20th
PUBLIC REPORT

Stepping up in the Public Interest

PIOB
Enhancing Public Interest

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20th PUBLIC REPORT

1. INTRODUCTION

The PIOB at a glance

The Public Interest Oversight Board (PIOB) is the global independent body which serves the public interest by appointing members to the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) and overseeing their standard-setting.

MISSION

Our Mission is to ensure that international standards in auditing and assurance, ethics and independence are responsive to the public interest and thereby enhance confidence in corporate reporting and in the services of professional accountants, auditors and other assurance providers.

VISION

Our Vision is for global standards prepared with multi-stakeholder perspectives to meet capital market and wider user needs, through their capacity for consistent and ethical application in the public interest.

The PIOB's Mission and Vision were revised and updated in 2024 to reflect its expanded mandate since 2021, which resulted from the Monitoring Group Recommendations, where the PIOB was given the added responsibility of Nominations. Our Mission now more clearly reflects the fact that international standard-setting relates not just to financial reporting but also to sustainability reporting and assurance, resulting in its relevance for a broader range of stakeholders.

Our Remit

OVERSIGHT

Oversight over Standard-Setting Boards´ (SSB) Standards, Strategies and Work Plans

Public interest responsiveness in terms of the Public Interest Framework (PIF) and of due process.

Provide public certification on new or revised SSB standards.

Conclude on SSB strategies and work plans.

Assessments

Performance of IAASB and IESBA Chairs.

Criteria for assessing IAASB and IESBA member performance, as set by SSB NomCo.

Review of use of IAASB and IESBA budgets in execution of Strategies and Work Plans.

NOMINATIONS

Appointments – SSB Nominations Committee Recommendations

Chairs and members of the IAASB and IESBA (the former in consultation with the PIOB and the Monitoring Group).

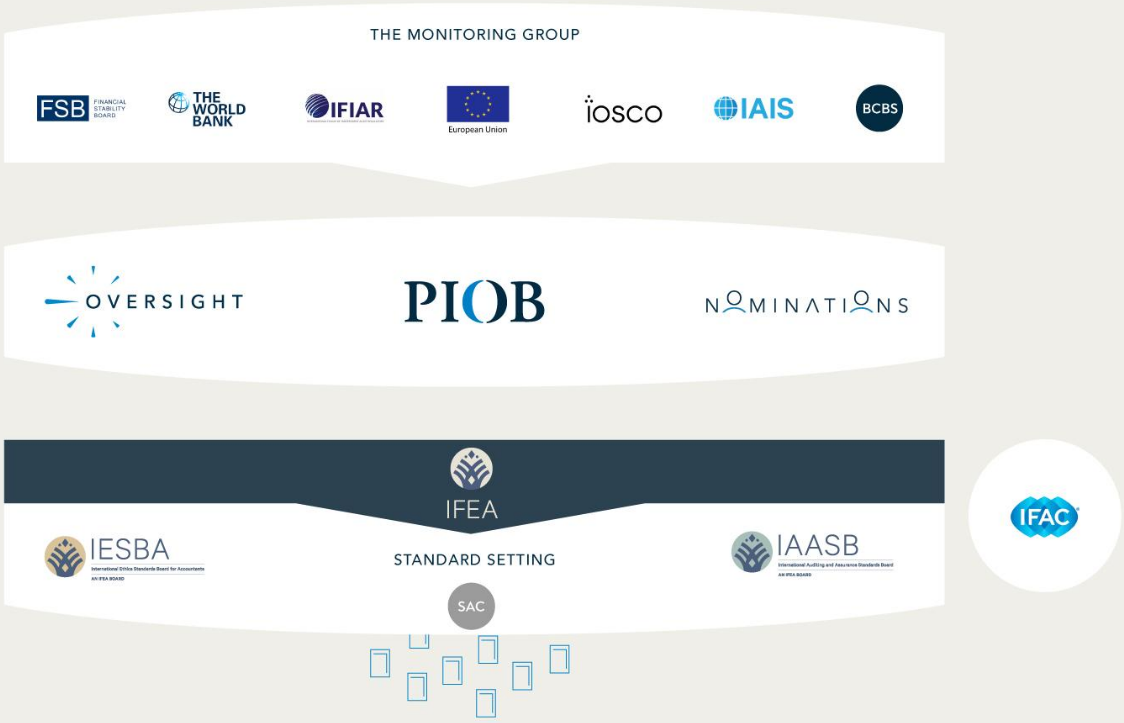
Chair of Stakeholder Advisory Committee (SAC) (in consultation with SSB Chairs).

Members of the SAC (noting that Monitoring Group designated members).

Communication and External Engagement

Supporting overall PIOB remit and strategy.

THREE-TIER STANDARD-SETTING STRUCTURE



The PIOB is accountable to the Monitoring Group and provides four of the six trustees of the International Foundation for Ethics and Audit (IFEA), which houses the two standard-setting boards, the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Board for Accountants (IESBA). The International Federation of Accountants (IFAC) nominates the remaining two IFEA trustees.

About this Report

The PIOB's annual public report provides an executive overview of who we are, how we execute our mandate, and how we contribute to the credibility and quality of international standards in auditing, assurance, ethics, and independence. To keep the report brief, concise, and user-friendly, we have provided links to the PIOB website, where more information is readily accessible.

This 2024 public report covers our activities in Stakeholder Engagement and Communication (see page 19), Oversight (see page 26) and Nominations (see page 46) carried out by the PIOB from January to December 2024, with passing reference to material developments up to April 2025 when the report was approved for publication.

The content of this report reflects the views of the PIOB. Other institutions or bodies cited herein are not responsible for its content or for any use that may be made of the information it contains.

The PIOB is co-funded by the European Union and receives support from EEA-EFTA countries (Norway, Iceland and Liechtenstein). The views and opinions expressed in this report are, however, those of the author(s) only and do not necessarily reflect those of the European Union. The European Union cannot be held responsible for them.

Co-funded by the European Union

The PIOB also receives funding from the following organizations:

ACRA AFM BCBS CFA Institute CONSOB CSR FSB Financial Services Agency Financial Supervisory Commission Republic of China (Taiwan) FSMA H2A Haute Autorité de l'Audit IAIS IFAC IFIAR IOSCO U.S. Securities and Exchange Commission RAB XRB

Please see the Funding section in this report for more information.

Message from the PIOB Chair

For me, 2024 can be defined as the year of "Stepping up"!

'Stepping up' in reporting and assurance, also beyond financial information towards sustainability. 'Stepping up' our vision and mission, notably to acknowledge the larger stakeholder groups who are beneficiaries of sustainability reporting and assurance of international standards. 'Stepping up' our effectiveness to stretch our limited resources not just to do our jobs but also to enhance our processes and output. 'Stepping up' to deliver on our mandate despite starting the year with a significant funding gap, fortunately, solved by a generous contribution in the latter part of the year.

In my message last year, I referred to the newness of ChatGPT and the rise of artificial intelligence (AI) tools. We were also considering the impact of geopolitical matters, climate change, and conflicts. Now, a year later, it seems as if these have been part of our lives forever, with a whole new set of challenges facing us.

Fully understanding the public interest in our rapidly changing world requires agility and open-mindedness.

Stepping up in Oversight

Our Oversight role in 2024 was strongly weighted toward the sustainability standards of the IAASB and the IESBA, which were certified by the PIOB in November 2024 and January 2025, respectively.

Global baseline standards had to be established, not only for assurance through the work of the IAASB in this regard. Assurance needs to coexist with ethics and independence standards for assurance providers and their experts to best respond to the public's need to be able to rely on the integrity of sustainability reports.

The recently certified sustainability standards reflect the wide relevance of properly assured sustainability information, the broader information sources and exercise of key judgments involved as well as the heightened risks, such as greenwashing, where organizations might seek to misrepresent their performance.

The step up on sustainability does not stop here. Ongoing coordinated implementation and monitoring by the IESBA and the IAASB will help share good practices, draw key lessons, and enable timely refinements.

Earlier in 2024, the PIOB completed its Oversight work in relation to the 2024-2027 Strategy and Work Plans of the standard-setting boards, which guide the focus and allocation of their priorities and resources to best effect in the public interest.

The Oversight section of our Public Report (see page 26) elaborates on our Oversight work, including standards certified during 2024.

The combination of experience and fresh eyes in our Oversight team enabled us to enhance the process, content, clarity, and speed with which we update and publish our Public Interest Issues quarterly.

Our engagement with stakeholders demonstrates the value assigned to our Public Interest Issues.

