

BETTER FINANCE Responds to IAASB-IESBA Stakeholder Survey 2028- 2031

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Executive Summary

BETTER FINANCE responds to the IAASB-IESBA Stakeholder Survey for the 2028-2031 strategy period from the perspective of European individual investors, savers and financial users.

The SSBs should measure progress not by the volume of standards issued, but by whether those standards deliver tangible improvements in the quality, comparability and reliability of information available to markets. Implementation, consistent application and enforceability are equally critical to achieving public-interest outcomes and must become a more integral part of the SSBs' work.

BETTER FINANCE calls on the IAASB and IESBA to deepen coordination with each other and with other standard setters and regulators. The reporting and assurance ecosystem is increasingly interconnected. Fragmentation, whether regulatory, jurisdictional or thematic, undermines comparability and erodes public confidence.

Stakeholder engagement must go beyond the accounting and audit profession. Investors, consumer representatives, civil society organisations, academics and end users of financial and sustainability information should have a meaningful voice in standard setting.

On emerging trends, BETTER FINANCE stresses that AI and other technologies must support rather than substitute human responsibility, critical assessment, professional scepticism and accountability. Sustainability assurance must prioritise reliability, comparability and decision-usefulness over volume of disclosure. Evolving firm ownership structures and the growth of non-assurance services require careful

scrutiny to preserve independence and ethical culture. BETTER FINANCE further highlights information complexity and decision-usefulness as a distinct concern: excessive complexity, overlapping requirements and inconsistent reporting practices risk information overload and reduce the practical usefulness of reporting outputs for investors.

BETTER FINANCE encourages the SSBs to pursue joint and coordinated work on technology, technology-enabled misconduct and sustainability assurance, and to complement formal standard-setting with more agile forms of guidance and engagement. The legitimacy of global standards depends on due process; agility must not come at its expense.

Keywords: audit & assurance standards; investor protection; sustainability reporting

What do you believe the SSBs should aspire to achieve during their next strategy period, 2028–2031?

From an end-user perspective, relevance and impact should be assessed not solely by the issuance of standards, but by whether those standards improve the quality, comparability and reliability of information available to markets. The increasing interconnection between financial reporting, sustainability reporting, corporate governance and stewardship means that assurance and ethics frameworks should continue evolving in a coordinated manner. The IAASB and IESBA should maintain close cooperation and proactively engage with other standard setters and regulators to reduce fragmentation and support a coherent reporting ecosystem.

The SSBs should also place greater emphasis on implementation and usability. Producing globally accepted standards is important, but effective implementation, consistent application and enforceability are equally critical to achieving public-interest outcomes. Differences in jurisdictional interpretation and implementation risk undermining comparability and public confidence. Enhanced implementation support, practical guidance and mechanisms for identifying emerging implementation issues should therefore become a more integral component of the SSBs' work.

Broader stakeholder engagement should remain a strategic priority. The SSBs should continue expanding engagement beyond the accounting and audit profession to include investors, consumer representatives, civil society organisations, academics and users of financial and sustainability information. This is particularly important in areas where standards increasingly affect broader societal and market outcomes.

Key trends impacting the SSBs

Digital transformation

Increasing use of emerging technologies

The growing use of AI-enabled tools and other emerging technologies is likely to significantly reshape the audit and assurance environment. While these technologies may improve efficiency and analytical capabilities, they also create risks related to opacity, bias, explainability and excessive reliance on automated outputs. The IAASB and IESBA should ensure that standards continue to reinforce core principles such as professional skepticism, professional judgment and accountability. Technology should support, rather than substitute for, human responsibility and critical assessment. Guidance may also be needed on transparency around the use of technological tools within audit and assurance processes.

Digital assets and institutionalisation of digital assets

The primary concern should not be technological innovation alone, but whether standards adequately address valuation uncertainty, governance risks, transparency and investor protection concerns associated with these markets. The SSBs should monitor developments closely and engage with financial market stakeholders as markets mature.

Financial crimes enabled by technology

AI and digital systems can facilitate more sophisticated forms of fraud, manipulation and misconduct while also creating new vulnerabilities. These developments have direct implications for market confidence and investor protection. The SSBs should consider whether standards and related guidance sufficiently equip professionals to identify emerging risks and maintain professional skepticism in increasingly technology-driven environments. Strengthened engagement with cybersecurity, forensic and technology experts may also be appropriate.

Changes in the geopolitical and regulatory landscape

Regulatory changes

While efforts to reduce burdens and improve competitiveness may bring benefits, simplification should not come at the expense of transparency, accountability or investor protection. The SSBs should continue monitoring evolving regulatory trends and ensure standards remain capable of responding to changing market expectations while preserving the reliability and usefulness of reported information.

Risk of fragmentation

The risk of regulatory and reporting fragmentation represents a significant concern. Increasing divergence between jurisdictions risks reducing comparability, increasing costs and complexity, and ultimately weakening confidence in reported information. For investors and users operating across markets, globally coherent approaches are particularly important.

Call for greater agility in standard setting

There is a legitimate need for greater responsiveness and flexibility in standard setting, particularly given the pace of technological, market and regulatory change. However, agility should not come at the expense of due process, transparency or the quality and legitimacy of standards. A balanced approach may be appropriate, combining full standard-setting projects with targeted amendments and non-authoritative guidance where suitable. Such approaches can support responsiveness while preserving confidence in the standard-setting process.

