

Meeting: IESBA

Meeting Location: Lisbon, Portugal

Meeting Date: September 16 – 19, 2025

Agenda Item

7

Technology

Objectives

1. To consider an update on the Technology Working Group's¹ (TWG) activities.
2. To consider presentations from:
 - (a) The International Auditing and Assurance Standards Board (IAASB) about its technology initiatives, including:
 - Technology Position;
 - Catalog of Issues and Possible Actions
 - Technology Quality Management Workstream; and
 - (b) The UK Financial Reporting Council (FRC) on its guidance regarding the use of artificial intelligence (AI) in audit, as well as the thematic review of the six largest firms' processes to certify new technologies used in audits that was issued in June 2025.

Activities

Technology Experts Group (TEG)

3. The TEG met twice² virtually since the update in [March 2025 Board meeting](#) to update the TWG on the results of its environmental scanning. The TWG will brief the Board on the highlights of the meetings.

Technology Working Group (TWG)

4. The TWG met three times³ virtually since its previous update to the Board in March 2025 to reflect on the environmental scanning update received from the TEG.
5. During the August 2025 call, the TWG discussed the agenda materials for the September Board meeting.

¹ The Working Group comprises:

- David Clark, Chair, IESBA Technical Advisor
- Tomoyo Imura, IESBA Member
- Paul Muthaura, IESBA Member
- David Wray, IESBA Member

² May 22nd, 2025 and August 14th, 2025

³ May 22nd, 2025; July 3rd, 2025; and August 14th, 2025

Presentations

6. During the board meeting, the IESBA will receive presentations from:
 - Ramana McConnon, Head of Assurance at the FRC in the United Kingdom, on the FRC's inaugural guidance on the use of artificial intelligence (AI) in audit⁴ and thematic review⁵ of the six largest firms' processes to certify new technologies used in audits; and
 - The IAASB staff on the IAASB's technology initiatives.

IAASB Technology Initiatives

IAASB Technology Position

7. At its September 2024 meeting, the IAASB adopted its [Technology Position](#), making a significant milestone in its strategic approach to technology-related matters as outlined in the Strategy and Work Plan for 2024–2027. The Technology Position provides a foundation for guiding the IAASB's activities, including standard-setting, the development of non-authoritative materials, and further information gathering on the impact of technology on quality management and audit and assurance.
8. The Technology Position comprises three components:
 - (a) **Component 1:** The Technology Position Statement, which affirms the IAASB's commitment to facilitating, and where appropriate, encouraging the use of technology by firms and practitioners in a way that enhances audit and assurance quality.
 - (b) **Component 2:** A strategy for operationalizing the Technology Position Statement through the development and maintenance of a [Catalog of Issues and Possible Actions](#), which identifies and prioritizes technology-related issues across the IAASB's standards and activities.
 - (c) **Component 3:** Ongoing monitoring and adaptation to emerging technologies to ensure the Technology Position remains current and effective.

Catalog of Issues and Possible Actions ("Catalog")

9. In March 2025, the IAASB deliberated on the Catalog, followed by agreement of a Version 1.0 of the Catalog which was published in May 2025. The Catalog is designed as a living document that will be updated semi-annually. Specifically:

Purpose of the Catalog

- (a) The Catalog serves as the IAASB's cross-functional repository for technology-related issues identified. These issues are informed by various sources, including stakeholder feedback received in comment letters and outreach activities.
- (b) The Catalog enables the IAASB to take a cross-functional perspective—beyond any single project—when assessing the feasibility and merits of proposed actions at both the work plan and project levels.

⁴ [AI in Audit: Illustrative example and documentation guidance](#)

⁵ [Thematic Review: Certification of Automated Tools and Techniques](#)

Use of the Catalog

- (c) Work Plan Decisions: The Catalog is an important datapoint that informs the prioritization of projects in the IAASB's current and future Work Plans.
- (d) Project-Level Actions: The Catalog outlines project-level insights and proposed actions on technology-related issues that will first be considered by the IAASB and subsequently by project teams. Project teams further explore the feasibility of the proposed actions as part of their project-level information gathering and execute specific actions in accordance with approved project proposals.

Technology Quality Management Workstream

10. In June 2025, the IAASB launched a Technology Quality Management Workstream to:

- Understand how firms and practitioners are applying ISQM 1⁶ and ISA 220 (Revised)⁷ to manage the quality of emerging technologies used in audit and assurance engagements, particularly technological tools like generative artificial intelligence that are opaque and difficult to interpret.
- Determine whether additional support is needed to facilitate the use of these technologies in a manner consistent with the public interest.

For more information about the Workstream, please refer to [Agenda Item 8](#) of the IAASB's quarterly Meeting in June 2025.

The IAASB has started a six-month period of information gathering, which will culminate in a discussion at the December 2025 IAASB meeting regarding the IAASB's next steps. For example, the IAASB will consider whether non-authoritative materials will effectively support consistent and scalable application of the standards or whether there is a compelling case for more formal standard-setting in targeted areas. The information gathering will include a series of roundtables. To access the briefing note for participants of the roundtables, please refer to [Agenda Item 7.C](#) of the IAASB's quarterly meeting in September 2025.

Coordination between IESBA and IAASB

11. IESBA and IAASB Staff have been in close coordination with each Board's respective technology-related initiatives. As part of this ongoing coordination, IAASB Staff are observers at the IESBA's TWG and TEG meetings, and IESBA Staff are observers at the IAASB's Technology Consultation Group (TCG) and Technology Advisory Network (TAN) meetings. IESBA and IAASB Staff will also be providing a joint update on technology at the upcoming meeting of the Stakeholder Advisory Council in October 2025.

Action Requested

12. IESBA members are asked to:

- (a) Consider the TWG's update and share any comments or questions;

⁶ International Standards on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

⁷ International Standards on Auditing (ISA) 220 (Revised), *Quality Management for an Audit of Financial Statements*

- (b) Consider presentations by Mr. Ramana McConnon and IAASB staff and share any comments or questions.