Stepping up in Nominations

In 2024, the PIOB ran the Nominations role, which it was tasked with as part of the Monitoring Group Recommendations, for the third year. We are proud that the compositions of the two standard-setting boards from 1 January 2025, reflect the Recommendations, specifically with reference to multi-stakeholder composition with the number of audit practitioner members altered from nine to five and a reduction in the size of both boards. This, of course, required care and consideration so as not to weaken the technical competence of the boards by guarding sufficient capacity and skills at both board and staff levels.

In our 2023 Public Report, we reported on the establishment of the Stakeholder Advisory Council (SAC), which is now fully functional under Alan Johnson's leadership. It held two meetings in 2024 and is already demonstrating its value as a highly diverse body capable of giving valuable strategic advice to the standard-setting boards and their Chairs.

Three years of Nominations through the PIOB's Standards-Setting Boards´ Nominations Committee (SSB NomCo) also brought us to the end of the first term served by the committee members. This led us to take stock of our processes to enhance efficiencies and reconsider the needs of the process now that the Monitoring Group Recommendations have been implemented.

We announced reappointments and changes to the Committee on December 11, 2024. Liz Murrall, the Chair, Wallace Gregory, and Mara Cameran, rotated off the Committee. We extend our sincere thanks to each one of them for their contribution to the work of the PIOB. A special word of appreciation goes to Liz, who had the very difficult task of being the inaugural Chair of a new structure.

During 2024, we also announced the re-appointment of Gabriela Figueiredo Dias for a second term as Chair of the IESBA.

Funding

The one dark cloud that the implementation of the Monitoring Group Recommendations continues to cast over the PIOB is the long-term systemic funding challenge.

As part of the Monitoring Group Recommendations, it was agreed to bring the funding of the PIOB by the audit profession below 50%. As a result, contributions from the International Federation of Accountants (IFAC), at one stage being 75% of our funding, will be phased out by 2026. Unfortunately, the diversification to alternative funding contributions has not been sufficient and timely enough to fully address our financial needs, which were extended as a consequence of the Monitoring Group Recommendations.

At the start of 2024, we again had a budgeted funding deficit. We came closer than ever before to insolvency, and we are deeply grateful to those who generously helped us bridge our funding gap for the year.

Oversight and Nominations are part of the quality and independence pillars of the international standard-setting system and should be guarded at all costs, for the sake of the credibility of the standards set by the IAASB and IESBA. This requires a long-term sustainable funding model that enables diversified funding for the whole standard-setting structure.

In conclusion

This year was the first since I joined the PIOB in 2020, in which we had the rare luxury of no changes to our Board composition after a few years of significant change. This created the opportunity to stand back and identify opportunities to look inward into our own board processes and outward to better inform ourselves and further enhance our public interest role.

At the end of 2024, we bid farewell to Begoña Giner, whose second term on the PIOB ended. It was a privilege to work with her, and she was a valuable colleague, especially with her background and European involvement in sustainability reporting matters. We wish her well!

We welcomed Han Yi, from South Korea, as a new Board member with effect 1 January 2025. Coming from a very important part of the globe and with a well-rounded background, we know his skills and experience will serve us well.

I would like to extend a huge thank you to all my Board colleagues for their unwavering commitment and support despite some very difficult challenges during the year.

Thank you, too, to Martin Manuzi, our Secretary General, whose acting position was converted into a permanent appointment on 1 March 2024. He has managed to get so much done in the past year with very limited resources and strong headwinds. Martin led our PIOB Staff from the front, and they stepped up above and beyond to not only fill certain gaps in our team but also enhance processes and enrich our work.

As always, we are grateful to our close partners in the process – the leadership of the standard-setting boards, IFAC and the Monitoring Group. A special recognition to Paul Munter, who retired as Monitoring Group Chair in January 2025. Paul was fiercely dedicated to the enhancement of the international standard-setting ecosystem and always available for guidance and support. He will be sorely missed.

Finally, thank you to our stakeholders. We appreciate your thoughtful contributions, robust engagement, and ongoing support in serving the public interest. We are particularly grateful to those stakeholders who stepped up when we most needed it to financially support the PIOB in 2024.

Linda.

Linda de Beer
PIOB Chair

2. THE VALUE WE HAVE ADDED IN 2024

Overview by the PIOB Secretary General

2024 was, without a doubt, a major year in the life of the PIOB - perhaps unparalleled in the range of successful outcomes we achieved through our "Stepping up" in our two areas of responsibility of Oversight and Nominations, which our Chair's message outlines and the report sets out in detail.

While there is reason to feel satisfied with what we achieved in 2024, the formidable funding and other constraints experienced over the last 12 months urgently require readdressing through a long-term funding solution. This is in the interest of the stability and sustainability of our Oversight and Nominations roles, which underpin international standard-setting and, therefore, the public credibility of the standards themselves.

When assuming the role of Secretary General, I underlined the importance of proactivity in our stakeholder outreach as well as continuing responsiveness to stakeholder inputs. It remains a priority to be accessible to all who have a stake in high-quality standards, to be open to hearing reasoned opinions, and to receive empirical evidence to support our work. To facilitate this, we re-articulated our Mission and Vision in 2024 to better convey our responsibilities and what we aim to achieve through them, as part of the overall international standard-setting structure.

As in previous years, it was highly informative through 2024 to engage directly with regulators and the accountancy and audit profession from all parts of the globe, both through international and regional organizations as well as, in many cases, through national organizations. However, it became more apparent than ever that further efforts are needed to incorporate other relevant perspectives, beginning with those of investors and other users, to ensure that international standards are responsive to the public interest. Stakeholder engagement in relation to audit, assurance, ethics and independence standards remains somewhat narrower than for reporting standards, for example. Engendering wider stakeholder engagement will be an enhancement that will serve to increase the public credibility of the standards.

It is vital to enhance the understanding of a wide range of actors at individual country level that have a direct stake in independently set international standards subject to public oversight, because they enhance trust in the professional services they receive and the reported information they use to make decisions. The beneficiaries of the standards are, in fact, many, for example, within the securities markets, banking and insurance sectors, and the corporate sphere more generally, as well as within the public sector and civil society. At the leadership level, we worked to engage with these beneficiaries throughout 2024, liaising regularly with the standard-setting boards and the Monitoring Group, as well as with the accountancy profession. Achieving this understanding is also relevant to achieving funding stability going forward for the PIOB's Nominations and Oversight functions as well as for the international standard-setting system as a whole.

The PIOB Board, the SSB NomCo members, and the PIOB staff all stepped up and delivered in 2024, and it is a privilege to provide steer and support to the organization as Secretary General. It is important to recognize the valuable contribution in 2024 of secondees to the staff, without whom the PIOB could not have delivered its remits in full or within the required timelines. We continue to benefit from the generous provision of facilities from the Spanish authorities - which also makes possible the hosting of standard-setting board meetings such as that of the IAASB in June 2024 - and the collaborative arrangements with IOSCO on shared facilities are much appreciated.

I hope that you will be left with the impression on reading this report that the PIOB is focused on delivering real value in the public interest while operating in an accessible, transparent, and efficient way.

Thank you.

Martin Manuzi
PIOB Secretary General

Key achievements in 2024

OVERSIGHT

- Certification of 3 IESBA standards and 1 IAASB standard
- Conclusion on the strategies and work plans for 2024-2027 for both standard-setting boards based on the Public Interest Framework (PIF)
- In person observation of all SSB meetings, 10 in total IESBA: 5, IAASB: 5
- Attended 2 SAC meetings
- Quarterly publication of Public Interest Issues
- Regular engagement with the standard-setting board Chairs: at PIOB quarterly meetings +additional quarterly virtual meetings for priority matters
- Meetings with stakeholders to better understand the issues/public interest needs

More about Oversight

NOMINATIONS

- 3rd cycle completed: Achieved transition to multi-stakeholder composition and geographic and gender diversity per the Monitoring Group Recommendations since 2021.
- IESBA Chair re-appointment and approval of Vice-Chairs and
- First transition on SSB NomCo
- First year of the SAC

More about Nominations

ENGAGEMENT

- Updated Mission and Vision to respond to the world we operate in today
- Creating platforms and engagements with stakeholders, including wider beneficiaries of the standard-setting system to raise concerns independently and understand their needs.
- Providing regular updates about PIOB activities
- Enhanced transparency through open meetings and oversight publications

More about Engagement

3. OUR PEOPLE

during 2024

The PIOB Members

To see the PIOB members' career summaries, please visit ipiob.org/who

Han Yi was appointed as PIOB Board member effective January 2025

Linda de Beer | PIOB Chair
PIOB Foundation Chair
From April 2020
IFEA Trustee (appointed in October 2022)

Begoña Giner | Board Member
From May 2021 until December 2024

Robert Buchanan | Board Member
PIOB Foundation Trustee// Audit Committee member
From April 2020
IFEA Trustee and Chair (appointed in October 2022)

Tshego B. Modise | Board Member
Audit Committee member
From January 2022

Philippe Christelle | Board Member
PIOB Foundation Trustee// Audit Committee member
From January 2023

Sandra J Peters | Board Member
PIOB Foundation Trustee
From January 2023
IFEA Trustee (From July 2023 until 1 September 2024)

Janine van Diggelen | Board Member
From May 2021

Mark Smith | Board Member
From October 2023

Tom Furusawa | Board Member
PIOB Foundation Trustee
From January 2023

Dave Sullivan | Board Member
PIOB Foundation Trustee// Audit Committee Chair
From January 2022
IFEA Trustee (appointed in July 2023)

SSB Nominations Committee Members

Liz Murrall, Mara Cameran, and Wallace Gregory rotated off the Nominations Committee on 31 December 2024.

