

Agenda Item 3-C.13 (Supplemental)

IESBA and IAASB Joint Stakeholder Survey – D.3 Evolving Structures and Business Models of Accounting Firms - Challenges to Attracting and Retaining Talent

14.01. 0 – I do not agree that this is a trend to be considered

05. Regulators and Oversight Authorities

Public Accountants and Auditors Board Zimbabwe (PAABZ)

0 – I do not agree that this is a trend to be considered

Challenges relating to attracting and retaining talent are not a trend that the SSBs should prioritize within their standard-setting strategies and work plans. While workforce and skills issues are important for the profession, they are largely market-driven and operational in nature and fall outside the core remit of the SSBs. Given finite resources, greater public interest value would be achieved by focusing on projects directly related to the development, maintenance, and effective implementation of high-quality audit, assurance, and ethics standards.

UK Financial Reporting Council (UK FRC)

0 – I do not agree that this is a trend to be considered

This is a matter for the profession to address rather than the SSBs.

We are aware of the issues some firms are facing in attracting and retaining the "best" candidates (e.g. as described in a Financial Times article on 16 March 2026 titled "Accountancy's partnership pipeline risks running dry") but those issues are not driven, and cannot be addressed, by the standards produced by the SSBs.

06. Jurisdictional and National Standards Setters (JSS)

Royal Netherlands Institute of Chartered Accountants (NBA)

0 – I do not agree that this is a trend to be considered

Some of the evolving structures can result in more focus on efficiency and profits, more standardization. This is less attractive for retaining or attracting talents. Changes in team composition, staff retention, and related matters can influence engagement quality and ethical conduct. There should be a focus on the main objectives of the accounting profession and coaching of talent. However, we do not see the impact on standard-setting of the boards relating to this development.

Wirtschaftsprüferkammer (WPK)

0 – I do not agree that this is a trend to be considered

The attractiveness of the profession is very important indeed. At the moment, it seems that the profession is becoming increasingly appealing to young talent (especially due to sustainability and new technology, as well as the profession's resilience in crises). However, this is not considered an issue for either Board for the time being.

07. Accounting Firms

BDO International Limited

0 – I do not agree that this is a trend to be considered

Both SSBs are focused on professional accountants. We would ask that in developing their SWPs, both SSBs do not inadvertently impair the:

- Ability of firms and networks to develop and manage their own structures
- Decisions about 'who' should be employed by firms (whether PAs or non-PAs) depending on the needs of their business and services being provided
- The ability for multi-disciplinary firms to determine their own approach to talent – being mindful that this may include technology solutions in place of previous human-enabled procedures

Deloitte Touch Tohmatsu Limited

See response to D.1 above.

0 – I do not agree that this is a trend to be considered

Grant Thornton International Ltd (GTI)

0 – I do not agree that this is a trend to be considered

We do not believe attracting and retaining talent falls under the remit of either SSB. Firms that perform audit and assurance engagements are already required to apply ISQM 1, which establishes requirements for hiring, developing, and retaining personnel with the competence and capabilities to consistently perform quality engagements. We do not view this trend as evidence that the principles-based requirements in ISQM 1 are outdated or otherwise not fit for purpose. We do consider that some recent developments from the SSBs have played a role in making the profession less attractive where increasingly complex requirements are brought into standard setting requiring additional documentation burden for engagement teams. We recommend the SSBs focus on addressing other issues we rate as a higher priority in this survey.

Krzysztof Burnos

0 – I do not agree that this is a trend to be considered

10. Member Bodies or Other Professional Accountancy Organizations

South African Institute of Chartered Accountants (SAICA)

0 – I do not agree that this is a trend to be considered

Given that the changes in business models are not impacting all jurisdictions, it is SAICA's view that this does not necessitate changes to global audit and assurance standards and the Code. Initiatives may be implemented at jurisdictional level to address attraction and retention challenges. These initiatives often require the collaboration of various role players within the jurisdiction itself.

14.02. 2 – Decreasing in importance

02. Users of Financial or Non-Financial Information

CFA Institute

2 – Decreasing in importance

Recent indicators (in the US at least) show that this is improving because the profession has been working to increase compensation at lower levels. The late 2010s through 2023 saw partners overearning and other staff underearning. Additionally, other service lines like consulting may be seen as more "at risk" from AI automation than service lines with more regulatory licensing and specialized expertise. See here with links

to information on this and the recent rise in the number of accounting graduates:
<https://www.entrepreneur.com/business-news/gen-z-is-increasingly-turning-to-accounting>

14.03. 3 – Slightly decreasing in importance

02. Users of Financial or Non-Financial Information

Takeshi Kimura (Nippon Life Insurance Company (Board Member, PRI) (Steering Committee Member, TISFD))

3 – Slightly decreasing in importance

Challenges in attracting and retaining talent may affect long-term audit capacity and quality. While this is partly an industry-level issue, standard setters may consider how standards remain clear, scalable and implementable in a changing workforce environment.

07. Accounting Firms

Forvis Mazars Global Limited (Mazars)

Challenges around the attraction and retention of talent are not new, though they are increasingly prevalent given regulatory pressures and a perception that audit is increasingly a compliance exercise which is, in part, driven by the increasingly rules based nature of standards. It is imperative that the SSBs focus on principles-based standards, supplemented with guidance to support the application of the principles, to avoid further proliferation of rules that drive such compliance behavior.

The standard setters can do more to promote the accounting profession and the value of acting in the public interest with ethical values, through more positive communication than is currently the case from, in particular, IESBA. We believe that the SSBs should consider how they can contribute to describing the benefits of professional accountants, and their role in the public interest, to the younger generations.

3 – Slightly decreasing in importance

12. Others

Eri Murakami (Wood Design Studio Inc.)

