Public Interest Oversight Board

2025

Public Report

PIOB
Enhancing Public Interest

INDEX

1. INTRODUCTION

PIOB

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 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 provided by 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.

For ease of reference in this report, the IAASB and IESBA are collectively known as the Standard-Setting Boards, SSBs.

The International 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 IAASB and the IESBA. The International Federation of Accountants (IFAC) nominates the remaining two IFEA trustees.

The PIOB´s value to the Public Interest

The PIOB is integral to the governance of the independent international standard-setting system for audit, assurance, ethics and independence on which the greatest proportion of the world's economies rely. The PIOB underpins and supports the independence and public interest functioning of the system through delivery of its dual remit of Nominations and Oversight. These remits combine together with the technical standard-setting work of the IAASB and IESBA to give public credibility to the international standards, and thereby inspire confidence in their adoption and implementation globally.

International standards are vital to the flow of capital within and across jurisdictions from investors and other providers of funding to companies and organizations, whose economic traction has societal benefit. The importance of the standards lies in the trust and confidence they underpin in public reporting by companies and organizations, and in the services provided by professional accountants. The standards are developed for a wide range of stakeholders, including regulators responsible for their implementation and the capital markets more broadly.

Through our Nominations remit, the PIOB ensures that the two standard-setting boards are composed of members who have the required experience and skills and diversity of backgrounds, geography and gender as befits boards working to meet diverse international needs in the public interest. The Nominations function imbues independence in standard-setting and sets out the expectation that board members, while informed by their own experience, work to public interest outcomes. As such, our Nominations remit is a critical part of public credibility.

Through our Oversight remit, independence and the public interest are supported further. The PIOB oversees the full development of standards, strategies and work plans, with continuous engagement with the two standard-setting boards and stakeholder interaction and communication as needed. Among the key features of oversight are the observation of a PIOB member at standard-setting board meetings, regular leadership and technical staff level meetings between the PIOB and the standard-setting boards, public sessions with the SSB Chairs at the quarterly PIOB meetings and the issuance of PIOB publications drawing attention to Public Interest Issues.

In all its oversight work, the PIOB is focused on qualitative assessment of standard-setting against Public Interest Framework (PIF) criteria and on respect for due process. The former gives the PIOB the responsibility, implemented via PIOB 'certification', to assess whether a new standard or a revised standard meets specific characteristics, for example clarity, relevance, implementability, scalability and enforceability. The latter ensures that standard-setting is transparent, evidence-based, and responsive to stakeholder input, while avoiding undue influence for any one stakeholder group. Taken together, the qualitative assessment and the role in upholding due process serve to maintain public credibility.

About this report

The PIOB's annual public report provides an executive overview of the PIOB's work during 2025. To keep the report concise and user-friendly links are provided to the PIOB website, where additional information is readily accessible.

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) and Kosovo. 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 further receives funding from the following organizations:

FRC | CFA Institute | CSR | Financial Services Agency | Financial Supervisory Commission Republic of China (Taiwan) | FSMA

H2A HAUTE AUTORITÉ DE L'AUDIT | IFEA | IAIS | IFAC | IFIAR | IOSCO International Organization of Securities Commissions | U.S. Securities and Exchange Commission | FAOA | XRB

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

Leadership message

Tshegofatso B. Modise
PIOB Chair, from September 2025

Martin Manuzi
PIOB Secretary General

2025 was a very busy year for the PIOB in delivering our dual remits of oversight and nominations to enhance public confidence in the international standard-setting system for audit, assurance, ethics and independence as a whole and in a number of major new or revised standards in 2025.

Certification of major standards in the public interest and due process

The PIOB kicked off 2025 with the PIOB certification of the International Ethics Standards for Sustainability Assurance and other revisions to the Code addressing ethical principles and independence for professional accountants as preparers and sustainability assurance providers. This completed the global baseline in the sustainability sphere for both ethics and audit – with ISSA 5000 having been certified end 2024. It is recognized that there is a long journey ahead for sustainability and that IESBA and IAASB standards will necessarily evolve, to retain the confidence of stakeholders across and beyond capital markets. The PIOB will oversee the coordinated implementation support efforts of the two Boards, collating experience and learnings which can enable timely refinements and, ideally, simplifications to the standards in due course.

2025 also saw PIOB certification of revised IAASB standards on Fraud and Going Concern, marking further significant enhancements to the public interest. These two standards reinforce professional skepticism and introduce stronger requirements for the auditor in identifying and responding to fraud risks and evaluating management's assessment of the entity's ability to continue as a going concern. Enhanced transparency in the auditor's report provides investors and other users with more decision-useful insights, supporting trust in financial reporting and contributing to the stability of financial markets.

The PIOB also certified IESBA revisions to the Code related to the use of the work of external experts, an increasingly critical element of multidisciplinary engagements, thereby strengthening accountability and reinforcing public confidence in engagements that rely on specialized competences. It is helpful to acknowledge that in an increasingly complex business environment of specialized competences, it is inevitable that international standards should reflect this.

The due process of the Standard-Setting Boards (SSBs) needed to be updated to reflect the implementation of the 2020 MG Recommendations, and incorporate the Public Interest Framework, to put the SSBs on a more independent footing, via the International Foundation for Ethics and Audit (IFEA). Following a review of proposals from IFEA staff, the PIOB accepted changes in April 2025 as reflecting the current practices of the IAASB and IESBA and they were made public. In accepting the changes, the PIOB acknowledged that further evolution of the due process is to come, which is on our agenda for further work.

Ongoing oversight of major standard-setting projects and new strategy cycle

PIOB certifications are but the culmination of our oversight responsibility over the IAASB and IESBA. 2025 necessarily also involved a great deal of time on projects which continue through 2026. Among the most significant are the IAASB's project on Audit Evidence and Risk Response and the IESBA's project on Firm Culture and Governance.

The IAASB Audit Evidence and Risk Response project is to strengthen the auditor's exercise of professional judgment when evaluating information gathered as audit evidence, as well as the performance of audit procedures. Quite literally, therefore, the project is setting the core of the audit for the foreseeable future. As businesses and auditors increasingly rely on digital information and new technologies, the project necessarily fits within the IAASB's broader technology initiative (including quality management at firm level), which seeks supporting responsible use of innovation, while addressing emerging risks such as those posed by the use of AI. Oversight will be robust and focused on pursuing the best balance between leveraging technology and maintaining public confidence.

The IESBA's project on Firm Culture and Governance will reach a key decision phase in 2026 in relation to ethical behavior at leadership and staff level of firms, across all the service lines – i.e. audit and assurance, advisory, consulting, tax, and other non-assurance services. Under discussion are potential changes to the Code of Ethics and the role of Non-Authoritative Material (NAM) in supporting the right culture and governance. Again, oversight will remain robust and focused on pursuing the best balanced outcome in the public interest.

PIOB focus in 2026, will include the preparatory work of IESBA and IAASB in developing their respective 2028-2031 Strategies and Work Plans (SWPs). The PIOB will be exercising an integrated oversight of the SWPs in relation to public interest criteria and optimizing resource allocation as well as in relation to SSB coordination, to ensure that standards are clear, consistent, and mutually reinforcing.

Nominations – right people with the right experience and skills

2025 was another important year within our nominations remit. Standard-setting is ultimately a 'people business', and nominations is about finding the right people with the right experience and skills. The PIOB completed the 4th nominations cycle under its direct responsibility first via re-appointments on the IAASB and IESBA. This included the re-appointment of the IAASB Chair, Tom Seidenstein for a third term, until end 2027, to take to conclusion key projects under the current Strategy and Work Plan. The filling of new vacancies involved some additional outreach to ensure full respect of our procedures in relation to having an appropriate span and size of shortlists before making appointment decisions.