Richard Thorpe succeeded Liz Murrall as Chair of the SSB Nominations Committee, effective 1 January 2025.

Megan Zeitsman joined the SSB Nominations Committee with effect from 20 March 2025.

To see the career summaries of the current members of the SSB NomCo, please visit ipiob.org/who

Liz Murrall
SSB NomCo Chair

Guy Andrade
SSB NomCo Member

Mara Cameran
SSB NomCo Member

Wallace D. Gregory
SSB NomCo Member

Onome Adewuyi
SSB NomCo Member

Naweed Lalani
SSB NomCo Member

Kris Peach
SSB NomCo Member

Richard Thorpe
SSB NomCo Member

Tatsumi Yamada
SSB NomCo Member

PIOB Professional Staff

To ensure that our staff thrive and perform at their best, staff needs and performance are assessed annually. Support is provided through training, technology tools, and well-being initiatives that facilitate home-office work.

Martin Manuzi
PIOB Secretary General

IFEA Trustee (appointed in October 2024)

Claudia Deodati
Oversight Director

Rocío Goudie
Communications Director

Pavel Hrivnák
Advisor Technical

Renzo Lari
Financial Controller

Nerea Lastras
Oversight Advisor

Claudia Schmiedbauer
Executive Assistant

4. STAKEHOLDER ENGAGEMENT & COMMUNICATION

The PIOB engages regularly across a broad stakeholder community. As part of our formal ongoing interactions, we work closely with those directly involved in the international standard-setting system, namely the two standard-setting boards and the Monitoring Group. Beyond this immediate ecosystem, we proactively engage with stakeholders who individually and collectively benefit from high-quality international standards to:

Enhance the PIOB's understanding of relevant perspectives and ensure that we are appropriately informed from the outset of the strategies and work plans of the standard-setting boards through the execution of the individual projects and the PIOB's Certification of standards.

This is central to our independent oversight of the standard-setting boards and is captured in our quarterly published Public Interest Issues.

Please see section Oversight (page 26).

Encourage stakeholders who will be affected by, and rely upon, the standards set by the standard-setting boards to engage with them, comment on exposure drafts, and participate in any other relevant way in the standard-setting process.

This supports our mission by bringing multi-stakeholder perspectives into the standard-setting process.

Encourage applications for membership on the standard-setting boards and the SAC from individuals with appropriate experience, insights, and capacity for innovation, thereby ensuring that standard-setting is timely, relevant, and strategically oriented to address public interest issues.

This is central to the achievement of multi-stakeholder boards with diversity in background, geography and gender across members of the IESBA and the IAASB.

Please see the section on Nominations (page 46).

Demonstrate the independence, high-quality, and public interest focus of the international standard-setting system, thereby assisting global adoption.

This aligns with our mission to enhance confidence in corporate reporting and in the services of professional accountants, auditors, and other assurance providers.

Who the PIOB engages with

Audit Regulators	Securities and Other Regulators	Investors and other users
Accountancy and Audit Profession	National and regional organizations	Policy Makers
Academics and Experts	Preparers & Those Charged with Governance	

The PIOB Chair and Secretary General lead external engagements involving PIOB members and Oversight staff as needed to communicate the PIOB's added value effectively.

The PIOB plays a crucial role in safeguarding the public interest by identifying key concerns, challenging the Chairs of the standard-setting boards on their responses, and ensuring that perspectives beyond the profession are meaningfully considered.

Stakeholder feedback underscores the need for greater engagement with end users of standards — investors, regulators, corporate governance bodies, and civil society. While the PIOB is strengthening relationships with these groups through direct outreach, many still face barriers to participation, highlighting the need for more inclusive and accessible engagement.

What we have heard regarding stakeholders´ needs

The PIOB's enhanced stakeholder engagement throughout the year has provided valuable insights into the broader pool of beneficiaries of the standard-setting system and their needs. Some key learnings include:

1. The importance of the boards´ standard-setting mandates

Upholding the mandate of the international standard-setting boards, particularly of the IESBA, and their role in developing high-quality audit, assurance, ethics, and independence standards is key for stakeholders to understand the difference between standard-setting and regulation and the importance of clear, understandable, and implementable standards.

2. The value of the Sustainability standards and their effective implementation

The timely release of the suite of profession-agnostic sustainability standards following PIOB Certification provides a strong global baseline for assurance and ethical requirements in sustainability reporting. We have heard from stakeholders that in order to enhance confidence in sustainability disclosures, effective implementation preparation will be needed to create a level playing field overtime for sustainability professionals from all backgrounds.

The PIOB has encouraged the standard-setting boards to continuously monitor the evolving global landscape and to introduce mechanisms to identify implementation issues and to rapidly address emerging risks and regulatory developments, thereby ensuring that standards remain aligned with the public interest.

> In June 2024, the PIOB hosted a private roundtable during the IAASB's quarterly meeting in Madrid to discuss sustainability reporting and assurance in Spain. Participants highlighted the importance of training for auditors and preparers, the need for clarity on double materiality, and the comparability of sustainability data. The IAASB reiterated its dedication to creating a high-quality, framework-neutral assurance standard. This roundtable underscored the PIOB's role in promoting dialogue among key stakeholders and offered insightful perspectives on the changing landscape of corporate reporting.

3. Responding to the needs of investors and other users

Presenting standards in a clear, more accessible language will help users, including investors, understand how their concerns—such as audit quality, corporate transparency, and fraud—are addressed.

As primary users of these standards, investors must have a stronger voice in the standard-setting process. Ongoing dialogue is essential to ensure their expectations are understood and their concerns are effectively integrated into standard development.

Additionally, the PIOB is working on improving how it communicates its role in serving key beneficiaries of international standards, ensuring they recognize the broader impact of audit, assurance, ethics, and independence standards.

What we have heard regarding stakeholders´ needs

4. The scalability of standards

We regularly hear about the need for scalable and applicable standards across all market segments, ensuring they deliver the same public interest benefits for small and medium-sized entities (SMEs) as they do for large companies and capital markets. The relevance of international standards for these entities is increasingly significant as SMEs represent a substantial portion of national economies worldwide and are increasingly integrated into global value chains through outsourcing and supply networks.

5. Working in a dynamic environment

The landscape of international standard-setting, the accounting profession at large, and other assurance providers is undergoing a profound transformation. This shift is driven by changes in workforce dynamics, with declining entry-level hires and low retention rates, the need to integrate specialists from non-accounting backgrounds, technological advances through reliance on technology and automation, and firm structure evolution and investment trends.

The PIOB is currently engaging in discussions with key stakeholders to understand these developments in the global market and the opportunities and challenges they pose to ensure that standard-setting continues to serve the public interest in a rapidly evolving world effectively. One key forum used by the standard-setting boards for these exchanges is the SAC.

6. The benefit of diverse perspectives in standard-setting while retaining technical expertise

Stakeholders have consistently emphasized the importance of diverse perspectives on the boards alongside strong technical expertise. A key focus has been striking the right balance—ensuring that valuable knowledge while preventing undue influence over decision-making. This underscores the PIOB's key role in Nominations to standard-setting boards, where we strive to include voices from investors, regulators, and public interest groups with the objective of helping anticipate risks, respond to emerging challenges, and uphold the public interest over industry-specific concerns.

