

# Session 3 – IESBA Firm Culture and Governance Viewpoints

Stakeholder Advisory Council

IESBA FCG Project Team

Madrid | 27–28 April 2026





# Agenda

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IESBA Firm Culture and Governance (FCG)  
Viewpoints: Why, What, How

ISQM 1 Linkages Paper: Coordination with  
IAASB

FCG Dialogues and Other Initiatives

# Why IESBA Embarked on FCG Project

2023

- Development of, and consultation on, IESBA's SWP highlighted
- Persisting **high-profile cases of unethical behavior** in accounting firms & their **adverse impact on the reputation** of, and **public trust** in, the accountancy profession
  - Requests for IESBA to consider a **strategic and constructive response**

2024

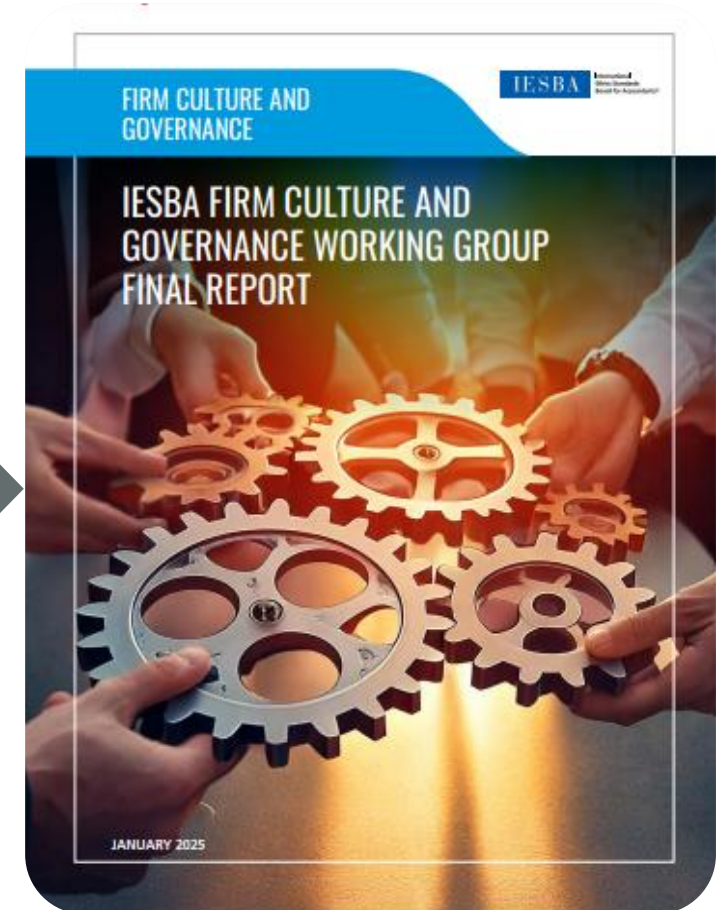
- Extensive outreach and information gathering, leading to [Working Group Report](#)
- Decision to initiate FCG project and develop framework

2025

- 6 Global Roundtables
- Development of FCG Viewpoints



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# Why is Development of a FCG Framework Relevant

## Ethical Culture at the Firm Level

- Ethical failures harm professionals, firms, markets, and the public
- Failures are **not** mainly due to lack of rules or individual misconduct
- Root causes often lie in **firm culture, governance, and leadership**

## Why This Matters

- Ethical values must be embedded **at the firm level** to drive and support highly ethical individual behavior
- Relevant across **all service lines**: audit, assurance, tax, advisory, consulting
- Fills a key gap: **no global, consistent baseline** for firm culture and governance



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☀️ **A strong ethical culture is a strategic asset, risk safeguard, and foundation of public trust**

### Q3 2025 – Q2 2026

Develop “**IESBA viewpoints**” as a tool for targeted engagement with stakeholders

Develop NAM and other supporting materials, and pursue other initiatives



### June 2026

**Decide way forward on FCG framework: content, authority and location, reflecting feedback** from stakeholder engagement and IESBA’s own considerations in the public interest

### June 2026 onwards

**Develop the framework based on June 2026 decisions and related objectives and considerations**

# IESBA FCG Viewpoints

## HOW THEY WERE DEVELOPED



- Distilled from analysis of IESBA's extensive **information-gathering activities**, including the 2025 global roundtables
- Reflect **consensus-driven messages** from stakeholders on framework elements
- Incorporate **IESBA's own perspectives and reflections**

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## WHY/WHAT FOR



- **An open and inclusive process:** Developed to inform stakeholders, invite evidence-based dialogue, and openly test ideas
- **A simple instrument of engagement, not a final product:** A response to stakeholders' requests for simple and engaging approaches to support the dialogue with stakeholders
- **A practical path to consensus:** Help align expectations and shape a robust framework that strengthens the profession's resilience, trustworthiness and reputation, and serves the public interest



# IESBA FCG Viewpoints

Viewpoints  
reflect key  
characteristics  
of each of the **8**  
**elements of**  
**FCG framework**



**Ethical leadership**



**Oversight and  
governance**



**Independent  
input**



**Education and  
training**



**Accountability  
across the firm**



**Incentives and  
disincentives**



**Open discussion  
and challenge**



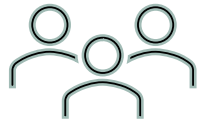
**Transparency**



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# ISQM 1 Linkages Paper

IESBA-IAASB COORDINATION



- Developed jointly with IAASB
- Issued in December 2025, updated to cover all eight FCG elements in March 2026
- Not like-for-like comparison – different types of documents, different authority

## Key Outcomes of Comparison Exercise

- Recognizes inherent relationship between ethical culture and the System of Quality Management
- However, key differences in objectives, scope, output and granularity of focus on ethical culture



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# FCG Dialogues, Q1-Q2 2026

SOCIALIZING IESBA FCG VIEWPOINTS THROUGH TARGETED OUTREACH

## Asia-Pacific Outreach, Jan and Mar 2026

- Launch of FCG Dialogues with Asia outreach:
  - Singapore, Malaysia, Hong Kong SAR
- Australia outreach
- Firms, PAOs, regulators, investors

## Institutional Stakeholder Meetings

- **April 27 – 28:** Stakeholder Advisory Council
- **April 29 – May 1:** Jurisdictional Standard Setters
- **Late March – Early June:** IFIAR SCWG and IOSCO C1

## Focus Groups and Others

- **Late March to mid-April:** Focus Groups – SMPs, Regulators, GPPC
- **Early May:** Multi stakeholder meeting
- **Late April to early May:** Simulation exercises with 2 firms
- **Mid-May:** User Advisory Group

## June 2026

IESBA to determine best approach for an FCG framework:

- Analysis of feedback from the Dialogues and other inputs
- Proposed options for the way forward





# Matters for SAC Members' Consideration

SAC Members are invited to share their feedback on the IESBA FCG viewpoints, with emphasis on the implications for ethical behavior, accountability, public trust, firm resiliency, and consistent application across jurisdictions.

## **SAC Members are also asked:**

1. Are expectations and practices shifting in firm culture and governance, and if so, what is driving that shift?
2. What is the potential impact of a FCG Framework being set:
  - (a) Within the IESBA Code; or
  - (b) Outside the IESBA Code and available for voluntary adoption?
3. Focusing on the 8 FCG elements, whether the Viewpoints could evolve into key, enduring principles of the FCG Framework?

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