3 – Slightly decreasing in importance

Impact both SSBs

Wenzel Reyes (MindBridge)

3 – Slightly decreasing in importance

14.04. 4 – Slightly increasing in importance

02. Users of Financial or Non-Financial Information

Investment Company Institute

4 – Slightly increasing in importance

Talent and workforce challenges are likely to remain important considerations for the profession.

Kei Tsuchiya (The Securities Analysts Association of Japan)

4 – Slightly increasing in importance

The European Federation of Investors and Financial Services Users (BETTER FINANCE)

4 – Slightly increasing in importance

05. Regulators and Oversight Authorities

Martina Morrissey (IAASA)

4 – Slightly increasing in importance

06. Jurisdictional and National Standards Setters (JSS)

Saudi Organization for Chartered and Professional Accountants (SOCPA)

4 – Slightly increasing in importance

07. Accounting Firms

Kudos International

4 – Slightly increasing in importance

It is vital now! But SSBs have a role to play- too much regulation puts talent off

MAH, Chartered Accountants

4 – Slightly increasing in importance

Piotr Witek (Moore Polska)

4 – Slightly increasing in importance

PricewaterhouseCoopers International Limited (PWC)

4 – Slightly increasing in importance

Our approach to assessing importance

Attracting and retaining talent remains a key consideration across the profession, with gaps being seen in certain territories and sectors; driven by market dynamics, evolving workforce expectations, increasing engagement complexity, and market competition for skills in areas such as technology, data and sustainability. With evolving use of technology, such pressures may only increase. While this is primarily a matter for firms and professional accountancy bodies, rather than one that can be addressed directly by the SSBs, changes in team composition and staff retention may have implications for engagement quality and ethical behaviour. We therefore encourage the SSBs to continue monitoring this area to assess whether any issues emerge that may warrant action, for example through non-authoritative guidance.

Matters specific to the IAASB

A key consideration for the IAASB is whether sustained resource constraints, skills gaps or changes in team composition are affecting the consistent application of standards, including core concepts such as professional scepticism and professional judgement. Such factors may give rise to additional quality risks or firm and network level resource considerations that warrant attention in the application of ISQM 1.

Matters specific to the IESBA

Resource constraints and difficulties in retaining experienced professionals may heighten threats to compliance with the fundamental principles, including professional competence and due care. We see value in the IESBA considering whether non authoritative guidance on identifying and addressing such threats would be helpful to practitioners.

10. Member Bodies or Other Professional Accountancy Organizations

Institute of Singapore Chartered Accountants (ISCA)

4 – Slightly increasing in importance

We anticipate that accounting firms will continue to face challenges in attracting and retaining talent, particularly as the profession competes for talent in rapidly growing fields such as technology and sustainability and the increasing complexity of professional work. This trend has implications on the sustainability of audit quality and the need to consider scalability and support for firms of different sizes and resources. Accordingly, we expect this trend to slightly increase in importance over the 2028–2031 strategy period.

Malaysian Institute of Accountants (MIA Malaysia)

4 – Slightly increasing in importance

Our approach to assessing importance

The attraction and retention of qualified talent remain a significant challenge for the accounting profession, with pronounced shortages in certain regions and sectors. These gaps stem from a confluence of market dynamics, evolving workforce expectations, rising engagement complexity, and competition for expertise in areas like technology and sustainability. Although addressing this issue falls primarily to firms and professional accountancy bodies, its consequences on engagement quality and ethical conduct are relevant to the SSBs. Consequently, we encourage the SSBs to continue monitoring this trend and assess whether any emerging issues warrant a response, such as through non-authoritative guidance.

Matters specific to the IAASB

A key consideration for the IAASB is the degree to which sustained resource constraints and skills gaps may be impacting the consistent application of its standards, particularly foundational concepts like professional skepticism and professional judgment. Such factors can introduce quality management risks that have clear implications for the effective application of ISQM 1 at both the firm and network level.

Matters specific to the IESBA

Resource shortages and the challenge of retaining experienced professionals may amplify threats to compliance with the fundamental principles, most notably professional competence and due care. In our opinion, the IESBA should explore whether non-authoritative guidance on identifying and addressing these heightened threats would offer practical value to practitioners navigating these challenges.

Malta Institute of Accountants (MIA Malta)

Attracting and retaining talent is a significant challenge in the accounting profession, due to shifting market conditions and workforce expectations. Ongoing monitoring by SSBs is thus recommended to determine if guidance is needed, taking into consideration whether such challenges are impacting the consistent application of standards and compliance with the fundamental IESBA principles.

4 – Slightly increasing in importance

11. Academics

Nicole Ratzinger-Sakel (University of Hamburg Business School)

Due to increase use of emerging technologies it is likely that less staff is needed in accounting firms. The challenge will be to attract talents that have advanced skills, because easy tasks will be done by AI. Another challenge will be to evaluate whether the AI output is correct, especially for young talents who are grown up in an AI environment.

4 – Slightly increasing in importance

12. Others

Louise Willdrige (LBW Global)

4 – Slightly increasing in importance

14.05. 5 – Increasing in importance

02. Users of Financial or Non-Financial Information

Goro Kumagai (The Securities Analysts Association of Japan)

5 – Increasing in importance

Impax Asset Management

5 – Increasing in importance

Impax views this trend as important for the SSBs insofar as it:

- Reinforces the need for scalable, practical standards that can be implemented consistently across firms.
- Underscores the importance of robust quality management systems, training, and supervision.
- Has potential knock-on effects for ethical culture if performance pressures intensify.

Martin Lawrence (Ownership Matters Pty Ltd)

5 – Increasing in importance

03. Preparers or Issuers of Financial Statements or Other Information

Business Europe

5 – Increasing in importance

This is a very important issue for the profession as such, although it is not in itself a standard-setting issue. That said, standards that are more efficient, understandable, relevant and place more emphasis on the professional competence and exercise of professional judgement may contribute indirectly to making the profession more attractive. Hence we believe that this is an important trend and believe the SSB's need to carefully consider if – and how – the standard setting activities can contribute to this agenda.

