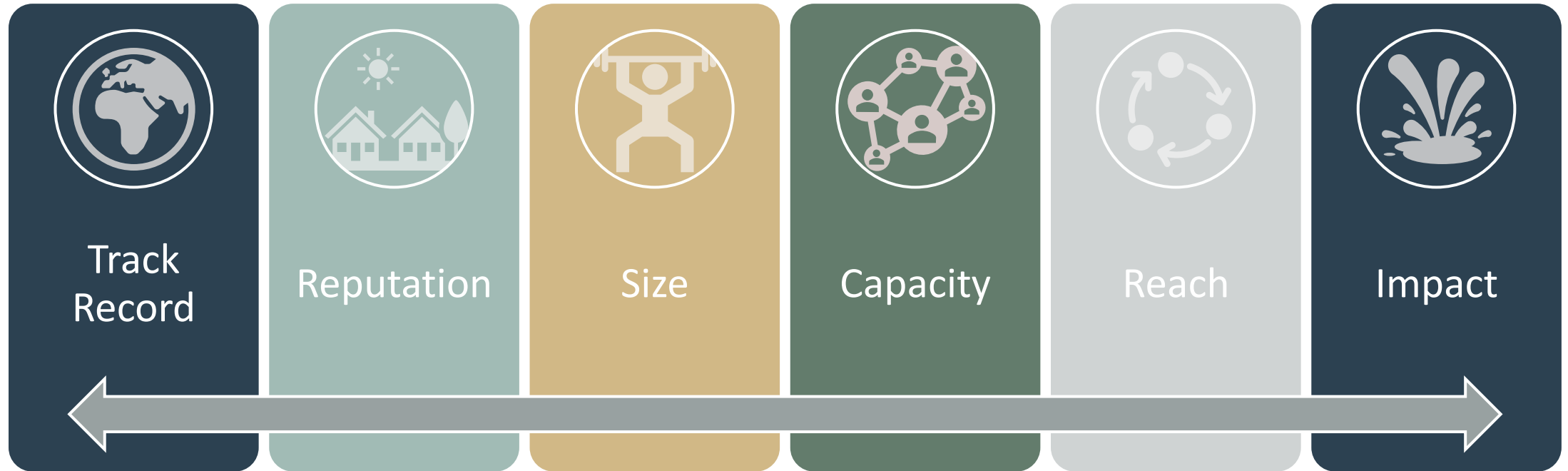
### **IESBA Staff to coordinate and implement**

### **Periodic updates to IESBA including:**

- The number & nature of partnerships;
- Capacity-building activities;
- Reach and impact; and
- Effectiveness of the framework

# Partnership Due Diligence and Considerations

THE FRAMEWORK RECOGNIZES THE NEED FOR PARTNER IDENTIFICATION AND ONBOARDING TO BE BASED ON:



## Gate

- Initial screening questions to determine whether a prospective partner is a viable candidate for collaboration.

## Ranks

- Additional criteria to assist with further prioritization of partners

# Anticipated IESBA Activities Over 5 Years to 2030

Scope and focus will vary across jurisdictions, depending on A&I readiness  
Tailored, flexible, and responsive activities to meet jurisdictional needs



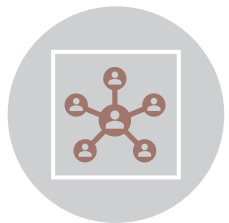
Identify **partners** in targeted jurisdictions



Coordinate targeted actions – **enable partners** to deliver implementation/capacity-building



Collaborate to **identify needs** to facilitate tailored interventions



Facilitate **regular interactions amongst partners**, to exchange experiences and align priorities



**Regional dialogues/workshops** to facilitate application of IESBA's standards



Seek **contributions** for capacity building



# — Question/ Comments

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