In 2026, the PIOB will manage a new cycle of vacancies across the two Boards and also ensure that the composition of the Stakeholder Advisory Council (SAC) continues to be appropriate for its critical role in drawing in a wide range of stakeholder views into the standard-setting system. Suitability for the role is the primary criterion for the appointment of members to the Boards, taking into consideration the need to balance the collective skills of the SSBs, and to secure a composition that is diverse and made up of multi-stakeholders. It is of course the same for the SAC.

Working through organizational and funding challenges

PIOB 2025 achievements are to be seen in a context of significant organizational strain. Funding shortfalls were at the heart of major uncertainties throughout 2025, as the funding challenge referenced in last year's public report deepened further. The prospect of a possible insolvency hung over all of PIOB operations, with the Board working virtually throughout the year with the exception of one meeting, while other cost-reduction measures were implemented and remain in place.

The PIOB is again grateful to those who provided support, as in previous years, to close the gap in 2025 and also provide a basis for continuing operations in 2026. This support came in parallel with the pursuit of targeted bilateral and multilateral discussions with stakeholders to discuss existing strengths and opportunities for enhancing the current system, with the aim also of achieving greater funding certainty. A menu of options for future enhancements, both in the short-term and medium-term, will be considered by the PIOB and IFEA in consultation with the MG. The PIOB Board will continue to commit time and energy to this initiative with an open-mindedness to possible changes, but equally with a steadfast public interest resolve.

Acknowledgement of Board member contributions

Through the course of 2025, the PIOB Board expressed sincere thanks to four individuals who had contributed hugely over a number of years, specifically Linda de Beer former PIOB Chair, Robert Buchanan, Janine van Diggelen and Sandy Peters. Their wisdom and public interest commitment was hugely appreciated both within and outside the PIOB. A special acknowledgement is due to Linda de Beer whose term as PIOB Chair encompassed implementing the Monitoring Group 2020 Recommendations and raising the visibility of the PIOB among key stakeholders.

A closing reflection on 2025, is that of pride due to the achievements, particularly under difficult operating circumstances, and conviction that greater stability is needed for the standard-setting system to continue to achieve global adoption.

The key pillars of trust and public credibility must be maintained through robust and independent oversight and nominations, and the PIOB remains committed to following through on any Monitoring Group decision with respect to a possible enhancement of the standard-setting system through which these remits are delivered.

Tshegofatso B. Modise
PIOB Chair

Martin Manuzi
PIOB Secretary General

2. PIOB PEOPLE

PIOB Board

Career summaries: PIOB Member Profiles

CURRENT BOARD MEMBERS

Tshegofatso B. Modise
Chair
From September 2025
PIOB Foundation Chair
IFEA Chair

Dave Sullivan
Board Member
From January 2022
PIOB Foundation Trustee / Audit Committee Chair
IFEA Trustee

Philippe Christelle
Board Member
From February 2023
PIOB Foundation Trustee / Audit Committee Member

Tom Furusawa
Board Member
From February 2023
PIOB Foundation Trustee / Audit Committee member

Mark Smith
Board Member
From October 2023
Foundation Trustee
IFEA Trustee

Han Yi
Board Member
From January 2025

MEMBERS WHO COMPLETED THEIR TERMS IN 2025

Linda de Beer
Chair
PIOB Foundation Chair
IFEA Trustee
Until September 2025

Sandra J Peters
Board Member
Foundation Trustee
Until June 2025

Janine van Diggelen
Board Member
Until December 2025

Robert Buchanan
Board Member
PIOB Foundation Trustee / Audit Committee member
IFEA Trustee and Chair
Until December 2025 (July 2025 for IFEA)

PIOB Standard-Setting Board Nominations Committee

Career summaries of the current members of the Committee are available at: [SSB NomCo Member Profiles]

Richard Thorpe
Chair

Onome Adewuyi

Guy Andrade

Naweed Lalani

Kris Peach

Tatsumi Yamada

Megan Zietsman
From March 2025

PIOB staff

Claudia Schmiedbauer
Executive Assistant

Pavel Hrivnák
Advisor Technical

Claudia Deodati
Oversight Director

Martin Manuzi
PIOB Secretary General

IFEA Trustee
(from 1 September 2024)

Nerea Lastras
Oversight Advisor

Renzo Lari
Financial Controller
and Funding

Rocío Goudie
Communications Director
(until February 2026)

The PIOB Secretariat operated with a headcount of 6 staff members in 2025, due to a leave of absence of one staff member. To support nominations, an external consultant was contracted between January and May 2025.

3. OVERSIGHT

Overview

In 2025, all steps of the PIOB's oversight cycle were carried out to ensure respect for due process and the responsiveness of international standards to the public interest. As set out on the PIOB website, the cycle includes the PIOB Oversight staff´s review of the meeting documentation of the IAASB and IESBA, PIOB members' observations, analysis of comment letters to Exposure Drafts, regular engagement with the Chairs of the IAASB and IESBA and their technical teams, and discussions at PIOB quarterly meetings.

During the year, the PIOB Public Sessions to certify standards have included greater explanation of the staff's analysis of the public interest responsiveness of the standards, to ensure stakeholder understanding of the PIOB decisions on Certifications.

In 2025, the PIOB placed increased emphasis on coordination and joint working between the IAASB and the IESBA to ensure interoperability of their standards in the public interest. Specifically, a joint Public Session with the Chairs of the SSBs has been held at least every other PIOB quarterly meeting.

The PIOB maintained close engagement at both leadership and staff levels with the IAASB and the IESBA through regular update meetings and planning for the Public Session at PIOB quarterly meetings. The PIOB also participated in selected key events to gain an understanding of stakeholder perspectives and the responses of the SSBs. Specifically, the joint IFAC-IESBA global summit, "IESSA Implementation and Enhancing Future Engagement with IESBA and IAASB," held on 14 April 2025 in Paris, the IESBA Ethics and Independence Conference, held on 14 September 2025 in Lisbon, and the IAASB Technology Quality Management roundtable, held on 30 September 2025 in Brussels.

The PIOB observed all quarterly meetings and mid-quarter calls of the SSBs held during the year:

DATE 2025	FORMAT	SSB	OBSERVER
MARCH			
10-12	New York	IESBA Board	Janine Van Diggelen
18-21	New York	IAASB Board	Philippe Christelle
JUNE			
9-12	New York	IESBA Board	Tshegofatso Modise*
16-18	New York	IAASB Board	Mark Smith*
SEPTEMBER			
15-18	New York	IAASB Board	Tom Furusawa
16-19	Lisbon	IESBA Board	Janine Van Diggelen
OCTOBER			
24	Virtual	IESBA Board	Robert Buchanan
DECEMBER			
8-12	New York	IESBA Board	Robert Buchanan
8-11	New York	IAASB Board	Philippe Christelle

*Observed virtually.

The PIOB participates as an observer in the Stakeholder Advisory Council (SAC) meetings, recognizing the value of the SAC´s diverse stakeholder perspectives for the IAASB and the IESBA. In 2025, Dave Sullivan attended virtually both SAC meetings, held on May 5-6 and October 21-22, 2025, to enhance the PIOB's understanding of these broad stakeholder viewpoints and ensure they are effectively incorporated into the PIOB´s oversight activities.