7. Complexity of the standard-setting structure

Following the implementation of the Monitoring Group Recommendations to strengthen the international standard-setting system, some stakeholders have expressed concerns about the complexity of the new governance structure, its components (the PIOB and IFEA), and their different roles.

The PIOB acknowledges these concerns about the need to simplify the collective standard-setting structure and is committed to working on addressing this issue.

Communication activities

The PIOB develops its annual communication strategy to explain its remit, encourage participation in fulfilling its mission, and provide regular updates to stakeholders to keep them informed of progress in enhancing the public interest focus of the independent international standard-setting system.

This strategy aims to enhance the PIOB's accountability, transparency and governance.

All PIOB platforms and channels — the PIOB website, social media channels, mailings, and outreach — are aligned to convey the PIOB´s value proposition in terms of independent oversight and nominations, why it is important, and how the PIOB responds to its stakeholders' needs.

The PIOB continues to advance its transparency policy, launched in 2023, which enhances public access to its oversight process. This policy opened PIOB meetings to the public and made key oversight documents available, reinforcing transparency in decision-making.

Quarterly Oversight Publications:

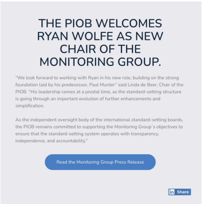
PIOB News

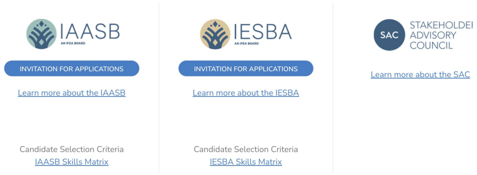
16 digital announcements.

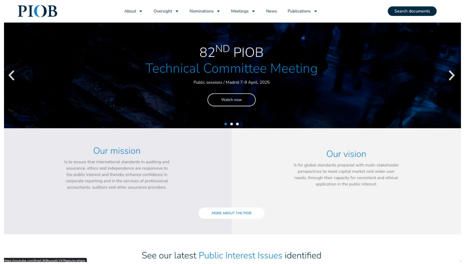
Digital communications

LinkedIn Followers: 2500

PIOB Page visits: 3200







5. OVERSIGHT

Our oversight role

Our primary aim is to ensure audit, assurance, ethics, and independence standards that are responsive to the public interest. We are responsible for overseeing the entire standard-setting process, from the four-year strategies and work plans of the standard-setting boards to their projects to update or develop new standards.

The key elements of our oversight

Ascertaining that due process has been followed, considering and balancing input from stakeholders.

Assessing the public interest responsiveness of standards in relation to the Public Interest Framework (PIF). The Public Interest Framework steps are:

1. Identify perspectives & needs
2. Define goal to serve user needs
3. Identify criteria to assess goal: qualitative characteristics
4. Weigh input from different groups (according to criteria)
5. Assess expected contribution to needs & responsiveness to Public Interest

You can follow our oversight cycle throughout the development of a standard or strategy and work plan on the PIOB website.

Our oversight role

Outcomes

PIOB Certifications

Issuing public certifications of new or revised standards stating that the PIOB:

- oversaw the standard-setting process throughout the full development cycle;
- considers that the new or revised standard was developed in a manner consistent with agreed due process; and
- considers that the new or revised standard is responsive to the public interest in accordance with the Public Interest Framework.

PIOB Conclusions

Publishing PIOB confirmations that the strategy and work plans of the standard-setting boards were prepared with the same rigor as required for the certification of standards.

You can follow our oversight cycle throughout the development of a standard or strategy and work plan on the PIOB website.

Oversight of the IESBA

Summary of PIOB Certifications and Conclusions during 2024 and up to January 2025

Name	Date
Strategy and Work Plan 2024-2027 - Conclusion	April 2024
Tax Planning and related Services - Certification	April 2024
Sustainability (IESSA) - Certification	January 2025
Using the Work of External Experts - Certification	January 2025

Public Interest Issues reflected in the final IESBA standards and the Strategy and Work Plan

Strategy and Work Plan for 2024-2027

In April 2024, the PIOB concluded on the IESBA Strategy and Work Plan for 2024-2027, which the IESBA had approved in December 2023.

Reflecting the PIOB's Public Interest Issues which had been taken into account, the Strategy and Work Plan:

- Provides clear communication to stakeholders about how the IESBA decisions are made on pursuing and prioritizing projects.
- Commits to timely completion of high-priority projects such as Sustainability and Use of Experts.
- Includes the topic of Firm Culture and Governance as a project of high relevance in light of in the most recent scandals and cases of unethical behavior in firms.
- Emphasizes the importance of revising the concept of "audit client" in the Code, as this affects the perception of the relationship with the auditors.
- Highlights the crucial importance of ongoing coordination with the IAASB for developing the IESBA projects and their delivery.
- Considers the potential expansion of the remit of the Code in full consultation with key stakeholders.

Tax Planning and Related Services

In April 2024, the PIOB certified the *Revisions to the Code addressing tax planning and related services*, which the IESBA had approved in December 2023.

Reflecting the PIOB's Public Interest Issues which had been taken into account, the standard:

- Sets high expectations for the behavior of professional accountants from different regulatory, cultural, and tax practice contexts.
- Recognizes the responsibility of management for transparency about the entity's tax strategy, policies or other tax-related matters in the financial statements or other relevant public documents in accordance with applicable reporting requirements.
- Encourages documentation of various aspects of tax planning work.

The PIOB has encouraged the IESBA to perform follow-up activities to assess whether the standard's objectives have been achieved, specifically in relation to the desired behavioral change that underpinned the launch of the workstream, and to provide updates on ongoing outreach with stakeholders beyond the accountancy profession.

Sustainability (IESSA)

In January 2025, the PIOB certified the *International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA)*, which the IESBA had approved in December 2024.

Reflecting the PIOB´s Public Interest Issues which had been taken into account, the standards:

- Emphasize the robustness of the ethical and independence requirements, which are key to addressing the public interest and stakeholders' expectations of integrity and trust in the preparation and assurance of sustainability information.
- Highlight the clarity, appropriate scope, and completeness through a 'profession-agnostic' and 'framework-neutral' approach to ensure global operability.
- Emphasize coherence and consistency within the Code and with ISSA 5000.
- Underline proportionate independence requirements for different circumstances, specifically for group assurance engagements and value chain entities and when auditors perform sustainability assurance.
- Introduce transitional provisions, which limit threats to independence during the first-time implementation.

The IESSA has been developed in an accelerated timeline to meet the expectations of users relying on reported information to the greatest extent possible. The next step is the successful implementation of the standard, which will require further work from the IESBA and significant input from regulators and those charged with governance.

Sustainability reporting and assurance are beginning their journey, and the new IESBA standard plays a crucial role in the process. It will need to evolve in line with public interest needs.

Therefore, the standard will also require monitoring, clarification as necessary, and educational efforts, especially aimed at other practitioners who are not professional accountants.

In this context, the PIOB concluded that the standard provides the key global baseline that markets and regulators need, and its implementation is therefore in the public interest.

To assist in the further evolution of the standard in line with the public interest, the PIOB has recommended the following:

- Creating a monitoring and rapid response mechanism to address any implementation challenges of the new standard, keeping an eye on the evolution of assurance practice, generally and particularly in relation to value chain component independence clauses, which have been deferred for a further 18 months beyond December 2026. The formal monitoring mechanism should lead to timely and regular public reporting of identified possible refinements and simplifications of the standard.
- Ensuring the same requirements apply to all sustainability assurance providers by extending the scope of the independence requirements in Part 4B of the Code to assurance providers that are non-professional accountants.
- Strengthening the communication between various assurance providers in cases of non-compliance with laws and regulations.

In addition, the PIOB acknowledged that ensuring integrity and trust in the preparation of sustainability information goes beyond the IESBA's mandate when considering the role of preparers of sustainability information who are not professional accountants, as it involves corporate governance and regulatory considerations.

Using the Work of an External Expert

In January 2025, the PIOB certified the *Revisions to the Code addressing the Using the Work of an External Expert*, which the IESBA had approved in December 2024.

Reflecting the PIOB's Public Interest Issues, which had been taken into account, the standard:

- Ensures external experts are subject to a similar high standard framework of ethical behavior as professional accountants, through specific requirements of competence, capabilities and objectivity.
- Highlights the role of experts in sustainability assurance and reporting.
- Implements a prohibition to use the work of an external expert in specific circumstances and clarifies the consequences of using the work of multiple experts.
- Provides appropriate calibration of requirements and application material to ensure its future enforceability.