Japan Business Federation – Keidanren

5 – Increasing in importance

As with D-1

Sevdalina Paskaleva

5 – Increasing in importance

05. Regulators and Oversight Authorities

Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)

5 – Increasing in importance

Career pathing has been a particular point of contention for many firms seeking to enlist fresh talent amid a growing shortage of new graduates. PE ownership could change the value proposition for employees and use structured opportunities for advancement within firms to incentivize retention. There could be other opportunities in attracting and retaining talent. On the other side Private Equity (PE) firms and other Alternative Forms of Investment (AFI) ownership threaten to increase pressure on profitability, which can lead to reduced staffing on audit engagements, fewer specialists and maybe other resource constraints. Together with the short-term investment horizons, with exit strategies potentially misaligned with the audit firms long-term commitment to maintain staff and thus jeopardizing audit quality, auditor independence and audit firm culture. Retaining talent is of utmost importance to maintain high quality standards.

Independent Regulatory Board for Auditors (IRBA)

5 – Increasing in importance

Challenges in attracting and retaining talent underscore the importance of standards that are not only rigorous but also accessible and usable by future generations of professionals. While not an education issue, this trend reinforces the value of clear structure, coherent framing and intuitive navigation within standards to support understanding and consistent application in practice.

Addressing usability considerations alongside technical robustness can contribute to sustained quality and public trust in a changing profession.

National Association of State Boards of Accountancy (NASBA)

5 – Increasing in importance

No matters to highlight at this time

Tokyo Stock Exchange

5 – Increasing in importance

It is necessary to exercise due caution to ensure that difficulties in attracting and retaining talent do not lead to a decline in the quality of accounting and auditing.

06. Jurisdictional and National Standards Setters (JSS)

Auditing and Assurance Standards Board of Canada (AASBC)

- Competency and Upskilling: Rapid technological change and evolving workforce demographics are creating competency and capacity challenges across the profession. Firms are increasingly focusing on upskilling and guidance to ensure staff can apply professional judgment effectively while using technology-enabled tools.
- Talent Retention and Workforce Attractiveness: Attracting and retaining skilled professionals remains a key challenge, intensified by talent shortages and competitive labour markets.

5 – Increasing in importance

GLASS Group of Latin American Accounting Standard Setters (GLENIF)

5 – Increasing in importance

- Shortage of technical staff; assessment of the impact of hiring staff from other disciplines.
- Today's professional doesn't want to be tied down by so many rules and regulations.
- It directly impacts the quality of services; IESBA must reinforce the principles of professional competence.
- Systemic risk to the relevance and sustainability of the profession; young people are looking for other alternatives. • AI will replace operational staff but will increase demand at managerial levels.

Hong Kong Institute of Certified Public Accountants (HKICPA)

5 – Increasing in importance

The accounting and auditing profession continues to face challenges in attracting and retaining talent, particularly in specialist areas such as technology, data and sustainability. While responsibility for talent development largely sits with firms, professional bodies and education providers, ongoing resourcing pressures and shifts in team composition may have implications for the consistent application of standards, professional judgement and professional skepticism.

The IAASB should therefore remain alert to whether persistent skill gaps could create audit quality risks within the quality management framework (e.g. ISQM 1).

From an ethics perspective, resource constraints and staff turnover may heighten risks to professional competence and due care, warranting continued monitoring and, where appropriate, targeted non-authoritative support rather than additional requirements.

In parallel, collaboration with universities and professional bodies to embed data, technology and assurance content earlier in education and training pathways could support longer-term capability building.

Japanese Institute of Certified Public Accountants (JICPA)

5 – Increasing in importance

We believe that, in order for the profession to remain an attractive field that can make effective use of cutting-edge technologies, it is necessary to develop standards that are appropriately adopted to the evolving environment. In doing so, the standards should not unduly impede the benefits of technology, such as improvements in quality and efficiency. Rather, they should be designed in a manner that professional accountants find reasonable and convincing, with careful consideration given to how they can positively affect day-to-day work in practice.

New Zealand Auditing and Assurance Standards Board (NZAuASB)

5 – Increasing in importance

Attracting and retaining talent has been a focus of the industry in recent years and may continue to be a challenge. However, the trend may shift with the rapid uptake of technology. AI tools are being used for tasks that have been typically performed by junior staff, with potential to reduce staff numbers. This is impacting the typical pyramid structure of the firms, requiring more senior experienced personnel but without the pipeline from junior to senior roles.

The length and complexity and how standards are written plays a role in retention of senior staff in the firm who are required to comply with and interpret increasingly complex concepts.

07. Accounting Firms

Alan Am

5 – Increasing in importance

Baker Tilly International

5 – Increasing in importance

New talent wants certainty, consistency and transparency. Standards need to deliver on these core aspects to continue to make the profession attractive. A renewed emphasis on the public interest and benefits of the profession will make it more attractive than a procedural, checklist driven job. New talent have an expectation to have their voice heard as well, so the profession and standard setters being transparent and open to challenge can only benefit that.

Gats-Ratings Professionals

5 – Increasing in importance

RSM International Limited

We agree that the accounting and auditing profession is facing increasing challenges in attracting new talent and retaining existing professionals that have the skillsets needed for the future of accounting. Examples include declining interest in accounting careers, fewer students pursuing accounting qualifications, a high barrier to entry in relation to other career paths and concerns about the long-term sustainability of the talent pipeline.

Globally, there are indications that fewer individuals are choosing accounting as a career path with professional bodies reporting concerning trends in enrolment and qualification uptake. In our view, these challenges appear to be structural rather than cyclical.