Certifications and Acceptance of SSBs' Adherence to Due Process and PIF

In the context of the PIOB's oversight of all IAASB and IESBA projects during 2025, the PIOB certified the following standards:

SSB	STANDARD	DATE
IESBA	International Ethics Standards for Sustainability Assurance (including International Independence Standards) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting	January 2025
IESBA	Using the Work of an External Expert	January 2025
IAASB	ISA 570 (Revised 2024) Going Concern	April 2025
IAASB	ISA 240 (Revised) The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	July 2025
IAASB	Narrow Scope Amendments to the ISQMs, ISAs, and ISRE 2400 (Revised), as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code	August 2025
IAASB	Narrow Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert	December 2025

The SSBs' due process needed to be updated to reflect the implementation of the MG 2020 Recommendations, particularly with the move of the SSBs out of IFAC.

The PIOB Board and staff concluded a work program initiated in mid-2024 to amend the extant Due Process document in collaboration with the International Foundation for Ethics and Audit (IFEA) Managing Director and staff. The PIOB carefully reviewed and proposed changes to the documentation developed by the IFEA staff and agreed with the SSBs. On that basis, in April 2025, at a Public Session, the PIOB accepted the Integrated Due Process and Public Interest Framework Operating Procedures as reflecting the current practices of the IAASB and the IESBA, and made them publicly available for stakeholders.

In accepting this update, the PIOB acknowledged that further evolution of the Due Process is to follow, including a benchmarking against relevant international standard-setting processes. This is on our agenda for further work.

Oversight of the IAASB

Certified IAASB standards:

ISA 570 (Revised 2024) Going Concern

Given the impact of corporate and audit failures and the additional going concern risk placed on entities due to global economic and geopolitical risks, auditors have an important public interest role to play in this regard. The PIOB, therefore, considered "Going Concern" a high-priority project and supported the view that auditors should explicitly state their conclusion relating to management's use of the going concern basis of accounting and evaluate it independently from management's perspective.

The PIOB certified the Going Concern revisions in April 2025, following the IAASB´s approval in December 2024.

Reflecting the Public Interest Issues which had been taken into account, the revised standard:

- Strengthens 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.
- Enhances the 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.
- Includes an explicit conclusion in the auditor's report as to whether the going concern assumption used in the preparation of financial statements was appropriate.
- Requires 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.
- Introduces additional disclosures relating to going concern for publicly traded entities in relation to the IAASB's project, Listed entity and PIE – Track 2.
- Consulted with the International Accounting Standards Board (IASB) to ensure consistency with international financial reporting standards.

The PIOB also recommended extending differential requirements to all PIEs, which was ultimately limited to listed entities in the revised standard. The term listed entity has been replaced with the new definition of Publicly Traded Entities (PTEs) as part of the PIE-Track 2 project and further consideration about whether to extend differential requirements to other entities will be considered at a later stage (see below).

ISA 240 (Revised) The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements

The PIOB considered this a high-priority project, underlining the need for clearer and robust requirements related to fraud risk assessment, the exercise of professional skepticism, and enhanced transparency in auditor reports to serve as an early warning or further insights into how fraud risks have been addressed.

The PIOB certified the Fraud revisions in July 2025 following the IAASB´s approval in March 2025.

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

- Strengthens and clarifies the auditor´s role and responsibilities regarding the identification and reporting of fraud in financial statement audits, despite inherent limitations, 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.
- Aligns risk assessment procedures with the requirements of ISA 315 (Revised 2019), and includes specific responses to risk of material misstatements due to fraud and when fraud or suspected fraud is identified.
- Enhances transparency by providing an early warning of suspected fraud through communication with those charged with governance, external authorities, and, where appropriate, in the auditor's report.
- Strengthens the exercise of professional skepticism with respect to the authenticity of documents in the Fraud standard, while further revision of the role of auditors with respect to the authenticity of documents across the different ISAs is still needed.
- Adds a fraud lens to certain requirements related to the engagement's quality management, risk assessment, and response, and responding to non-compliance with laws and regulations (NOCLAR).
- Ensures interoperability with the International Code of Ethics for Professional Accountants (IESBA Code), in particular addressing matters related to NOCLAR.

While most Public Interest Issues have been addressed, the PIOB's further monitoring will focus on two main areas:

- The disclosure of fraud-related matters in the KAM section of audit reports, limited to listed entities (and to be expanded to PTEs), and
- The auditor's role in ensuring the authenticity of documentation.

Although additional work may be needed in these areas, the PIOB has publicly stated that the revised standard is an important step forward in enhancing the relevance and value of the audit, thereby serving the needs of capital markets and other users as well as stakeholders more broadly.

Narrow Scope Amendments to the ISQMs, ISAs, and ISRE 2400 (Revised), as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code

The narrow scope amendments represent the second phase (Track 2) of a project aimed at aligning the ISAs, International Standards on Quality Management (ISQMs), and the IESBA Code, particularly following the IESBA's work on the definitions of a listed entity and PIEs.

The PIOB has emphasized during its oversight that the definition of PIE is crucial to determine the categorization of entities for the application of stricter (differential) requirements in the ISAs, ISQMs, and the IESBA Code on the grounds of heightened expectations over the audit of these entities because of the significance of the public interest in their financial condition.

During the development of the narrow scope amendments, the IAASB noted that the adoption of the IESBA's definition of PIE would pose the risk of jurisdictional differences in the application of the ISAs, as allowed by the IESBA Code. To avoid this risk, the IAASB proposed to adopt only the definition of "Publicly Traded Entity", one of the categories of the IESBA's PIE definition.

Given the significance of the changes introduced by this approach compared to the approach in the Exposure Draft and encouraged by the PIOB to further engage with stakeholders, the IAASB issued a post-exposure consultation in January 2025, articulating the rationale for its decision and seeking feedback on any potential unintended consequences. The IAASB finalized the provisions by adopting solely the PTE definition and replacing the term listed entities with this new definition.

The PIOB [certified the PIE Track 2 amendments] in August 2025, following the IAASB approval in June 2025.

The PIOB issued a [public release] in late August 2025, which referred to the IAASB's approach as a pragmatic first step towards alignment with the IESBA Code and to further consider extending differential requirements in the IAASB standards to all categories of PIEs.

The PIOB emphasized the need for continued efforts to achieve a global PIE definition with categories beyond PTEs, a position which is further articulated in our Public Interest Issues. The PIOB considers that a joint IAASB and IESBA project should begin promptly, incorporating evidence from the IESBA's post-implementation review of its PIE definition in 2027.

Narrow Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert provisions

This project was a consequence of related revisions to the IESBA Code on Using the Work of an External Expert. When PIOB certified it in January 2025, it was acknowledged that relevant IAASB standards required limited narrow-scope amendments in near future. Therefore, the development and approval of IAASB's Experts' Narrow-Scope Amendments had been a necessary step to enhance interoperability and consistency between the IAASB's standards and the Code. Consequently, the PIOB oversaw the development of the IAASB's Experts' Narrow-Scope Amendments.

PIOB certified the IAASB's "*Narrow Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert*" (Experts' Narrow Scope Amendments) in December 2025.

Ongoing IAASB projects and other activities:

Audit Evidence and Risk response (ISA 330, ISA 500 and ISA 520)

The PIOB has supported the project to revise not only the ISA 500, Audit Evidence, but also ISA 330, *The Auditor's Responses to Assessed Risks*, and ISA 520, *Analytical Procedures*, given the public interest relevance of harmonizing the requirements of these standards for better and more consistent audit methodologies. Besides the audit evidence aspect, this involves the impact of technology use and the relevance of internal controls, all of which require different levels of work effort by auditors as well as the exercise of professional skepticism.