What Public Interest Issues we have raised in ongoing IESBA projects

Ongoing Projects	IESBA planned approval date	PIOB expected Certification date
Firm Culture and Governance	December 2026	April 2027
Collective Investment Vehicles, Pension Funds and Investment Company Complexes	*	*

* This project is currently in its initial phase, and the relevant standard, if any, is expected to be approved after 2026.

In addition to the standard-setting activities, the IESBA undertakes other activities related to the adoption and implementation of its standards, coordination with IAASB, identification of emerging issues, including technology, and outreach activities. The PIOB oversees all these activities to the extent they impact the standard-setting projects.

Firm Culture and Governance

In line with the PIOB's strong support for IESBA's attention on Firm Culture and Governance Framework, the project is included in the Strategy and Work Plan for 2024-27 due to a clear need to respond to persistent cases of unethical behavior within firms.

In its published Public Interest Issues relating to this ongoing project, the PIOB has:

- Encouraged clearer articulation of the risks impacting the public interest which the project intends to address and specifically the behaviors of individuals of different backgrounds and expertise, which give rise to such risks.
- Supported the intention of the IESBA addressing risks which arise within legal structures used by firms, covering diversity of market experiences across jurisdictions, including private equity investments in firms.
- Emphasized the importance of the IESBA remaining within its remit and leaving the regulation of legal structures to regulators.
- Welcomed the IESBA's decision to consider all service lines within the firm as well as the approach to address "firms" in a complete manner, including arrangements within and across jurisdictions, often housed under "network" schemes.
- Encouraged the IESBA pursuit of targeted amendments of the Code to achieve behavioral change, rather than "compliance" steps.

In addition to the Framework, the IESBA expects to develop non-authoritative material.

Collective Investment Vehicles, Pension Funds and Investment company complexes

The revised definition of "Public Interest Entity" (PIE), completed in 2022, does not explicitly include Collective Investment Vehicles (CIVs) and pension funds, but the Code contains a strong encouragement for local bodies to explicitly consider adding CIVs and pension funds as categories of PIEs in their own jurisdictions. In this context, as encouraged by the PIOB, the IESBA is undertaking further research activities in respect of CIVs and pension funds, specifically with respect to their interaction with related entities and relationships with and between trustees, managers, and advisors.

In its published Public Interest Issues relating to this project, the PIOB has:

- Acknowledged the intention of IESBA to consider potential enhancements to independence provisions in the Code rather than reconsidering the inclusion of CIVs and pension funds explicitly in the PIE definition.

- Supported the IESBA's activities to identify to what extent there is currently a public interest "gap" in coverage of the Code and related risks arising from the absence of the specific independence provisions addressing audits of CIVs and pension funds.

- Supported the proposed way forward by the IESBA, through a consultation paper, emphasizing the importance of ensuring clear articulation of risks to the public interest.

- Encouraged that any eventual proposed revisions to the Code are tailored appropriately, also with scalability in mind, in order that they meet the public interest without unintended consequences.

For more information on the ongoing IESBA projects, visit the IESBA website.

Oversight of the IAASB

Summary of PIOB Certifications and Conclusions during 2024 and up to January 2025

Name	Date
Strategy and Work Plan 2024-2027 - Conclusion	April 2024
ISSA 5000 - Certification	November 2024

Public Interest Issues reflected in the final IAASB standards and the Strategy and Work Plan

Strategy and Work Plan for 2024-2027

In April 2024, the PIOB concluded on the IAASB Strategy and Work Plan for 2024-2027, which the IAASB had approved in December 2023.

Reflecting the PIOB's Public Interest Issues which had been taken into account, the Strategy and Work Plan:

- Focuses on standard-setting that supports the performance of high-quality audit and assurance engagements.
- Provides clear communication to stakeholders about how the IAASB decisions on pursuing and prioritizing projects are made.
- Dedicates focus and resources to sustainability assurance and the revisions of International Standards for Auditing (ISA) 240, Fraud and ISA 570 (Revised), Going Concern as priority projects.
- Proposes an integrated project for audit evidence and risk response with a focus on technology and internal controls (see Audit Evidence and Risk Response project below).
- Underlines the importance of technology as a theme throughout the suite of ISAs.
- Highlights the crucial importance of ongoing coordination with the IESBA for developing the IAASB projects and their delivery.

International Standard for Sustainability Assurance (ISSA) 5000

In November 2024, the PIOB certified the *International Standard on Sustainability Assurance (ISSA) 5000*, which the IAASB had approved in September 2024.

Reflecting the PIOB's Public Interest Issues which had been taken into account, the standard:

- Provides an overarching stand-alone standard that is 'neutral' with respect to the reporting framework and background of the assurance provider.
- Ensures consistency and alignment in the process with IESBA's ethical and independence requirements relating to sustainability (IESSA). The approach, terminology, and definitions of the two standard-setting boards is consistent and aligned to avoid confusion and support the public interest responsiveness of their respective standards.
- Uses clear, neutral, and simplified language for professionals other than accountants, as well as professional accountants, to use the standard while ensuring assurance quality. Key definitions and concepts are important in this context, such as 'sustainability information', 'disclosures,' and 'performance materiality,' which have been revised to this end.

- Embeds the concept of 'double materiality,' which should help with the applicability of the standard regardless of the sustainability reporting framework used.
- Provides strong requirements regarding the use of 'other information,' as this may be relevant in corroborating or contradicting the evidence provided by management, particularly given the likelihood that qualitative sustainability information will be less 'mature' than financial information.
- Includes the overriding principles that apply to group audits, subject to further recommendations as described below.
- Requires communication of the sustainability practitioner with the auditor subject to further development of a full two-way communication requirement. (See below)

The next step is the successful implementation of ISSA 5000, which will not only require further work from the IAASB but also significant input from assurance practitioners, regulators, preparers and those charged with governance.

As sustainability reporting and assurance are at the start of a long journey and the new IAASB standard is central to this journey, ISSA 5000 will necessarily need to evolve in line with public interest needs. In this context, the PIOB has communicated the following:

- A formal monitoring and rapid response mechanism is needed to identify any implementation issues and respond to them accordingly.
- Continued coordination with IESBA is essential during the adoption and implementation phase in view of the interoperability of their respective sustainability standards.
- An expansion of group sustainability assurance requirements, potentially in a dedicated standard, will be beneficial given the significance of group engagements and the extensive involvement of professionals other than accountants.
- Need for two-way communication between sustainability practitioners and auditors, including the issues of confidentiality and timing of sustainability and financial reporting.
- Encouraged the IAASB to consider allowing assurance providers to include Key Audit Matters in PIE assurance reporting and to consider addressing their use in the future development of the sustainability assurance standards. This would enable assurance providers to provide further insight into the significant risks encountered during the engagement.

Oversight of the IAASB ongoing projects

What Public Interest Issues we have raised in the main ongoing projects

Main Ongoing Projects	IAASB planned approval date	PIOB expected Certification date
Going Concern, ISA 570 (Revised)	Approved December 2024	Certified April 2025
Fraud (Revision of ISA 240)	March 2025	July 2025
Listed Entity and Public Interest Entities – Track 2 (Definitions and Differential Requirements for ISAs and ISQMs)	June 2025	July 2025
Experts – Narrow Scope Amendments	September 2025	October 2025
Audit Evidence and Risk Response (Revision of ISA 330, ISA 500, and ISA 520)	March 2027	July 2027

Going Concern

In 2022, the PIOB expressed support on public interest grounds for the revision of ISA 570 (Revised), *Going Concern* as a priority project. This view was taken in the context of the most recent corporate and audit failures and the additional going concern challenges placed on entities due to global economic and geopolitical risks. Consequently, auditors play an important role in serving the public interest.

In December 2024, the IAASB approved targeted revisions to ISA 570 (Revised 2024), *Going Concern*, and submitted the standard for PIOB Certification. It was subsequently certified by the PIOB in April 2025.

In its published Public Interest Issues on this topic, the PIOB has communicated the following:

- Supported the strengthening of audit procedures in relation to the identification of events and conditions that may contradict management's assessment of the entity's ability to continue as a going concern, evaluation of cash flow forecasts, underlying assumptions and scenarios, extension of the period of assessment and impact on the going concern assessment of subsequent events.

- Encouraged further dialogue with the International Accounting Standards Board about the need for enhanced reporting requirements on going concern, most notably given the noted developments in the banking sector.

- Highlighted the importance of enhancing an auditor's evaluation of management's going concern assessment based on risk assessment procedures and through the exercise of professional skepticism and professional judgment while maintaining the scalability based on the complexity of each situation being assessed.