Role of standard-setting boards

We recognise that IESBA and IAASB are not positioned to directly address talent-pipeline issues. Responsibility for recruitment, education pathways and professional branding primarily rests with professional accounting organisations, firms and regulators, rather than the SSBs.

However, we believe that the SSBs can have an indirect influence on the attractiveness of the profession. Clear, stable and well designed standards, including those that enable innovation, support technology use and reduce unnecessary complexity, may contribute to more attractive and sustainable working environments within firms by illustrating the skillsets needed and used by assurance professionals.

We believe that younger generations may be motivated not just by technical work, but also by purpose, ethics and societal impact. SSBs may play a role in reinforcing the public-interest mandate of the profession, including its foundation in ethics, integrity, professional scepticism and trust, which may be seen as attributes that differentiate accounting from other careers.

We also believe that modern, forward-looking standards, including those addressing technology and emerging areas, including AI, may help position the profession as innovative rather than outdated, recognising at the same time the risks that these emerging technologies represent to the profession. Providing clarity around what firms can and cannot do with technology through standard-setting and non-authoritative materials may reduce uncertainty and support both recruitment and retention.

While we consider the talent challenge to be significant for the profession, we view it as a moderate priority issue for the SSBs specifically. We encourage the SSBs to remain aware of the potential talent implications of their work and to avoid actions that may inadvertently exacerbate these challenges while recognising that broader solutions lie outside their direct remit.

5 – Increasing in importance

10. Member Bodies or Other Professional Accountancy Organizations

Association of Chartered Certified Accountants (ACCA)

5 – Increasing in importance

Challenges in attracting and retaining talent are expected to continue to increase in importance, although their impact on the SSBs is primarily indirect.

Talent pressures may affect the capacity of firms to consistently apply standards, particularly where engagements require increasingly specialised skills. In addition, the complexity of standards may influence perceptions of the profession and the ability to attract and retain talent.

From an IAASB perspective, this may reinforce the importance of developing standards that are scalable, understandable, and capable of being applied effectively across different environments.

From an IESBA perspective, it may highlight the need to support awareness and consistent application of ethical principles across a changing workforce.

Addressing this trend is likely to involve continued attention to usability and implementation support, rather than direct standard setting responses.

Chartered Accountants Ireland (CAI)

5 – Increasing in importance

The evolving structure and business models of accounting firms are not the root cause of the challenges of the increased regulatory burden or maintaining the attractiveness of the profession; they are largely a response to it, reflecting firms' attempts to manage increasing complexity, risk and compliance burdens.

More fundamentally, the complexity, lack of scalability and cumulative burden of regulations, standards and requirements are presenting challenges to the attractiveness of the profession. As this burden increases it will inevitably exacerbate the difficulty for firms in attracting and retaining talent in a competitive marketplace, and where quality of output is driven by their success in this regard.

While not a primary strategic driver in itself, talent trends provide an important signal of how standards are experienced in practice, and the overall impact of how they are designed and implemented.

While standards cannot address labour market dynamics directly, their clarity, scalability and usability directly facilitate the work of accountants and so positively affect the sustainability and attractiveness of the profession. Continued focus on simplification, proportionality and consistency in standard-setting is therefore essential to support talent retention while maintaining high-quality outcomes.

European Federation of Accountants and Auditors for SMEs (EFAA)

5 – Increasing in importance

EFAA considers the challenge of attracting and retaining talent to be increasing in importance and views this as a strategic issue for the future resilience and quality of the profession. Accounting and auditing firms are facing growing competition for skilled professionals, not only from within the broader financial services sector but also from technology, consulting, sustainability, and other rapidly evolving fields that may be perceived as offering more dynamic career paths.

This challenge is further intensified by the rapid pace of technological change. Firms increasingly require capabilities in areas such as data analytics, artificial intelligence, cybersecurity, digital reporting, and sustainability assurance, where competition for qualified talent is particularly strong. From EFAA's

perspective, the ability of firms to attract, develop, and retain professionals with these skills is essential to maintaining audit quality, ethical standards, and the profession's capacity to respond to new market and regulatory demands. The challenges in attracting and retaining human talent are closely related to regulatory complexity, administrative burdens, and perception of the profession. An overly formalistic environment can negatively affect the attractiveness of a career in auditing.

EFAA therefore encourages the boards to consider the broader implications of talent shortages for the implementation of standards, quality management, and ethical compliance, particularly for SMEs and SMPs, which often face more acute resource constraints. Supporting a profession that is future-oriented, innovative, and attractive to a diverse talent pool should remain a priority.

Pan African Federation of Accountants (PAFA)

5 – Increasing in importance

Talent attraction and retention is a critical and growing challenge globally, and particularly in Africa, where competition for skilled professionals in audit, technology, and sustainability is intensifying.

This trend has direct implications for audit quality, continuity, and capacity within firms, especially SMEs and SMPs that form the backbone of the profession in many African jurisdictions.

For IAASB, there is a need to reinforce guidance on supervision, resourcing, and quality management in environments facing skills shortages, ensuring that engagement quality is not compromised by capacity constraints.

For IESBA, there is a need to reinforce ethical culture, competence, professional skepticism, and accountability expectations in contexts where firms may be under pressure to deliver with constrained or rapidly changing teams.

Overall, this trend underscores the importance of building a sustainable pipeline of talent to protect the public interest role of the profession.

Pavel Dimitrov (Union of Accountants in Bulgaria)

5 – Increasing in importance

Talent attraction and retention is a significant and growing challenge for the profession, driven by evolving skill requirements, competition from technology-driven sectors, and changing expectations of younger professionals. While not the single most urgent global priority, it has substantial implications for audit quality, ethical culture, and the long-term sustainability of the profession. A rating of 5 reflects its high importance and the need for coordinated responses in education, training, and firm business models.

