IESBA Meeting Highlights and Decisions

September 2026

This summary of decisions of the International Ethics Standards Board for Accountants (IESBA) has been prepared for information purposes only. Except for documents approved for public exposure and issuance of final pronouncements, decisions reported on technical matters are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IESBA.

The IESBA met in Madrid, Spain on September 14-18, 2026. The video recording of the meeting is available on the IESBA YouTube channel.

Contact: Ken Siong, IESBA Program and Senior Director (KenSiong@ethicsboard.org)

Firm Culture & Governance (FCG)

The IESBA considered a presentation from Professor Begoña Navallas of the Universidad Autónoma de Madrid on a comparative study of audit firm governance regulation across jurisdictions. The study was undertaken for Spain's Instituto de Contabilidad y Auditoría de Cuentas (ICAC).

The IESBA also considered an update on coordination with the International Auditing and Assurance Standards Board (IAASB) and plans for the development of FCG-related non-authoritative materials (NAM) and other supporting materials. The NAM and other supporting materials will complement the proposed FCG provisions in the Code and include a brief joint IESBA-IAASB paper highlighting the linkages between the proposed FCG provisions and ISQM 1.[1]

The IESBA then deliberated the Project Team's first-read draft of the proposed FCG provisions in the Code. Topics discussed included the scope of application and the enforceability of the proposed overarching requirement; whether the requirement should refer to the intended outcome of the FCG framework; the role of governance in relation to ethical culture in the overarching requirement; the approach to describing the FCG elements in application material; whether each FCG element is intended to be mandatory; the extent to which firms could leverage their implementation of ISQM 1 in establishing and maintaining an ethical culture and related governance; the proportionality of the proposed provisions; and network-related considerations.

The IESBA will consider a revised draft of the proposed provisions at its October 2026 meeting, with a view to approving an Exposure Draft at its December 2026 meeting.

Role of Chief Financial Officers (CFOs)

The IESBA considered an update on the Project Team activities since the June 2026 meeting and the Project Team's Phase 1 final report and recommendations. Drawing on stakeholder outreach and surveys, academic research, and targeted jurisdictional regulatory assessments, the report examines the evolution of the CFO role and CFOs' related ethical responsibilities, influence, and challenges. It also includes an

[1] ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

analysis of whether the Code remains relevant, and identifies the public interest implications from the findings from the Project Team's information gathering.

The IESBA accepted the Project Team's recommendations:

- Not to commence a CFO-specific standard-setting project or extend the scope of the Code beyond professional accountants in business (PAIBs) at this stage;
- To commence a focused initiative to develop NAM for PAIB CFOs and those who support them, and to pilot test the NAM with relevant stakeholders to assess its effectiveness in strengthening ethical awareness and decision-making, and inform whether further IESBA action is needed; and
- To compile and refer relevant Phase 1 evidence to existing IESBA workstreams within their approved scopes.

The IESBA also considered an update from the Project Team on how it applied the IESBA SMART framework to the workstream.

The IESBA will consider an update from the Project Team on the NAM pilot test activities at its December 2026 meeting.

Strategy & Work Plan 2028-2031

The IESBA considered:

- An overview of responses to the joint IAASB-IESBA stakeholder survey (joint survey) conducted to inform the development of the IESBA's and IAASB's Strategies and Work Plans (SWPs) 2028-2031;
- The IESBA Planning Committee and Staff reflections on the trends in the external environment and the related analysis of the joint survey feedback; and
- The Joint IAASB-IESBA SWP Working Group and Staff's initial views on the joint survey feedback relating to coordination between the two Boards.

The IESBA then discussed key environmental trends and possible strategic objectives for its next SWP, consistent with its public interest mandate. Among other matters, the IESBA considered how best to address the needs of professional accountants in business (PAIBs) and professional accountants in firms outside audit – a group that constitutes a large majority of the profession – as well as professionals in firms who are not professional accountants. The IESBA's deliberation also emphasized that the next SWP should reflect evidence-based priorities, feasible delivery within available resources, and close coordination with the IAASB, while retaining the flexibility and agility to respond to evolving risks of greatest public interest significance.

The IESBA will consider a draft of the SWP 2028-2031 Consultation Paper at its December 2026 meeting.

Technology

The IESBA considered presentations from:

- Mr. Jason Bradley, Director of Methodology and Content at Caseware International, on the development and use of Artificial Intelligence (AI) agents in audit and assurance, including related ethical considerations; and
- Ms. Lauren Branston, Chief Executive Officer of the Institute of Business Ethics, on the Institute's joint study with Acteon on behavioral aspects of the ethical use of generative AI (GenAI).

The IESBA then considered an update on its Technology Working Group's activities and key themes and insights from the Technology Expert Group (TEG)'s quarterly environmental scanning. The IESBA supported the plan for targeted NAM on the ethical implications of generative and agentic AI.