- Called for explicit reference to going concern in auditors' reports, such as a conclusion as to whether the going concern assumption used in the preparation of financial statements was appropriate and welcomed the proposal in the Exposure Draft to include such an explicit conclusion.

- Encouraged consideration of further transparency requirements and the assessment, in case of close calls or when a material uncertainty exists, of whether 'original information' might be included in the audit report to appropriately communicate the situation of the entity to users of financial statements and ensure that the auditor meets the expectations of stakeholders.

- Supported requiring the auditor to communicate, under specific circumstances, directly with external authorities (such as regulators or prudential supervisors) in case of doubts about the entity's ability to continue as a going concern.

- Noted that additional disclosures relating to going concern have been considered for publicly traded entities in relation to the IAASB's project, Listed entity and Public Interest Entity – Track 2.

[The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements]

The PIOB maintains that it is in the public interest to strengthen the auditor's responsibilities in relation to the identification and reporting of fraud in financial statement audits, as well as the role of the auditor in addressing the risk of fraud throughout the audit process. The IAASB has approved revised ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements,* in March 2025.

In its published Public Interest Issues on this topic, the PIOB recommendations have:

- Called for strengthening and clarifying the auditor's responsibility regarding the identification and reporting of fraud in financial statement audits. The PIOB is of the view that a number of key elements in, as well as the overall tone of, ISA 240 needed to be strengthened so that the auditor understands the need to place the same level of importance on identifying misstatements due to fraud as on misstatements due to errors.
- Supported the IAASB´s proposals to strengthen the auditor´s considerations in respect of fraud, such as elements of the audit risk model (including inherent risk, internal controls, and detection risk) and their inter-relationship.
- Stimulated the IAASB to also consider aspects such as external sources of information, organizational culture, and 'tone at the top,' as well as the role of the group auditor with respect to the risk of material misstatements at the component level.
- Highlighted the benefits of an auditor reporting on any fraud they identify and providing an early warning of suspected fraud through communication with those charged with governance, external authorities, and, where appropriate, in the auditor's report.
- The PIOB also encouraged the IAASB to ascertain whether the key audit matter approach is the most appropriate means of auditor communication about fraud in the audit report.
- Encouraged the revision of the role of auditors with respect to the authenticity of documentation across the different ISAs, that could raise concerns about the degree of professional skepticism required of auditors, including elements on the robustness of audit evidence.
- Drawn attention to the role of revisions to other standards that have the potential to drive significant changes in the auditor's attitude and behavior throughout the audit process, including the testing of internal controls and the exercise of professional skepticism and judgment.
- Noted the importance of coordination with the IESBA and other stakeholders involved in the corporate reporting ecosystem while recognizing the fact that changes elsewhere in the ecosystem do not diminish the need to strengthen the auditor's responsibilities in relation to fraud.

Narrow scope maintenance of standards project on listed entity and Public Interest Entity – Track 2

These narrow scope amendments are the second phase (Track 2) of an overall project to ensure alignment between the ISAs, ISQMs, and the IESBA Code as a result of the IESBA's project on the definitions of a listed entity and PIE. The current phase (Track 2) is addressing convergence of concepts between the Code, ISQMs and other ISAs, and whether differential requirements in the ISAs should be extended to all PIEs.

After consideration of the feedback received to the exposure draft issued in January 2024 and the impact of IESBA's clarification regarding the scenario where a jurisdiction either lacks a PIE definition or has excluded one or more of the mandatory categories in the IESBA PIE definition, the IAASB finalized the provisions, adopting only the definition of Publicly Traded Entity (PTE). In February 2025, the IAASB issued the final provisions for public post-exposure consultation with a deadline for comments by 27 March 2025 and expected approval in June 2025.

In its published Public Interest Issues on this topic, the PIOB has drawn attention to the following:

- The critical importance of alignment among ISQMs, ISAs, and the Code.
- The importance of clearly articulating the decision to only adopt the definition of PTE including the rationale about why the conditional approach in the IESBA Code is not viable in the ISAs.
- The need to further consult with stakeholders about potential unintended consequences and path forward to adopt the PIE definition.

Audit evidence and Risk response

The PIOB has supported the project to revise not only ISA 500, *Audit Evidence*, but also ISA 330, *The Auditor's Responses to Assessed Risks,* and ISA 520, *Analytical Procedures*. It has done so given the public interest relevance of the multiplying sources of information for audits, the impact of the use of technology, and the relevance of internal controls, all of which require different work from auditors as well as the exercise of professional skepticism.

In its published Public Interest Issues on this topic, the PIOB has:

- Noted that the revised project scope and objectives are specific and relevant to achieve higher quality from auditors.
- Urged the IAASB to ensure that the technology consideration goes beyond embedding concepts already used in audit practice, such as automated tools and techniques, blockchain, and so on.
- Called for consideration of the following regarding audit evidence:
    - The auditor's role with respect to the relevance and reliability of information is used as evidence of possible fraudulent or unreliable sources of information.
    - Encouraging auditors, where appropriate, to seek external sources of specific information that could contradict or corroborate audit evidence obtained from the client.
    - Strengthening professional skepticism in relation to audit evidence;
    - Clarifying the minimum level of audit evidence resulting from internal control testing and its impact on the audit evidence required from substantive testing.
    - Achieving an appropriate balance between requirements and application material in the standard drives improved behavior and facilitates enforceability.
- Encouraged addressing inconsistent requirements in respect of internal controls to enhance audit quality, such as clarifying the circumstances when the auditor is required to test internal controls and how to address situations where there is a pervasive lack of internal controls within an entity.
- Underlined the deep interrelationship of this project with those of technology and fraud, among others, some of which are also on the IESBA agenda.

Technology Position

The IAASB issued a Technology Position in October 2024, to guide how the IAASB adapts its work to developments in technology. The PIOB has supported the IAASB's efforts to consider the pervasive impact of technology in a way which ensures timely responsiveness to public interest needs by enhancing audit quality. The PIOB has also encouraged the IAASB to assess the most significant findings reported recently by regulators and discuss the risks of over-reliance on technological tools in the audit (e.g., in the provision of audit evidence) and audited entities' general information technology controls.

6. NOMINATIONS

The SSB NomCo completed its third cycle of Nominations to the IESBA and the IAASB in 2024, for vacancies starting in January 2025. This cycle successfully completed the transformation of the standard-setting boards into a multi-stakeholder composition and achieved a reduction in their size within the allocated time frame set in the Monitoring Group Recommendations, albeit with a one-year deferral for IESBA on achieving the final reduction to 16 members.

The Monitoring Group Recommendations set the following objectives:

Multi-stakeholder boards comprised of a balanced group of individuals drawn from diverse stakeholder groups including amongst others: investors and other users of the financial statements, accountants, regulatory members, audit committee members, academics in the field of accounting or auditing, and audit practitioners.

Foster leadership, expertise, and diversity of thought and geography on the Board based on a defined skills matrix developed for each standard-setting board that prioritizes the public interest.

Include relevant technical expertise from audit firms and professional accountancy bodies in setting high-quality international audit-related standards while balancing the risk of undue influence by the audit profession. Standard-setting boards are limited to five audit practitioners, including those with recent experience in audits of small and medium sized enterprises and public sector organizations.

Support the standard-setting boards through an expanded and enhanced technical staff, with the capability to take forward the development of relevant, timely, high-quality standards.

Overview of the SSB Nominations cycle

In early 2025, the SSB NomCo launched the fourth SSB Nominations cycle for vacancies on the standard-setting boards starting in January 2026. This cycle will be completed by October 2025 at the latest.

SSB NomCo

Prepares and issues the global annual Invitations for Applications to the IAASB, the IESBA

Reviews the applications

Evaluates candidates suitable for re-appointment based on past performance

Interviews candidates

Makes recommendations to the PIOB for appointment of IAASB and IESBA

Due diligence checks

PIOB

Makes decisions on appointments of members, and for Chairs and Vice-Chairs, in consultation with the Monitoring Group

*Members are appointed for terms of up to three years and may be renewed for a maximum period of service of six years

*Following the establishment of the SAC in 2024, the SSB NomCo will prepare and issue global Invitations to the SAC as needed, following a similar process for PIOB appointment.