Polish Chamber of Statutory Auditors (PIBR)

5 – Increasing in importance

11. Academics

European Accounting Association (EAA) Auditing, Assurance and Ethics Standard Committee

5 – Increasing in importance

The Committee highlights talent attraction, development, and retention as a structural challenge for the profession, driven by increasing complexity and rapidly evolving skillset requirements — particularly in technology and sustainability — rather than merely cyclical pressures.

The key identified impact is that sustained talent shortages can adversely affect the financial reporting process, contributing to delays in the preparation and publication of financial reports and placing strain on output quality. This has potentially significant consequences for market participants who rely on timely, high-quality financial information, with broader implications for market confidence and stability.

The Committee therefore encourages both the IAASB and the IESBA to give continued attention to this issue in their strategic planning, recognizing that a resilient and well-equipped profession is a prerequisite for the integrity and efficiency of the broader financial reporting ecosystem

Kenichi Akiba (Waseda University)

5 – Increasing in importance

12. Others

AIDS Committee of Toronto

Fraudsters are getting smarter. The profession must be ahead of that curve.

5 – Increasing in importance

Cristian Emmanuel Munarriz

5 – Increasing in importance

I think IAASB should focus on this issue through non-authoritative material focused on how accounting firms should address the impact of these issues on quality management

Wai Man (Emily) Ho

5 – Increasing in importance

14.06. 6 – Strongly increasing in importance

02. Users of Financial or Non-Financial Information

International Corporate Governance Network (ICGN)

6 – Strongly increasing in importance

Talent is critical to audit and assurance quality. The SSBs should ensure standards do not create unnecessary barriers to entry or career progression, while maintaining high standards of competence, ethics and quality. The profession will need to attract and retain talent in areas such as technology, sustainability and data, and standards should support this without compromising public trust.

This should include consideration of how standards can remain operable and principles-based in a more multidisciplinary environment, while still preserving accountability and quality.

Jane Wilson (Wilsojay Investments)

See above comment on Arthur Andersen

6 – Strongly increasing in importance

Jose Esposito (Credicorp Ltd.)

6 – Strongly increasing in importance

Koei Otaki (SMBC Nikko securities Inc)

6 – Strongly increasing in importance

03. Preparers or Issuers of Financial Statements or Other Information

Ajinomoto Co., Inc.

6 – Strongly increasing in importance

Resource shortages affect not only the quality of audit and assurance, but also companies' disclosure timelines and related costs.

Rather than aiming to improve the accuracy of all disclosed information equally, companies expect requirements to be set more realistically by prioritizing information based on its importance to users.

Companies expect that maintaining effective and efficient audit and assurance quality will be achieved through the continued recruitment and training of highly specialized professionals.

Ascendia EOOD

6 – Strongly increasing in importance

04. Those Charged With Governance

Kaori Ito (Yourmysyar Inc.)

6 – Strongly increasing in importance

Challenges in attracting and retaining talent are becoming a critical issue for the sustainability of the accounting and auditing profession. Beyond workforce considerations, this trend directly affects the availability and development of individuals capable of exercising sound professional judgment, which is essential to the credibility and long-term effectiveness of the SSBs' standards.

05. Regulators and Oversight Authorities

Botswana Accountancy Oversight Authority (BAOA)

6 – Strongly increasing in importance

A root cause analysis needs to be carried out which can then inform whether there is a need to include any specific requirements under the Human Resource element is ISQM 1, as high staff turnover has a direct impact on audit quality.

06. Jurisdictional and National Standards Setters (JSS)

Brazil Institute of Independent Auditors (IBRACON)

No.

6 – Strongly increasing in importance

Compagnie Nationale des Commissaires aux Comptes (CNCC) - Conseil National de l'Ordre des Experts Comptables (CNOEC)

6 – Strongly increasing in importance

There is cause for concern that the profession could become less attractive and that it could be difficult to retain talent if private equity investors demanded a return on investment that would require lower salaries and the hiring of less qualified—and therefore less expensive—staff.

A focus on returns could lead to the demise of the partnership system.

We do not believe that standard setting can in any way resolve this issue.

Instituto Mexicano de Contadores Públicos (IMCP)

6 – Strongly increasing in importance

Our jurisdiction has seen a decrease in the number of people which background relates to accounting and assurance skills. Other careers seem to be more attractive to young people. There is a perception that our profession is highly risky after achieving certain level of experience, demanding a lot of working hours every day; notwithstanding the need to maintain certifications and continue education programs. These facts have discouraged the new generations and impede attracting and retaining talent. Changes in the business environment and technology have pushed young talent to seek opportunities in other industries and specialties. Quality of work and compliance with policies of accounting and auditing firms faces impacts from the lack of talent and resources available in the professional market. However, the use of Technology and IA could be a new opportunity for attracting and retaining talent. We consider that this trend is more at the firm level response rather than Boards getting involved in detail. It is not clear the direction that it is intended to be taken as a potential response from the standard setting Boards.

07. Accounting Firms

AFCA Desarrollos Profesionales

6 – Strongly increasing in importance

La comunicacion y logistica es vital en la cadena de atencion y suministro de los servicios profesionales. Cuando hay alta rotacion de empleados se debilita esta cadena de valor.

Jack Schoeman (PWC)

6 – Strongly increasing in importance

The main problem is that if we cannot get the right people, audit quality will eventually suffer. The SSBs' standards should not be so rigid and manual that they drive young talent away. We do not need more legislation or more layers of regulation that make the job even more tedious. Instead the boards should modernize the rules to allow for more interesting, tech driven work. This is the only way to make the profession attractive again and ensure we have the people needed to serve the public interest.