In its published Public Interest Issues on this topic, the PIOB explains its oversight approach to this project, including key messages communicated to the IAASB and other stakeholders. Specifically, the PIOB has:

- Emphasized that the revised project scope and objectives are relevant to achieving a higher quality of audits.
- Called for consideration of the following matters regarding audit evidence:
  - The auditor's role with respect to evaluating the relevance and reliability of information that is used as audit evidence and the identification of possible fraudulent information 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.
  - Encouraging transparent communication about its intentions on how to address substantive procedures for material classes of transactions, account balances and disclosures, considering the views of different stakeholders, including regulators, before making the final decision.
  - Achieving an appropriate balance between requirements and application material in the standard to drive improved behavior and facilitate 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.

- Welcomed the IAASB's approach to address the increasing influence of technology in audits by proposing principle-based requirements for using technological tools including when evaluating audit evidence relevance and reliability. This should involve ensuring that the technology consideration goes beyond embedding concepts already used in audit practice. The importance of engaging with regulators to understand their perspective in respect of risks associated with technological advancements in auditing is also emphasized.
- Underlined the deep interrelationship of this project with those of Technology Quality Management (see below), as well as a similar technology initiative which is on IESBA's agenda.
- Emphasized the importance of consistently reinforcing the exercise of professional skepticism to adequately detect and respond to risks of falsified documents.

Technology Quality Management

Digitalization is transforming the audit profession, changing the methods and skills auditors require as organizations increasingly adopt new technologies for financial and non-financial reporting. Apart from dealing with the influence of technology on audit evidence (see above), the IAASB is addressing these new risks holistically through its standard-setting and other activities, including the release of "The IAASB's Technology Position" back in September 2024, a framework that outlined the impact of technology on audit and assurance engagements. By March 2025, the IAASB conducted a gap analysis of the ISQMs and the ISAs and released a Catalog of Issues and Possible Actions to enhance them, with periodic updates since then.

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

- Supported the IAASB's focus on technology in auditing standards, emphasizing the need for timely responses to enhance audit quality and the transformative potential of technologies, like data analytics and AI.
- Welcomed the ambition of the IAASB around emerging technologies to enhance the value and relevance of audit and, thereby, at the same time, promote the attractiveness of the profession.
- Encouraged the IAASB to clearly articulate, with reference to the public interest, the challenges that the technological initiative is aiming to address, including the opportunities and risks arising from technology, in the context of the current audit model. At the same time, a common understanding is needed between auditors and users with respect to the scope of the audit and the level of assurance, to avoid a possible widening of the expectation gap.

- Welcomed the IAASB's initiative of holding roundtables with various stakeholders, considering it as an important part of the due process and the IAASB's intention to use other formats of outreach, including one-to-one discussions, in order to achieve a comprehensive and deep understanding of how firms are approaching the usage of emerging technologies.
- Encouraged understanding of how the emerging technologies are used by preparers and users of both financial and non-financial information, and how it impacts the role of audit and assurance in enhancing confidence in corporate reporting. Therefore, further outreach with these stakeholder groups is key to gaining a holistic understanding of public interest issues that should be addressed in this project.
- Acknowledged the need for agility to address emerging technologies and the IAASB's intention to consider using non-authoritative materials to support consistent application of its Quality Management Standards.

ISRE 2410 Review of Interim Financial Information

ISRE 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* has remained largely unchanged since its issuance in 2005, resulting in inconsistencies in practice and an increased risk of jurisdictional divergence due to the development of local standards.

Interim financial information provides periodic updates about the financial performance of an entity throughout the year, and its review by the auditor enhances the confidence of the intended users of that information. Trustworthy and timely financial information becomes particularly relevant for investors and users in contexts of high volatility and rapid change.

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

- Supported the revision of ISRE 2410 to enhance auditor guidance in the performance of review engagements of interim financial information as a matter of public interest.
- Emphasized the need to consider carefully the balance between requirements and application material to ensure the standard can be interpreted consistently and enforced, especially in areas such as materiality, groups and first-time review engagements.
- Highlighted that, as interim reviews are designed to achieve limited assurance, the revision of the standard should provide clear guidance to auditors on the work effort required and ensure that review reports are also clear for users in respect of the level of assurance obtained.

Maintenance of the ISA for Less Complex Entities

The IAASB approved the ISA for Less Complex Entities (LCEs) in 2023 (certified by the PIOB in December 2023) which was effective in December 2025. The IAASB committed to maintaining the ISA for LCEs after a period of stability of at least three years to allow adoption and implementation before introducing further revisions.

In December 2025, the IAASB approved its approach to the maintenance of the ISA for LCEs and published it in January 2026. The IAASB also approved the project proposal for the first maintenance project, that will consider the recent revisions related to Going Concern, Fraud, Public Interest Entities and Experts.

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

- Supported the maintenance project to address relevant revisions to ISA 570 (Revised 2024), ISA 240 (Revised) and other narrow scope amendments. Incorporating the relevant principles of these revisions should reduce the risks that the ISA for LCEs is perceived as a lower quality standard or is achieving less than reasonable assurance.
- Emphasized that an important aspect of the standard's public interest responsiveness remains achieving the balance between the scalability and proportionality of the standard and ensuring that the standard enables the same level of assurance and audit quality as when applying the full suite of ISA.
- Highlighted that the IAASB needs to continue to find the right balance between maintaining the ISA for LCEs updated with the core principles in the ISAs, as they are subsequently revised, and the stability of the standard, avoiding frequent revisions that could impair its consistent implementation.

Oversight of the IESBA

Certified IESBA standards:

International Ethics Standards for Sustainability Assurance (including International Independence Standards) and Other Revisions to the Code Relating to Sustainability Assuranceand Reporting

Sustainability reporting has wide relevance for users both within and outside of capital markets and it requires additional information sources and the exercise of key judgments beyond financial reporting. There are also heightened risks, such as greenwashing, where organizations might seek to misrepresent their performance. Avoiding such risks, which could undermine public trust and capital flows into sustainable development, is clearly in the public interest.

In January 2025, the PIOB certified the International Ethics Standards for Sustainability Assurance (IESSA), which the IESBA 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 and appropriate scope through a 'profession-agnostic' and 'framework-neutral' approach to ensure global operability.
- Emphasize coherence and consistency within the IESBA Code and with ISSA 5000.
- Establish proportionate independence requirements for sustainability assurance providers applicable for different circumstances, specifically for group assurance engagements and value chain entities.
- Introduce transitional provisions, which limit threats to independence during the first-time implementation.

As sustainability reporting and assurance are at the start of a long journey and the new IESBA standards are central to this journey, both in its public release and the Public Interest Issues, the PIOB has emphasized that the IESSA will need to evolve in response to public interest needs in the following areas:

- Establishing a formal monitoring and response mechanism to address implementation issues.
- Continued coordination with the IAASB around implementation efforts.

- Timely two-way communication among all relevant assurance providers concerning issues of non-compliance with laws and regulations.
- Achieving a level playing field for all sustainability assurance practitioners by addressing the difference in the application of the IESBA Code between professional accountants and other practitioners who are not professional accountants, for the benefit of users of reliable and trustworthy sustainable information and the quality of its assurance.

Overall, both IESSA and ISSA 5000 set a vital global baseline for assurance practices, reflecting current expectations for reliable sustainability reporting.

Using the Work of an External Expert

The IESBA's "*Using the Work of an External Expert*" (the "Standard") was an important standard in the context of the increased use of experts by professional accountants in general and by sustainability assurance providers, in particular. It brought clear competence, capabilities and objectivity requirements for external experts in an assurance context or in providing non-assurance services, and it clarified to professional accountants and sustainability assurance practitioners what factors they should consider to be confident that the expert is objective, and the work of such expert can be used and relied upon. During the development of the Standard, the PIOB has emphasized public interest needs in the following areas:

- The clarity of scope and the definitions used by the Standard.
- Resolution of the situation of using multiple experts.
- Presence of prohibition clauses when the expert´s competence, capabilities or objectivity has been evaluated as not sufficient.
- Interoperability of the Standard with the rest of the Code as well as with technical auditing and assurance standards, namely with ISSA 5000 on sustainability assurance and with ISA 620 on using experts.