3rd SSB Nominations cycle – Summary

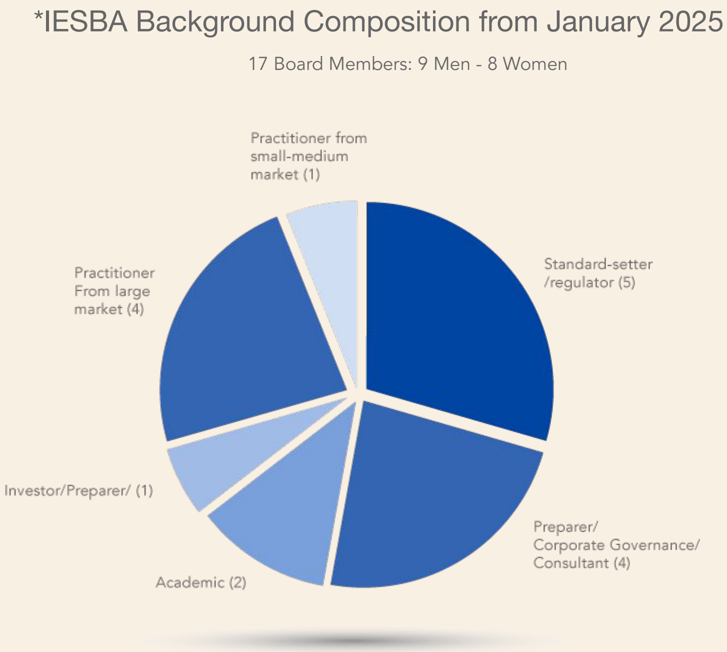
After completing the third Nominations cycle, the PIOB announced the final composition of the IESBA and the IAASB in November 2024 .

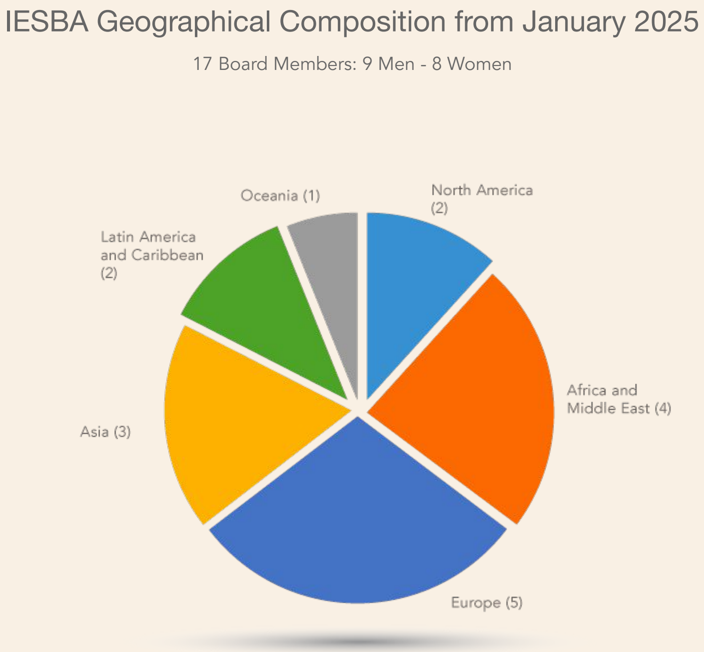
	Vacancies in the 2024 Invitations for Applications	Applications received	Interviews held	Appointments in 2025	Re-appointments in 2025
IESBA AN IFEA BOARD	6	53	12: 9 + 3 additional outreach	3 (3-year term)	3 (3-year term) 1 (1-year term)
IAASB AN IFEA BOARD	7	66	13	4 (3-year term)	2 (3-year term)

3rd cycle SSB Nominations outcomes

The PIOB approved the appointments and re-appointments to the IESBA and the IAASB, transforming both boards in terms of background, enhancing geographic diversity, and maintaining or progressing gender balance, as outlined below.

The composition of the IESBA as of 1 January 2025 is set out as follows:





*The background categories are indicative and are necessarily straddled in many cases due to diverse career experiences and breadth of expertise.

The composition of the IESBA as of 1 January 2025 is set out as follows:

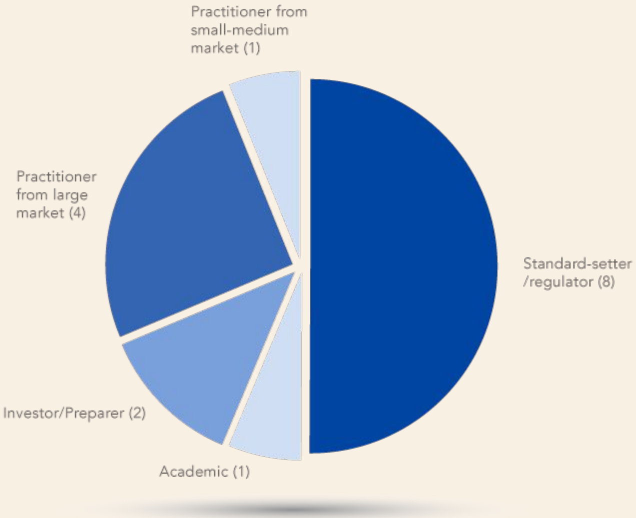
In consultation with the Monitoring Group, the PIOB re-appointed Gabriela Figueiredo Dias as IESBA Chair for a two-year term, with eligibility then for further re-appointment in accordance with the IESBA Terms of Reference.

Channa Wijesinghe was appointed as IESBA Vice Chair for a two-year term to further support the leadership efforts and contribute to the Board's strategic plans.

The composition of the IAASB as from 1 January 2025 is set out below with reference to the primary Monitoring Group objective to balance the risk of undue influence:

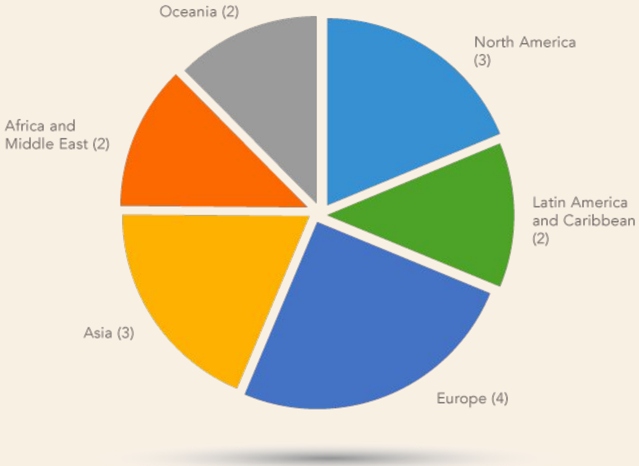
*IAASB Background Composition from January 2025

16 Board Members: 10 Men - 6 Women



IAASB Geographical Composition from January 2025

16 Board Members: 10 Men - 6 Women



*The background categories are indicative and are necessarily straddled in many cases due to diverse career experiences and breadth of expertise.

Josephine Jackson was re-appointed as IAASB Vice-Chair's term for a final year of service, continuing her support to the leadership efforts.

Stakeholder Advisory Council (SAC)

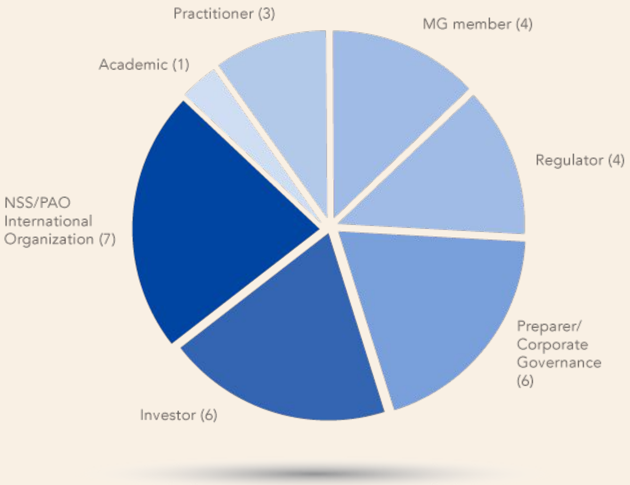
The SAC was established and began operating in 2024 to strengthen the international audit, assurance, ethics, and independence standard-setting system.

The SAC provides valuable strategic advice from a multi-stakeholder perspective to the standard-setting boards on their strategies, work plan priorities and projects, and is an important contributor to assisting them in being responsive to the public interest.

The initial SAC composition was announced in January 2024 ensuring diversity on the Committee. The inaugural SAC meeting was held in April 2024.