José María Hinojal (BNFIX)

6 – Strongly increasing in importance

Shreekant Prasad (Govindham Consultancy Services)

6 – Strongly increasing in importance

08. Sustainability Assurance Providers other Than Accounting Firms

Anum Atique (Islamic Non Banking Financial Institution)

6 – Strongly increasing in importance

Keung Ho Keung Ricky

6 – Strongly increasing in importance

09. Public Sector Organizations

Audit Board of Republic Indonesia

6 – Strongly increasing in importance

Both SSBs needs to address the challenge why youngsters become less interested with accounting world

Sanford Rich (NYC Board of Education Retirement System)

6 – Strongly increasing in importance

Staff development may be a challenge for accounting firms as digital tools disrupt the typical training regimes. University education curricula must be addressed.

10. Member Bodies or Other Professional Accountancy Organizations

Asociación Interamericana de Contabilidad (AIC)

6 – Strongly increasing in importance

Es un gran atractivo para jóvenes talentos, el esfuerzo debe centrarse en su retención por tiempos significativos..

Belgian Institute of Tax Advisors and Accountants (ITAA)

6 – Strongly increasing in importance

This trend has been going on for al lot of years. We are actively leading campaigns to attract the youth and different talents.

Chamber of Hungarian Auditors (MKVK)

Talent is a strategic issue for the profession. The SSBs should keep standards high, but they should also support proportionality, understandability, and usability, so that the profession remains attractive while maintaining quality and public trust. At the Hungarian Chamber of Auditors, we also see this trend from the perspective of the profession: there are many auditors leaving the profession or retiring, while only a few are entering the field.

6 – Strongly increasing in importance

Chartered Accountants Australia and New Zealand (CAANZ)

Audit firms continue to face challenges in obtaining appropriate staff. These pressures have only increased with the introduction of mandatory sustainability reporting and assurance regimes.

In Australia we have seen a national shortage of external auditors for the last five years and this shortage is expected to continue in the future. Competition for experienced auditors and accountants is high, and the

introduction of mandatory sustainability reporting and assurance exacerbates these pressures. Accounting graduate numbers have declined, reducing the direct pipeline of graduates to the profession.

Demand in New Zealand for accounting and finance professionals is expected to exceed supply by around 8,000 roles over the next five years, in addition to existing vacancies created through normal labour market churn and retirement. While the SSBs' primary responsibility is standard setting, they need to have a strategic focus on attraction of talent to preserve the long-term viability of the profession. Where firms cannot access appropriate talent resources, audit quality may be negatively impacted.

Attractiveness of the profession is impacted by several factors, including firm culture, regulatory burden, changes to ownership models and complexity of the ecosystem that the profession operates in.

The IAASB needs to consider the impact of the pace of change, complexity and scalability of the standards on the profession with this lens, as well as what role it has in influencing culture.

The IESBA is undertaking a governance project which should consider this lens, as well as how the ethical framework intersects with the issues impacting talent, including diversification of the workforce as firms expand their services in demand to evolutions in corporate reporting.

6 – Strongly increasing in importance

Institute of Public Accountants (IPA)

6 – Strongly increasing in importance

IPA agrees with the observation that:

"Challenges to Attracting and Retaining Talent: The accounting and auditing industry is facing an increasing challenge in attracting and retaining talent, driven by perceptions of the industry as less dynamic and the allure of alternative career paths. Also, given the rapid changes in technology, firms will need to attract and retain talent, and build capacity, in areas where there is strong competition for talent."

We think this is an area that requires all stakeholders in the accounting and auditing industry (including accounting firms, accounting bodies, educational institutions, students, industry organisations) to consider how to address the above perceptions

11. Academics

Kiran Seth (Sunway University)

6 – Strongly increasing in importance

12. Others

Kazuhiro Yoshii (Securities Firm)

6 – Strongly increasing in importance

Rather than relying on the expansion of popular consulting services, audit firms should secure high-quality talent by helping potential candidates understand the significant social importance of audit and assurance services and by enhancing the appeal of these services.

Mahmoud Bilal (Unimar)

6 – Strongly increasing in importance

14.07. Letters providing separate ratings for IAASB or IESBA

06. Jurisdictional and National Standards Setters (JSS)

Accounting Professional & Ethical Standards Board (APESB)

6 – Strongly increasing in importance

Matters for the IESBA:

APESB notes that attracting and retaining talent is a significant challenge for the profession, driven by strong competition for skilled professionals, changing workforce expectations, and growing demand for expertise in technology, data, and sustainability. These pressures are occurring alongside changes in firm structures and business models, including broader service offerings and increased reliance on multidisciplinary teams.

As firms adapt to evolving market demands, it remains important that the IESBA continue to monitor how these developments intersect with ethical culture, capability and the consistent application of the Code.

American Institute of Certified Public Accountants - Professional Ethics Executive Committee and Auditing Standards Board (AICPA PEEC & AICPA ASB)

IESBA and IAASB rating: 0

Challenges in attracting and retaining talent — particularly amid rapid technological change and strong competition for specialized skills — are primarily workforce and business-model issues that are best addressed by firms, educators, and jurisdictions through training, career pathways, and practice transformation.

That said, the SSBs are part of the same eco-system with professional accountants. Accordingly, SSB standards underpin the accountancy "profession" and not the accounting and auditing "industry" as described in D.3 above. We believe this choice of words matters, as the accountancy profession is distinguished from other occupations because of its commitment to a comprehensive system built to protect the public interest (i.e., standards, ethics, licensing, training, oversight and enforcement and regulatory requirements). The distinction between "profession" and "industry" remains useful in reminding students and early career talent of this commitment.

For ethics standard-setting, IESBA should maintain a stable, principles-based code that supports professional accountants as they adapt to new technologies and multidisciplinary teams.