Having concluded satisfactory resolution of these public interest issues, PIOB certified the Standard in January 2025.

Ongoing IESBA projects and other activities:

Firm Governance and Culture

The PIOB has expressed strong support for the Firm Culture and Governance project due to a clear need to respond to persistent cases of unethical behavior within firms and to consider the broader issue of how organizational culture and governance of firms might impact ethical behavior and compliance with the IESBA Code. This project has been on the IESBA´s agenda since the beginning of 2024 and received more oversight attention than any other IESBA project in 2025.

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 to address risks that arise within whatever legal structures are used by firms, covering the 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's pursuit of targeted amendments of the IESBA Code to achieve behavioral change, rather than "compliance" steps.
- Highlighted the importance of addressing "firms" comprehensively, taking into consideration the interplay between traditional service lines, such as audit, with others that are not necessarily undertaken by professional accountants.
- Stressed the need for close coordination with the IAASB, ensuring the Framework's interoperability with ISQM 1 and avoiding overlaps between ethical and quality management standards.
- Highlighted the potential issue of compatibility with local legislation and ensuring that public benefit is achieved in a neutral way with respect to market structure.

In June 2025, the IESBA decided to recalibrate the project, focusing first on developing supporting materials rather than immediate standard-setting. The PIOB acknowledged this sequencing, emphasizing the need to gain practical insights before drafting the principles-based Framework. In this context, the PIOB views the supporting material, including the "Viewpoints" developed, as a stepping stone for the future Framework, which should ensure that the project's intended outcome is fully maintained in rebuilding and maintaining trust in firms in the public interest.

Collective Investment Vehicles (CIVs) and Pension Funds (PFs)

The PIOB supported the revised definition of Public Interest Entity in 2022, although it did not include Collective Investment Vehicles (CIVs) and Pension Funds (PFs); however, it encouraged local bodies to consider including them in their local definitions. The PIOB actively urged the IESBA to undertake further research on CIVs and PFs, with particular attention to their relationships with trustees, managers, and advisors.

As part of the 2024-2027 Strategy, the IESBA has discussed the project on CIVs and PFs, finding that some third-party managers are not recognized as "audit clients" or "related entities" under current definitions. This could lead to inconsistent application of the ethical framework. After considering the feedback to a Consultation Paper, the IESBA decided to commission the development of non-authoritative materials to provide clarity and further guidance in the application of the conceptual framework.

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

- Endorsed the exploration of the potential public interest gap in the IESBA Code related to audits of CIVs and PFs, emphasizing the need to analyze how auditors currently assess independence in these contexts.
- Supported the decision to commission the development of non-authoritative material to provide guidance on the application of the conceptual framework and noted that a phased approach could be considered over-time to develop application material in the Code.
- Encouraged the IESBA to consider similarities between CIVs, PFs, and private equity investments to ensure consistent treatment in the IESBA Code.
- Emphasized that any revisions or guidance must address public interest risks while being scalable and avoiding unintended consequences.
- Encouraged the IESBA to further engage with the investor community to gain deeper insights into the key concerns and challenges surrounding auditor independence in the context of CIVs, PFs, and similar structures, and to explore potential approaches for effectively addressing these issues.

Private Equity Investments

Private Equity Investments (PEI) in audit firms have been increasing as firms seek capital to expand and invest in technology. This trend is significant for ongoing initiatives by the IESBA, particularly in areas such as Firm Culture and Governance, and Collective Investment Vehicles. In July 2025, the IESBA issued a Staff Alert to guide the application of ethical standards to various PEI structures.

Through its published Public Interest Issues, the PIOB is urging the IESBA to clarify how it plans to address ethics and independence considerations related to PEIs beyond the Staff Alert, and to coordinate with the IAASB on risk assessment related to PEIs in the context of their quality management standards. Collaboration is essential for consistency in their approaches.

Technology

As digitalization is profoundly impacting the role of professional accountants, transforming the conduct of their work and the skills required to perform their role, new risks with respect to ethics and independence have appeared.

The PIOB had previously welcomed the IESBA's technology-related revisions to the IESBA Code and resource materials for professional accountants.

In its Public Interest Issues the PIOB has:

- Acknowledged IESBA's commitment to remain attentive to feedback on the usefulness of these materials and market developments of emerging technologies overall, continuously identifying gaps with real-world challenges.
- Welcomed IESBA's plan to provide professional accountants with new practical guidance, specifically in light of fast-moving developments in Artificial Intelligence.
- Encouraged the IESBA to liaise closely with the IAASB with respect to its important technology-related project, with a view to anticipating any significant impacts on ethics and independence.

Potential Expansion of the Code beyond professional accountants

The IESBA's 2024-2027 Strategy and Work Plan includes a consideration for expanding the scope of the IESBA Code to apply to practitioners beyond professional accountants. In its Public Interest Issues, the PIOB has noted this intention, emphasizing the need for the IESBA to clearly communicate the benefits and risks of any potential expansion from a public interest standpoint. Engaging with various stakeholders, including investors and regulators, is crucial to assessing potential unintended consequences of such an expansion. The process will require careful evaluation of priorities and resources, as well as a focus on maintaining the distinction and complementarity between the IESBA's ethics standards and regulatory functions. Overall, a thoughtful and evidence-based approach will be essential to ensure the IESBA Code remains relevant and effective in serving the public interest.

SSB coordination and non-authoritative materials

Coordination between the IAASB and IESBA

The PIOB has significantly increased its attention in 2025 to the interconnectedness of ethics and audit, emphasizing that the two sets of standards must be interoperable to serve the public interest effectively. As noted, the PIOB has instituted a regular joint IAASB-IESBA session as part of the PIOB quarterly meetings.

The IAASB and IESBA already coordinate during standard development, but a joint approach will enable the SSBs to identify risks, opportunities, and impacts at an early stage for topics that overlap between ethics and assurance. Clear communication of these matters will enhance stakeholders' understanding of the respective roles of ethics and assurance, as well as their interdependence. The PIOB has suggested that the SSBs go beyond collaboration, especially on complex and overlapping topics. Joint efforts could include joint board sessions, joint project teams, and potentially also recasting some projects as joint projects. In its Public Interest Issues, the PIOB encourages the SSBs to consider whether to take such action in the following areas:

- Implementation of the sustainability standards.
- Definition of PIE.
- Technology.
- Firm Culture and Governance.
- Evolution of the use of non-authoritative materials.

In this context, the PIOB has expressed strong support for the proposal of a joint survey by the IESBA and the IAASB to inform the preparation of the next Strategy and Work Plan cycle, thereby raising awareness among stakeholders of the critical role that the SSBs play in developing high-quality, interoperable ethical and assurance standards.

Evolution of the use of non-authoritative materials by IAASB and IESBA and Oversight

Non-authoritative material (NAM) provides practical, voluntary guidance to help in the application of the IAASB standards and the Code, supporting their consistent implementation and application in practice. In a number of ongoing workstreams of both the IAASB and IESBA, questions are arising about this hierarchy in view of the evolution of NAM and the role of public interest oversight.