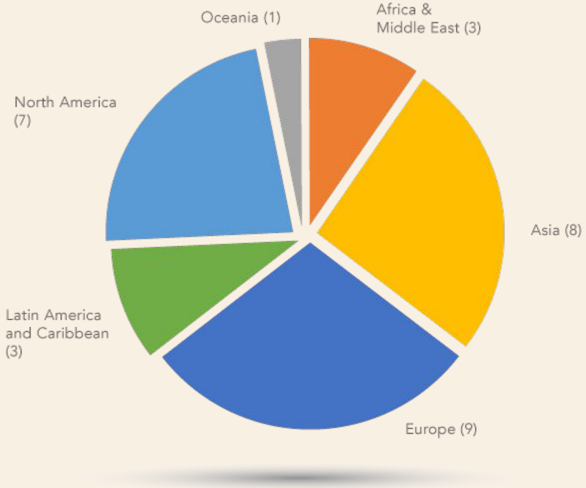
SAC Members and Official Observers by Experience - 2024

31 SAC members: 18 men - 13 women



SAC Members and Official Observers by Geography - 2024

31 SAC members: 18 men - 13 women



* The SAC composition went up to 32 members following Jennifer Haskell´s appointment in March 2025.

SSB NomCo rotations

The SSB NomCo´s Terms of Reference outlined that appointments and renewals on the Committee would be carried out to ensure an effective rotation of its members. Consequently, the first rotation was first implemented at the end of 2024.

The PIOB re-appointed the following members of the Nominations Committee: Guy Andrade, Tatsumi Yamada, Onome Joy Adewuyi, Naweed Lalani and Kris Peach.

Richard Thorpe succeeded Liz Murrall as Chair of the Committee with effect from 1 January 2025, and a practitioner member was further appointed at the beginning of 2025 to maintain three practitioner members in accordance with the Terms of Reference.

7. OUR FINANCES & FUNDING DIVERSIFICATION

Dave Sullivan
PIOB Audit Committee Chair

Activities of the Audit Committee in 2024: Report by the Audit Committee Chair

The Audit Committee has been active during the course of 2024. In the first few months the year, the Committee held meetings with the auditors (Mazars) and with the Foundation's Management (Secretary General and Financial Controller) to review the financial statements as at December 31, 2023, prepared in accordance with the International Financial Reporting Standards (IFRS), as well as the significant risks identified during the course of the 2023 audit. The matters discussed were primarily focused on the disclosures concerning the going concern principle and the material uncertainty in the financial statements, as well as the steps being taken to address the PIOB's ongoing funding needs. These financial statements were approved on April 10, 2024.

In January 2025, the Audit Committee met with the auditors to consider the proposed scope of the audit of the financial statements as at December 31, 2024.

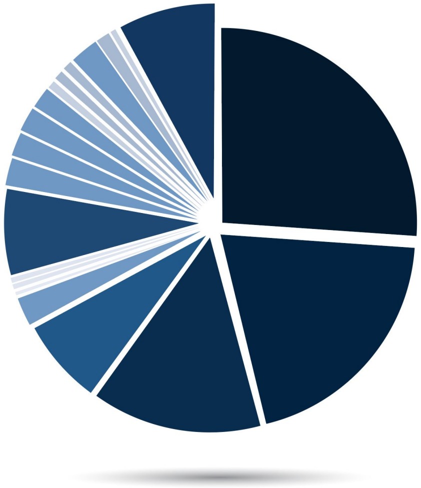
The auditor was independent, including providing no non-audit services to the PIOB.

In addition, during the course of 2024, the Audit Committee reviewed the ongoing financial performance of the PIOB and provided recommendations on assumptions related to income and expenses in the 2025 budget. The Board of Trustees approved this budget in October 2024.

I would like to thank my fellow Audit Committee members for their commitment and their insights throughout the year.

PIOB Funding Diversification

In 2024, the PIOB received monetary contributions that amounted 2,284,363 euros. Non-monetary contributions received in 2024 include an in-kind contribution from the Spanish authorities that amounted to 199,928 euros.

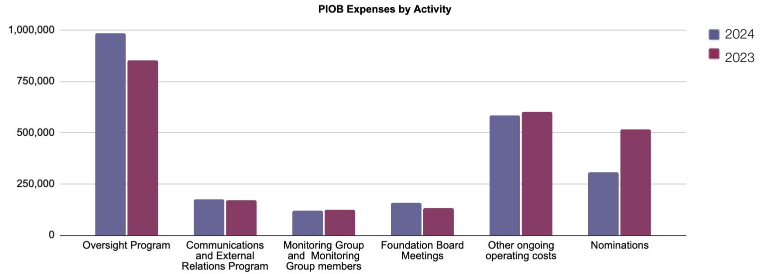


650,000 €	26.16 %	International Federation of Accountants
500,000 €	20.13 %	Audit Profession
350,000 €	14.09 %	European Commission
199,928 €	8.05 %	In-kind contribution from Spanish authorities
178,306 €	7.18 %	US Securities Exchange Commission (200,000 US$)
175,000 €	7.04 %	International Organization of Securities Commissions
59,453 €	2.39 %	Financial Services Agency (10,000,000 Yen)
59,027 €	2.38 %	International Forum of Independent Audit Regulators
54,984 €	2.21 %	External Reporting Board from New Zealand (100, 000 NZ$)
50,000 €	2.01 %	Financial Services and Markets Authority
50,000 €	2.01 %	Collége de Supervision Des Réviseurs D'Enterprises
45,001 €	1.81 %	CFA Institute (50,000 US$)
27,592 €	1.11 %	A contribution arising from a national audit inspection scheme
20,000 €	0.81 %	Haute Autorité de l'audit
15,000 €	0.60 %	Dutch Authority for the Financial Markets
15,000 €	0.60 %	Commissione Nazionale per le Società e la Borsa
10,000 €	0.40 %	Swiss Federal Audit Oversight Authority
10,000 €	0.40 %	Financial Supervisory Commission
10,000 €	0.40 %	Accounting and Corporate Regulatory Authority
5,000 €	0.22 %	Bank for International Settlements*
2,484,291 €	**100 %**	**Total Income**

(*) In 2024 and 2023, provided through FSB, BCBS and IAIS.

PIOB Foundation (1, 2) Summary Statement of Comprehensive Income

	2024	2023
TOTAL REVENUE (3)	2,484,291	2,296,552
EXPENSES		
Oversight Program	982,965	851,474
Communication & External Relations Program	173,712	170,028
Monitoring Group & Monitoring Group members	119,450	125,146
Foundation Board Meetings	155,845	132,946
Other ongoing operating costs	581,833	598,723
Nominations	305,350	517,388
Total Expenses	2,319,155	2,395,705
Surplus/ (Deficit)	165,136	(99,153)



(1) The PIOB operates as a Technical Committee of its Spanish not-for-profit foundation, La Fundación Public Interest Oversight Board ("the PIOB Foundation").

(2) In addition to local regulatory responsibilities, the PIOB Foundation is operationally and financially accountable to the Monitoring Group. This accountability includes the presentation of periodic operating reports, the PIOB's annual Public Reports, the PIOB Foundation yearly audited financial statements, and an annual budget for the Monitoring Group's review and approval.

(3) Please see detail of contributions received in 2024 in page 59.

The PIOB Foundation's auditor, Forvis Mazars Auditores S.L.P., delivered an unqualified opinion on the complete financial statements of the Foundation. The full version of these statements and the auditor's report are available separately on the PIOB website at www.ipiob.org.

List of acronyms

AI - Artificial intelligence
Code - The IESBA's Code of Ethics
ED - Exposure Draft
EC - European Commission
FSB - Financial Stability Board
IAASB - International Auditing and Assurance Standards Board
IESBA - International Ethics Standards Board for Accountants
IESSA - International Ethics Standards for Sustainability Assurance
IFAC - International Federation of Accountants
IFEA - International Foundation for Ethics and Audit
IFIAR - International Forum of Independent Audit Regulators
IOSCO - International Organization of Securities Commissions
ISA - International Standard on Auditing
ISAE - International Standard on Assurance Engagements
ISQM - International Standard on Quality Management
ISSA - International Standard on Sustainability Assurance
LCE - Less complex entity
NSS - National Standard Setters
PAIB - Professional accountant in business
PAPP - Professional accountant in public practice
PIE - Public Interest entity
PIF - Public Interest Framework
PIOB - Public Interest Oversight Board
SAC - Stakeholder Advisory Council
SSB - Standard-Setting Board
SSB NomCo - the PIOB's Standard-Setting Boards Nominations Committee

20th PUBLIC REPORT

On behalf of the PIOB, we thank all who
have contributed to the 20th Public Report.

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