The IESBA also discussed initial findings from IESBA staff's information-gathering on strategic alliances between accounting firms and large AI and other technology providers, including related ethical and independence considerations. The IESBA agreed that the scale, intensity, pace and strategic importance of these alliances, together with AI's growing autonomy and reach, warrant priority attention and further information gathering to assess the ethical and independence implications and determine appropriate responses.

The IESBA will consider the draft targeted NAM with a view to agreeing it at its December 2026 meeting, At that meeting, the IESBA will also consider next steps relating to the topic of alliances between firms and AI and other technology providers,.

Restructured Code Post-implementation Review (PIR)

The IESBA considered the Project Team's full analysis of survey responses to the PIR of the Restructured Code, focusing on the clarity and usability of the Code.

The IESBA accepted the Project Team's recommendations to take certain near-term actions, including enhancing the Guide to the Code, updating the electronic Code (eIS) and improving its functionality, and clarifying the Code's drafting conventions. The IESBA agreed that feedback from survey respondents on the length and complexity of the Code goes beyond the PIR's scope and reflects a need for further dialogue with stakeholders to better understand areas of particular challenge.

The IESBA also considered an update from the Project Team on how it had applied the IESBA SMART framework to the workstream.

The IESBA will consider an update from the Project Team, including a plan for implementing the recommendations, at its December 2026 meeting.

Private Equity & Other External Investments (PE&OEI) in Accounting Firms

The IESBA considered an update from the PE&OEI Project Team on its information-gathering activities since the June 2026 meeting, including:

- Desktop research on:
    - Jurisdictional regulatory frameworks and oversight requirements for accounting firms;
    - Regulatory responses to PE&OEI in accounting firms;
    - Recent market developments in PE&OEI in accounting firms; and
    - PE investment in other industries.
- Stakeholder outreach, including the development and dissemination of stakeholder questionnaires.
- The development of a joint IESBA–IAASB Action Plan to support both Boards in considering potential implications of PE&OEI in firms for ethics, independence, quality management, audit and other assurance quality, and the public interest.

At its December 2026 meeting, the IESBA will receive an update on the themes, issues and insights emerging from the stakeholder outreach and information-gathering activities in Q4 2026.

Adoption & Implementation

The IESBA considered an update from the A&I Working Group (A&I WG) on its activities since the June 2026 meeting, including:

- Ongoing coordination with the International Federation of Accountants (IFAC) staff, including input provided by IESBA staff and the A&I WG on IFAC's modernization of its Compliance Program.
- Progress on jurisdictional outreach, including tailored correspondence to the initial 17 prioritized jurisdictions to confirm the adoption status of the IESBA's sustainability-related standards and to identify implementation or capacity-building needs, as well as the drafting of jurisdictional profiles for an additional 7 prioritized jurisdictions.
- Updates to adoption status information on the *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* on the IESBA website to support transparency and monitor jurisdictional progress.
- Further progress operationalizing the IESBA Partnership Framework, including initial outreach to the group of eight prospective partners identified at the June 2026 IESBA meeting.
- Development of IESBA Staff questions and answers and joint IESBA-IAASB frequently-asked questions (FAQs) in response to matters raised by the IESSA Implementation Monitoring Advisory Group (IIMAG), as well as an update on a change in the IIMAG membership.

The IESBA will consider a further update from the A&I WG at its December 2026 meeting.

Strategic Priorities

The IESBA considered and supported IESBA staff's proposed approach to consistently assess the level of priority of potential new workstreams and strategic precommitments in the current SWP that have yet to commence.

The IESBA agreed that the workstreams on FCG, PE&OEI in accounting firms, and technology, along with A&I and related activities should remain high priority. The IESBA also agreed to allocate anticipated available capacity in Q1 2027 to commence a focused initiative to develop and pilot test NAM as part of its Role of CFOs workstream; to initiate information gathering on firms' strategic alliances with AI and other technology providers as part of in its technology workstream; and to pursue initiatives addressing simplification around the use of the Code as well as the broader topic of proportionality under the Global A&I umbrella. These initiatives will be prioritized through the end of the current strategic cycle in December 2027.

The IESBA will consider additional workstreams to prioritize in the current SWP cycle as capacity becomes available.

SMART

The IESBA considered an update from IESBA staff on implementing the SMART Framework, including (i) a proposed approach to embedding SMART considerations in Board papers, (ii) progress on using the Mobilization Analytics Dashboard to enhance stakeholder engagement and the Implementation Resource Menu to help users select implementation materials suited to their needs, and (iii) a proposed plan to assess the suitability of outreach formats across project stages through the Better Outreach initiative.

The IESBA will consider a further update and proposed next steps at its December 2026 meeting.

Next Meetings

The remaining IESBA board meetings for 2026 will be held on:

- October 29 in virtual format.
- December 7-10 in New York, USA.