In this context, in its Public Interest Issues the PIOB has:

- Noted that NAM is considered a timely and effective tool to support consistent application of principles-based standards in practice, such as ISQM1, and the Code, allowing IAASB and IESBA to address specific circumstances, the rapid evolution of emerging technologies, and raise awareness while maintaining their principle-based nature.
- Acknowledged that NAM development may be going beyond its traditional use, raising questions given that NAM is not subject to formal due process, public consultation or PIOB certification.
- Emphasized the need to balance agility in rapidly changing environments with adherence to due process, transparency, and public interest oversight. Among the key issues to address are leveraging specialized expert input with limited consultation while retaining the IAASB´s and IESBA's ownership and accountability for NAM content.
- Recognized that public interest oversight may also need to evolve to help achieve this balance.
- Underscored that public interest oversight serves to ensure that an enhanced use of NAM does not replace standard-setting where this is needed to meet the public interest.
- Noted that there may be parallels between how the IAASB and IESBA are using NAM and called on them to coordinate their efforts with a goal of establishing transparent and consistent processes for both boards, to strengthen the credibility and authority of their NAM and responding to the public interest, to the extent possible outside of the due process for setting authoritative standards.

4. NOMINATIONS

SSB Nominations Committee (SSB NomCo) composition

In October 2024, the PIOB undertook a performance assessment of the SSB NomCo members and the Chair in preparation for the first rotation of membership since assuming responsibility for nominations, as envisaged under the SSB NomCo´s Terms of Reference. All observers at SSB NomCo meetings, including the MG Chair and Chairs of the SSBs, provided feedback.

The outcome of this first rotation of members, including the Chair, was announced in December 2024. An additional appointment was announced in March 2025 to ensure the Committee's appropriate composition with respect to practitioners. This timeline ensured the Committee was prepared for the launch of the 4th SSB nominations cycle undertaken in 2025.

At the same time as effecting the change of composition, the PIOB reviewed the remuneration basis for the SSB NomCo members, on the grounds that the Committee had reached a 'steady state' after the initial set-up period when the operating procedures were set.

During March (5 and 24) 2025, two information sessions were held with the participation of PIOB Oversight staff and SSB staff to update the SSB NomCo members on the current projects of the SSBs. This was to ensure that SSB NomCo members were sufficiently informed to evaluate applicants in light of the specific needs of the SSBs and the PIOB's responsibility to ensure public interest responsiveness.

The SSB NomCo held the following virtual meetings in 2025 in relation to the 4th nominations cycle:

- 3 February
- 4 June
- 8 July
- 11 September
- 3 October

4th SSB nominations cycle and outcomes

The 4th SSB nominations cycle, launched in Q1 2025, involved three members eligible for re-appointment (one for the IAASB and two for the IESBA) at the end of the year, and one new vacancy on each SSB. A new approach was taken to sequence the evaluation and decision on members eligible for re-appointment before issuing public Invitations for Applications. This made the communication of actual, as opposed to potential, vacancies clearer.

The SSB NomCo process for evaluating the SSB members eligible for reappointment included:

- Consideration of the outcome of 2024 performance as assessed by the Chairs of the SSBs in relation to the Member Performance Evaluation criteria set by the SSB NomCo, and;
- Testing via interview of the recommendations from the Chairs of the SSBs.

The two Invitations for Application were issued on 10 March 2025 with a response deadline of 11 May 2025, specifying the number of new vacancies: one practitioner member for the IESBA and one individual from a diverse background other than a practitioner for the IAASB. The launch occurred later than in previous cycles; however, the application period remained the same length of two months' duration.

Invitation for Application to the IAASB

Invitation for Application to the IESBA

The campaign to support the Invitations was proportionate to the size of the rotation cycle, comprising the issuance of two press releases, mailings via the PIOB contact database, and a focused LinkedIn campaign (see below).

Additionally, targeted outreach was conducted directly with all MG member organizations, IFAC leadership, the Forum of Firms Chair, and the GPPC. The SSB NomCo members, the Chairs of the SSBs, and the PIOB members were also asked to leverage their networks.

Member re-appointments and new appointments

In February 2025, the PIOB approved the SSB NomCo's recommendations to re-appoint all members eligible for re-appointment except for one member on the IESBA. The SSB NomCo's recommendations were based on the SSB Chairs' performance evaluation of the SSB members eligible for re-appointment and an interview.

In respect of the IESBA vacancy, 17 eligible applications were evaluated, and four candidates were interviewed in July 2025. The SSB NomCo submitted one appointment recommendation for a three-year term for PIOB approval in late August 2025.

In respect of the IAASB non-practitioner vacancy, the application deadline was extended to September 7, 2025, to ensure a sufficient span and size of the shortlist to enhance the robustness of the decision-making and further align with the selection criteria set out in the SSB NomCo´s Terms of Reference.

Overall, 39 eligible applications were evaluated, and four candidates were interviewed at the end of September 2025. The SSB NomCo submitted one appointment recommendation for PIOB approval at the October 2026 PIOB quarterly meeting.

Due diligence procedures were completed for all candidates subject to the PIOB approval process.

The outcome of the 4th cycle of SSB nominations was announced publicly on 11 November 2025:

IAASB Chair and Vice Chair

The re-appointment of the IAASB Chair, Tom Seidenstein, was approved by the PIOB in May 2025 for a third term, effective 1 July 2025 and ending in December 2027.

On 9 December 2025, the PIOB appointed as the IAASB Vice-Chair Edo Kienhuis for a one-year term, effective 1 January 2026, during his final year of service on the Board.

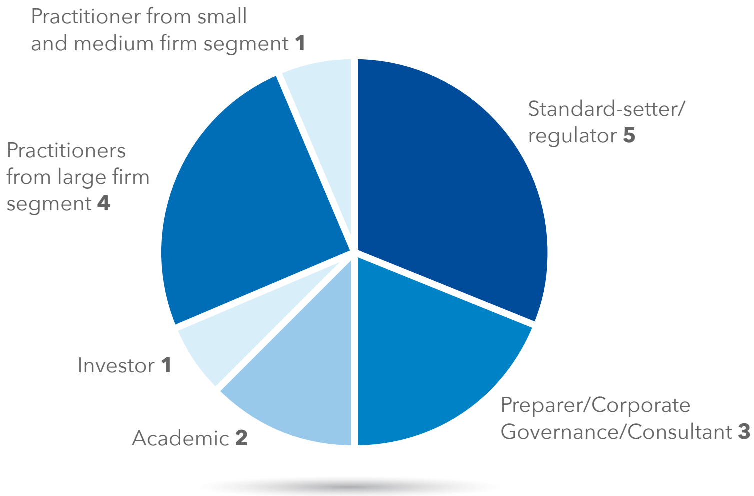
Following the PIOB decisions on appointments and re-appointments to the IESBA and the IAASB, the composition metrics of the two Standard-Setting Boards as of 1 January 2026 are as set out below.

The background and geographical categories are indicative.

IESBA
AN IFEA BOARD

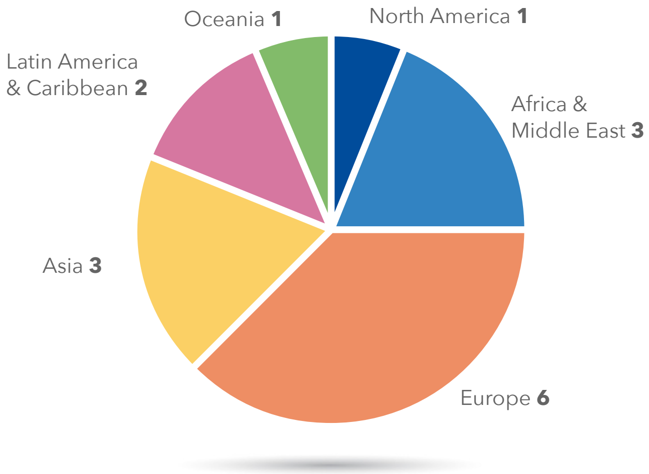
16 Board members: 8 women and 8 men

IESBA Background Composition from January 2026



The background categories are indicative and are necessarily straddled in many cases due to diverse career experiences and breadth of expertise. The Chair is included in the background composition but is professionally neutral.