Greater diversity of voices sought

Beyond expanding participation from emerging economies, engagement should include investors, consumer representatives, civil society organisations and end users of financial and sustainability information. Broader participation can improve both legitimacy and the practical effectiveness of standards.

Evolving expectations concerning sustainability information

Continuing demand for sustainability reporting and assurance

Demand for sustainability information and related assurance is expected to remain significant as sustainability considerations become increasingly integrated into investment decision-making and risk assessment. However, future efforts should focus not merely on expanding reporting requirements but on improving the reliability, comparability and usefulness of information provided to end users. Investors and users require sustainability disclosures that are sufficiently robust to support informed decision-making and avoid risks of confusion, inconsistent interpretation or reduced confidence.

The increasing interconnectedness between sustainability and financial information further highlights the importance of coordinated approaches across reporting and assurance frameworks. The IAASB and IESBA should continue promoting coherence between sustainability assurance and broader reporting ecosystems.

Regulatory and geopolitical changes

Regulatory and geopolitical developments relating to sustainability are likely to have a substantial impact on the future reporting and assurance landscape. Recent developments illustrate that jurisdictions may pursue different pathways, recalibrate requirements or adopt differing approaches to sustainability reporting

and assurance. Such developments increase the risk of fragmentation and reduced comparability.

The SSBs, therefore, have an important role in promoting interoperability and supporting globally coherent approaches while maintaining high-quality standards. In responding to evolving regulatory landscapes, simplification and proportionality objectives should not weaken the reliability or usefulness of sustainability information for investors and other users.

Monitoring implementation experience and proactively identifying emerging challenges will also become increasingly important. As sustainability assurance frameworks mature, agile mechanisms for addressing implementation questions and ensuring consistency across jurisdictions may become essential.

Evolving structure and business models of accounting firms

Alternative ownership structures

The emergence of alternative ownership models, including private equity investment in accounting firms, may create new opportunities but also raises important questions concerning governance, incentives, firm culture and independence. Audit and assurance activities fulfill a public-interest role that differs from many other commercial activities. Changes to ownership structures should therefore be carefully assessed to ensure that commercial incentives do not undermine ethical culture, audit quality or perceptions of independence.

Increased involvement of non-professional accountants in accounting and auditing profession

The continued growth of non-assurance services raises significant public-interest considerations, particularly where such activities may create actual or perceived conflicts of interest. Public confidence in audit and assurance depends heavily on perceptions of independence and objectivity. Where commercial incentives increasingly shift toward advisory and other non-assurance services, the SSBs should continue assessing whether ethical and independence frameworks remain sufficiently robust and whether additional safeguards or guidance may be necessary.

Additional trends identified by BETTER FINANCE

Information complexity & decision-usefulness

The public-interest objective should not be limited to increasing the amount of information disclosed, but should also ensure that information remains decision-useful, understandable and capable of supporting informed judgments.

From an investor perspective, excessive complexity, overlapping requirements and inconsistent reporting practices may contribute to information overload and reduce the practical usefulness of reporting and assurance outputs. This challenge

may become increasingly important as sustainability information, technological disclosures and assurance requirements continue to expand and interact.

Areas of common interest and possible joint or parallel work plan topics, or other initiatives or activities

The IAASB and IESBA should continue strengthening early coordination and identifying topics where assurance, ethics and independence considerations are inherently interconnected. From an investor and public-interest perspective, greater alignment between the two Boards can support coherence, reduce fragmentation and improve trust in reporting and assurance outcomes.

The increasing use of AI and other technologies raises interconnected questions relating to audit methodologies, professional judgment, accountability, ethical responsibilities and independence. While the IAASB may focus on implications for audit and assurance performance, the IESBA may need to address issues such as over-reliance on technology, transparency, competence and accountability. Joint work or coordinated guidance could support a coherent approach and avoid gaps or inconsistencies.

Similarly, The growing sophistication of technology-enabled misconduct may require coordinated responses. IAASB considerations relating to audit procedures, risk identification and assurance methodologies intersect with IESBA considerations concerning professional responsibilities, ethical conduct and professional scepticism. Joint work may help ensure a more holistic response to evolving risks.

In addition to standard-setting projects, the Boards should consider more agile forms of joint work, including implementation guidance, educational materials, stakeholder roundtables and mechanisms for identifying emerging implementation challenges. Such initiatives could support more timely responses while preserving due process and improving the practical operability of standards.

Overall, the SSBs should seek to identify areas where users of information experience the reporting and assurance ecosystem as interconnected, even where institutional mandates remain separate. Joint action in such areas can contribute to greater consistency, usability and confidence in reporting outcomes.

About BETTER FINANCE

BETTER FINANCE — the European Federation of Investors and Financial Services Users — is the voice of European citizens as savers, investors, and financial users at the EU level. Working independently from the industry, BETTER FINANCE serves as an independent hub of financial expertise for the direct benefit of individual shareholders, investors, savers, life insurance policyholders, pension fund participants, and mortgage borrowers across Europe. Their work aims to promote research, information, and training on investments, savings, and personal finances to lawmakers and the public. BETTER FINANCE counts 40 independent, national, and international member organisations, sharing similar objectives from the EU Member States as well as Iceland, Norway, Turkey, Lebanon, and Cameroon.

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