0 – I do not agree that this is a trend to be considered

Australian Auditing and Assurance Standards Board (AUASB)

Institut der Wirtschaftsprüfer (IDW)

3 – Slightly decreasing in importance

Challenges in attracting and retaining talent within the profession are recognized. However, they fall outside the direct remit of global IAASB and IESBA standard-setting. The attractiveness of the profession is shaped by factors such as firm culture, workload, organizational practices, the regulatory environment, and broader market expectations, which are primarily the responsibility of firms, professional bodies, and regulators.

While standards may have an indirect influence, for example through their complexity and practical application, they are not the underlying main cause of talent-related challenges. Addressing these issues through additional or revised standards would therefore be ineffective and risks extending standard-setting beyond its appropriate scope.

As noted, the complexity and lack of scalability in the standards does have an indirect impact on making the profession unattractive, in particular the complexity and overburdensome nature of the ethical standards may make the profession very unattractive. While not a primary strategic driver in itself, talent trends provide an important signal of how standards are experienced in practice and the overall impact of how they are designed and implemented.

Nordic Federation of Public Accountants (NRF)

1 – Strongly decreasing in importance

Attracting and retaining talent is a recognized challenge for the profession. However, this topic does not fall within the remit of global audit or ethics standard setting. While auditing and ethical standards may have an indirect impact through their complexity or practical application, they are not the root cause of talent related challenges. The attractiveness of the profession depends on factors such as firm culture, workload, organizational practices, regulation, and market expectations—matters for firms, PAOs, and regulators rather than standard setters

07. Accounting Firms

Ernst & Young Global Limited (EY)

5 – Increasing in importance

The sustainability of the audit ecosystem depends on the profession's ability to attract and retain talent. Workload intensity and work-life balance are the primary drivers of declining attractiveness and retention in audit, with regulation contributing through its cumulative impact on capacity rather than in isolation.

Global research (including ACCA and CAANZ) consistently identifies converging deadlines and expanding regulatory and compliance requirements as key factors increasing pressure on audit professionals. Global regulatory complexity can also exacerbate workload, raise barriers to entry, and reinforce perceptions of audit as a high-pressure career - alongside technology disruption and alternative career opportunities.

Against this backdrop, it is important that standard setters consider how their initiatives add to the overall burden on firms and individuals. Recent and ongoing IESBA projects - such as Firm Culture and Governance and the CFO project - risk increasing expectations, documentation, and accountability demands on firms and professionals whose roles already face heavy compliance pressure, including as a result of the significantly enhanced leadership and governance requirements under ISQM 1. Without careful calibration, these initiatives may unintentionally reduce the attractiveness of the profession, particularly for early career and non-traditional talent.

Consistent with IFAC's work on the Attractiveness of the Profession and the GPPC-IFAC Pathways initiative, we believe the focus should remain on workload sustainability, wellbeing, skills development, and capacity building, rather than incremental expansion of requirements. Strong oversight is essential, but regulators and standard setters should explicitly assess talent and workforce impacts when developing new standards, which should include assessing the expected consequences to the nature and extent of regulatory oversight to enforce the standard, to ensure the profession remains viable and appealing over the medium to long term.

KPMG International Limited

4 – Slightly increasing in importance

IAASB – 4 Slightly increasing in importance, IESBA – 4 Slightly increasing in importance

We believe that the trend "Challenges to Attracting and Retaining Talent" will continue to be important over the survey period, particularly as firms increasingly need to recruit individuals with specialized skills and

expertise in advanced technology, as well as subject matter experts in the assurance arena, for whom there is increasing competition.

Furthermore, the growing use of AI-enabled technology is changing the role of traditional professional accountants, with a need for firms to attract the right talent, both at the start of a career, as well as in upskilling and retaining those that are mid-career.

IAASB

While we recognize that there are significant challenges associated with attracting and retaining the right talent in firms, we believe this trend will only slightly increase in importance over the survey period in terms of being a key driver of the IAASB's strategic initiatives, in particular, in relation to core standard-setting and related activities.

We believe that the IAASB has a role to play in supporting IFAC and others in these discussions, in setting out the benefits of the role of a professional accountant and shaping a narrative about the positive aspects of the changing environment, e.g., the profession's leadership in advanced technology and AI.

IESBA

From an ethics and independence perspective, this trend raises questions about whether personal independence and business relationship requirements are appropriately calibrated for future workforce and business models. In some cases, overly restrictive or outdated requirements may act as a barrier to attracting talent and remaining competitive employers.

This trend supports continued monitoring and consideration of operability, including whether existing requirements remain fit for purpose as work models continue to evolve.

09. Public Sector Organizations

United States Government Accountability Office (GOA)

This is not a recent development in the accountability community, and we do not believe that the SSBs have a clear role in trying to resolve this issue.

0 – I do not agree that this is a trend to be considered

10. Member Bodies or Other Professional Accountancy Organizations

Accountancy Europe (AE)

0 – I do not agree that this is a trend to be considered

Challenges related to attracting and retaining talent in the profession are acknowledged. However, this topic does not fall within the remit of global audit or ethics standard setting.

The attractiveness of the profession is influenced by a range of factors, including firm culture, workload, organisational practices, regulatory environment and broader market expectations. These are primarily matters for firms, professional bodies and regulators, rather than standard setters.

While auditing and ethical standards may have an indirect impact, for example through their complexity and practical application or simplification of standard, they are not the root cause of talent-related challenges. SSBs should think or test their standards to see if it is written and organised in a way that is meaningful for a young generation.

IAASB rating: 0 I do not agree that this is a trend to be considered

IESBA rating: 0 I do not agree that this is a trend to be considered

Global Accountancy Alliance (GAA)

4 – Slightly increasing in importance

Combined Rating: 4

While talent pressures are real, we do not see this as a primary strategic driver for the SSBs beyond monitoring. Attraction and retention challenges are principally workforce, education, and business-model matters best addressed by professional bodies, firms, educators, and jurisdictions. That said, talent trends are an important signal of how standards and regulation are experienced in practice, including whether cumulative requirements, implementation demands, and the pace of change may be creating barriers to entry or making long-term participation in the profession less attractive.