IESBA Geographical Composition after 4th Cycle

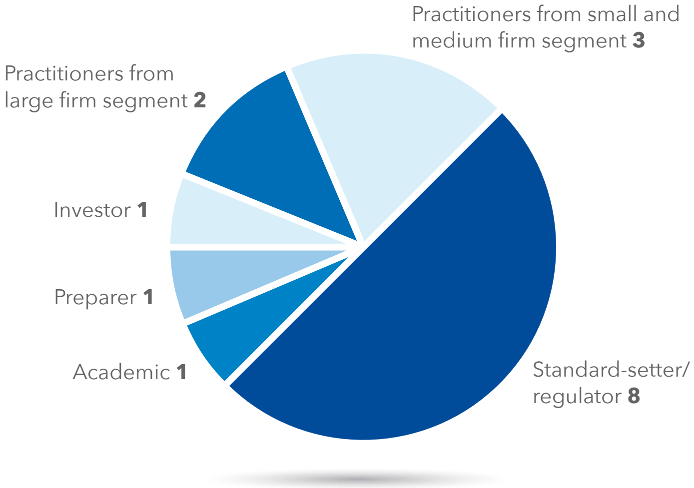


The geographical composition is indicative and it is noted that the geographical scope of professional responsibilities of some members is more relevant than geographical location. The Chair is included in the above composition but is geographically neutral.

IAASB
AN IFEA BOARD

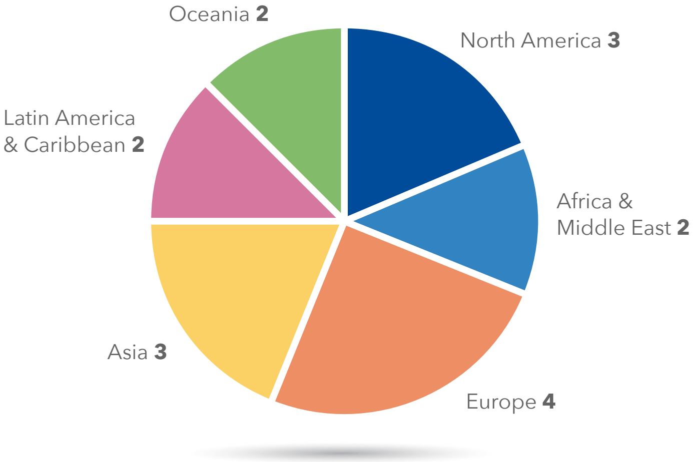
16 Board members: 5 women and 11 men

IAASB Background Composition from January 2026



The background categories are indicative and are necessarily straddled in many cases due to diverse career experiences and breadth of expertise. The Chair is included in the background composition but is professionally neutral.

IAASB Geographical Composition after 4th Cycle



The geographical composition is indicative and it is noted that the geographical scope of professional responsibilities of some members is more relevant than geographical location. The Chair is included in the above composition but is geographically neutral.

Stakeholder Advisory Council (SAC)

The SAC provides strategic advice to the SSBs as a multi-stakeholder group with 30 or so members, including the Chair and two official observers.

MG organizations are entitled to a seat on the SAC and have designated individuals with the appropriate expertise and seniority, independently of the PIOB appointment process.

The PIOB made a new appointment to the SAC on March 26, 2025, effective from May 2025. Jennifer Haskell, from Deloitte, filled an identified gap in the SAC for an individual with experience and knowledge of the workstreams of the Global Public Policy Committee (GPPC). The GPPC brings together leaders from the six largest international accounting networks (BDO, Deloitte, EY, Grant Thornton, KPMG and PwC) to focus on public policy issues.

5. STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

Stakeholder Engagement

Through 2025, the PIOB regularly engaged with stakeholders across the global audit, assurance and ethics ecosystem. These interactions supported the PIOB´s mandate to act in the public interest by fostering transparency, accountability, and collaboration within the international standard-setting system.

The majority of interactions in 2025 with external stakeholders were with MG members and national audit regulators, stock exchange regulators, and standard-setters.

In addition to such individual meetings, the PIOB also participated in the following:

- International Forum of Independent Audit Regulators (IFIAR) Plenary Meeting in April through a video address from the PIOB Chair.
- IFIAR Standards Coordination Working Group annual meeting in April (New York) hosted by the Public Company Accounting Oversight Board.
- Financial Stability Board Roundtable on External Audit in June (virtual).
- Committee of European Auditing Oversight Bodies (CEAOB) Plenary meeting in March 2025 and the International Auditing Standards Sub-Group meeting in November 2025.

The PIOB also maintained extensive engagement with the accountancy and audit profession, both through individual meetings with national professional bodies and regional organizations, as well as with firm representatives. In addition, there were also the following engagements:

- Participation at the Joint IFAC-IESBA global 'summit', "IESSA Implementation and Enhancing Future Engagement with IESBA and IAASB," held on April 14, 2025, in Paris.
- Attendance of IFAC leadership at PIOB April 2025 meeting.
- Attendance of Forum of Firms leadership at the PIOB April 2025 meeting.
- Participation of the PIOB Secretary General in the Pan Africa Federation of Accountants (PAFA) conference, June 2025 (virtual).

In terms of wider stakeholder dialogue, the PIOB engaged with the investor community by inviting the International Corporate Governance Network (ICGN) to the PIOB April 2025 meeting, engaging with Eumedion and with academics from the University of Florida and the University of Amsterdam.

The PIOB Secretary General participated in the *Business Research International Accounting Policy Forum 2025* and the *IOSCO/PIFS–Harvard Law School Global Certificate Program for Regulators of Securities Markets*, both in Madrid.

Communications activities

In 2025, the PIOB communication activities were tailored to support delivery of the PIOB's remits in a cost-effective way while continuing to align with the transparency policy, launched in 2023. This policy opened PIOB meetings to the public and made key oversight documents available, reinforcing transparency in decision-making.

In addition to regular news releases, the main 2025 communication activities were:

- Reorganization of the new PIOB website for enhanced transparency and user experience, responding to the MG transparency recommendations of 2020. A focused survey was conducted with external stakeholders in January 2025 to gather insights on user preferences and clarity, identify accessibility issues, and collect suggestions for improvement which were implemented.

- Launch of the 20th Public Report in July 2025 to present the results and impact of the PIOB's work in 2024 in a user-friendly way. The launch was supported by a short LinkedIn campaign that included a video from the PIOB Chair, which achieved 731 LinkedIn impressions and 328 downloads through direct mailing.

- Publication and promotion of the six PIOB Certifications on LinkedIn:

    - ISSA 5000 – 2,206 impressions.
    - IESSA and Experts – 1,894 impressions and 894 on the Joint Sustainability statement.
    - Going Concern – 1,124 impressions.
    - Fraud - 2,479 impressions.
    - PIE Track 2 – 1,854 impressions.

- Release of four sets of Public Interest Issues identified in the projects of the SSBs during the year, in February, June, July, and November 2025. These Public Interest Issues are made available on the PIOB website, together with the customary PIOB publications generated throughout the PIOB oversight cycle: Briefing and Observation Memos and PIOB Public Session Minutes.

- Livestreaming of the Public Sessions during the PIOB quarterly meetings which include discussions and sessions with the leadership of the IESBA and the IAASB. The videos of these sessions are available on the PIOB YouTube channel.

- Continued online engagement with a broader and more diverse audience (3,046 LinkedIn followers).

Specifically, to support the PIOB´s Nominations remit:

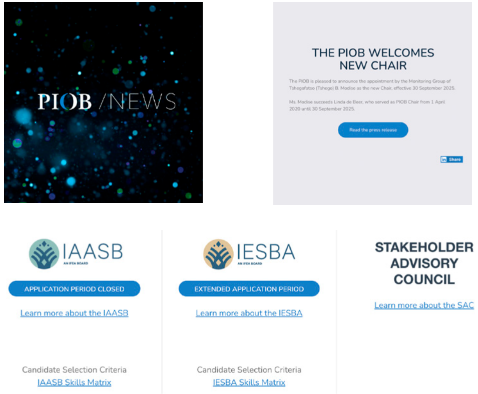
- Launch of the two Invitations for Application to become a member of the SSBs on 10 March 2025. (1,458 impressions).

- Rollout of two SSB nominations LinkedIn campaigns, the first during the initial application period until 11 May 2025, with 1,242 impressions, and the second between 10 July 2025 and 7 September 2025 through three additional LinkedIn posts, which obtained 701, 595 and 761 impressions, respectively.

Quarterly Oversight Publications

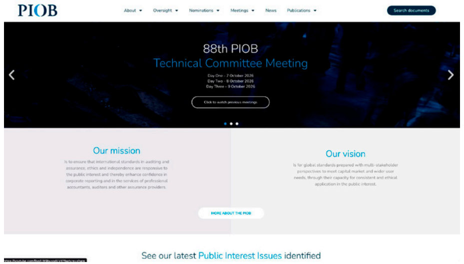
PIOB News

19 digital announcements



Digital communications

LinkedIn Followers: 3,046



6. PIOB FINANCES AND FUNDING

Activities of the Audit Committee in 2025

David Sullivan
Audit Committee Chair

Chair's report

The Audit Committee has been active during the course of 2025. In the first half of the year, the Committee held meetings with the auditors (Forvis Mazars) and with the Foundation's Management to review the financial statements for the year ended December 31, 2024, prepared in accordance with the International Financial Reporting Standards (IFRS), as well as the significant risks identified during the course of the 2024 audit. The matters discussed were primarily focused on the disclosures concerning the going concern principle and the material uncertainty in the financial statements, certain accounting treatments, and the steps being taken to address the PIOB's ongoing funding needs. The Committee subsequently recommended approval of these financial statements to the PIOB´s Board of Trustees which gave approval on 20 June 2025 and the financial statements were published on 14 July 2025.

In addition, during the course of 2025, the Audit Committee reviewed the ongoing financial performance of the PIOB and provided recommendations on the assumptions related to income, expenses and other key matters in the 2026 budget.

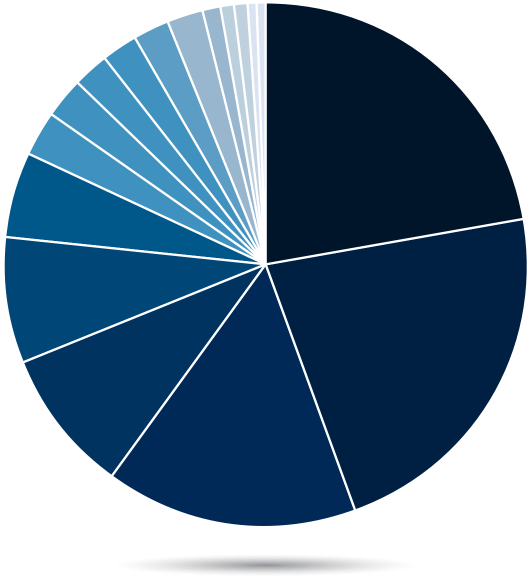
In January 2026, the Audit Committee met with the auditors to consider the proposed scope of the audit of the financial statements for the year ended December 31, 2025. The discussion focused primarily on the auditors' preliminary assessment of going concern, including the likelihood that the audit report would again include a material uncertainty related to going concern. The Committee also reviewed management´s assessment on further work in relation to legal liabilities.

The auditor was independent throughout the period, including providing no non-audit services to the PIOB in connection with 2024 and 2025.

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

PIOB Funding

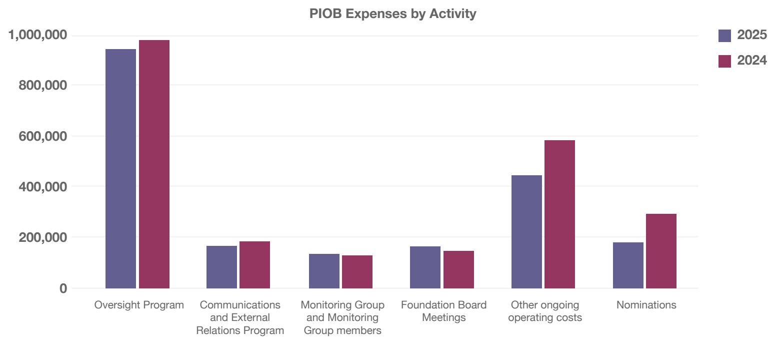
In 2025, the PIOB received monetary contributions that amounted 2,123,987 euros. Non-monetary contributions received in 2025 include an In-kind contribution from the Spanish authorities that amounted to 119,969 euros. The contributions received in 2025 are detailed as follows:



500,000 €	22.28 %	International Federation of Accountants
500,000 €	22.28 %	International Foundation for Ethics and Audit
350,000 €	15.60 %	European Commission
200,000 €	8.91 %	International Organization of Securities Commissions
172,022 €	7.67 %	US Securities Exchange Commission: USD 200,000
119,969 €	5.35 %	In-kind contribution from Spanish Government
59,808 €	2.67 %	Japan Financial Services Agency: JPY 10,000,000
59,529 €	2.65 %	International Forum of Independent Audit Regulators: JPY 10,000,000
50,000 €	2.23 %	Belgium Financial Services and Markets Authority
50,000 €	2.23 %	Belgium Collége de Supervision Des Réviseurs D'Entreprises
49,825 €	2.22 %	New Zealand External Reporting Board: NZD 100,000
48,479 €	2.16 %	CFA Institute: USD 50,000
25,000 €	1.11 %	UK Financial Reporting Council
20,000 €	0.89 %	France Haute Autorité de l´audit
19,324 €	0.85 %	A contribution arising from a national audit inspection scheme
10,000 €	0.45 %	Swiss Federal Audit Oversight Authority
10,000 €	0.45 %	Republic of China (Taiwan) Financial Supervisory Commission
2,243,956 €	**100.00 %**	**Total Income**

PIOB Foundation (1, 2)
Summary Statement of Financial Performance

	2025	2024
TOTAL REVENUE (3)	**2,243,956**	**2,484,291**
EXPENSES		
Oversight Program	935,125	982,965
Communications and External Relations Program	168,007	173,712
Monitoring Group and Monitoring Group members	120,691	119,450
Foundation Board Meetings	164,617	155,845
Other ongoing operating costs	447,158	581,833
Nominations	181,405	305,350
Total Expenses	2,017,003	2,319,155
Surplus	226,953	165,136



(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 2025 in page 54.

The PIOB Foundation's auditor, 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.

Appendix

List of acronyms

AI - Artificial Intelligence

Code - The IESBA's Code of Ethics

ED - Exposure Draft

EC - European Commission

FSB - Financial Stability Board

GPPC - Global Public Policy Committee

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 NomCo - The PIOB Standard Setting Boards Nominations Committee

On behalf of the PIOB, we thank all who have contributed to the 2025 Public Report.

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