We also note that the services provided by professional accountants are increasingly extending beyond traditional audit and assurance, which in our view is a positive development. Professional accountants remain subject to the Code regardless of the services they provide, and that broad ethical foundation supports trust, adaptability, and innovation in ways that serve the public interest.

We therefore encourage the IESBA and IAASB to engage directly with the GAA PAOs on talent pipeline issues across jurisdictions, including how standards, related regulatory requirements, and their cumulative implementation may affect entry into the profession, training burdens, and the long-term attractiveness of professional accountancy careers. PAOs are well positioned to provide practical evidence on how these pressures are being experienced by students, trainees, firms, and professional accountants in practice.

Institute of Chartered Accountants in England and Wales (ICAEW)

0 – I do not agree that this is a trend to be considered

IAASB rating: 0

IESBA rating: 0

While we do not consider it the role of SSBs per se to address attractiveness directly (noting IFAC has played a role with its work around "Opening doors" to the profession in November 2025), it is important that the number of standards, their length, complexity, and perceived lack of scalability does not act as a factor adversely impacting the attractiveness of the profession. Therefore, where standards have been developed to tackle some of these issues eg, the ISA for LCEs, focus should be on supporting global adoption and implementation.

ICAEW does not consider that standard setting initiatives are the primary tool to address the difficulties in attracting and retaining talent in the profession.

Institute of Chartered Accountants of Scotland (ICAS)

4 – Slightly increasing in importance

Combined IESBA and IAASB – Rating – 4

While talent pressures are clearly an issue in a number of jurisdictions, such matters are principally more appropriately addressed by professional accountancy organisations, firms, and individual jurisdictions, including regulatory bodies. Nevertheless, talent trends may provide a useful indicator of how standards and regulatory requirements are being experienced in practice, including whether their cumulative effect, implementation complexity, and pace of change may be creating barriers to entry or reducing the long-term attractiveness of the profession.

We also observe that professional accountants are increasingly providing services to clients that go beyond traditional audit and assurance engagements, which we consider to be a positive development. Irrespective of the nature of those services, professional accountants remain subject to the Code and applicable regulatory requirements, and that overarching ethical framework continues to support public trust, professional adaptability, and innovation in the public interest. The provision of such services, including assurance on sustainability-related information, may also serve as an attraction to those who are considering a career in the accountancy profession.

Accordingly, we encourage the IESBA and IAASB to engage with the accountancy profession on talent related matters, including the extent to which standards, related regulatory requirements, and cumulative implementation demands may impact the longer-term attractiveness of careers in the accountancy profession.

International Federation of Accountants (IFAC)

IFAC recognizes that attracting and retaining talent is a significant issue for the accountancy profession. However, IFAC does not believe talent attraction should be treated as a standard-setting objective in itself. While standards may have an indirect influence, for example through their complexity and practical application, they are not an underlying main cause of talent-related challenges. Addressing these issues through additional or revised standards would therefore be ineffective and risks extending standard-setting beyond its appropriate scope. Such an approach could create the wrong perception and risk undermining confidence in the independence and public-interest focus of the standard-setting process.

That said, the SSBs should consider whether standards are proportionate, understandable, scalable and capable of being applied efficiently while maintaining quality. Excessive complexity and disproportionate requirements can affect the practical delivery of audit and assurance work, increase resourcing pressures, and reduce the accessibility of the profession to future generations.

Accordingly, any relevance of talent attraction should be considered through the lens of complexity, proportionality, operability and implementation, not as a reason to weaken or redirect the purpose of the standards.

0 – I do not agree that this is a trend to be considered

14.08. No rating provided but with comments

01. Monitoring Group

International Organization of Securities Commissions (IOSCO) Committee

D.3 Challenges to Attracting and Retaining Talent – Low Influence

We recognize that challenges in attracting and retaining talent continue to affect the audit profession, including through resource constraints, shifting workforce expectations, and increasing reliance on specialists or technology-enabled delivery models. These dynamics can influence how firms organize their teams and manage audit execution, and they remain important considerations for the broader audit ecosystem.

However, their direct influence on the SSBs' standard-setting landscape is more limited. The current quality management, ethics, and independence frameworks already establish expectations for competence, supervision, and accountability, which are foundational regardless of staffing trends. Continued observation of how workforce developments evolve in practice may help the Boards determine whether any future implications arise, but at this stage we view the influence of this trend on standard-setting as relatively low.

10. Member Bodies or Other Professional Accountancy Organizations

CPA Australia

0 – I do not agree that this is a trend to be considered

D.3 Challenges attracting and retaining talent:

Important to the profession but not within the SSBs' standard-setting remit. Solutions sit with firms, PAOs/IFAC, educators and regulators. The SSBs' relevant contribution is indirect—maintaining clear, principles-based, implementable standards that do not create unnecessary complexity or compliance burden that may exacerbate talent pressures.

14.09. No specific response

01. Monitoring Group

International Federation of Independent Audit Regulators (IFIAR)

02. Users of Financial or Non-Financial Information

First Nations Financial Management Board

Sarasin & Partners

05. Regulators and Oversight Authorities

Canadian Public Accountability Board (CPAB)

Committee of European Auditing Oversight Bodies (CEAOB)

Irish Auditing & Accounting Supervisory Authority (IAASA)

Public Company Accounting Oversight Board (PCAOB) – Views of the PCAOB Chief Auditor

10. Member Bodies or Other Professional Accountancy Organizations

Consejo General de Economistas de España