

**Meeting:** IESBA  
**Meeting Location:** New York  
**Meeting Date:** March 9 – 12, 2026

## **Agenda Item**

# **9**

### **Technology**

#### **Objectives**

1. To consider:
  - a) The updated Terms of Reference for the Technology Working Group<sup>1</sup> (TWG);
  - b) An update on the TWG activities; and
  - c) A presentation from the International Auditing and Assurance Board (IAASB) staff regarding their technology initiative, highlighting the IAASB's overall approach and quality management action plan.

#### **Updated Terms of Reference**

2. During the [December 2025](#) Board meeting, IESBA members emphasized the pace and significance of recent technological developments, particularly in relation to artificial intelligence, and highlighted the importance of the Board remaining actively engaged in considering how such developments affect professional accountants' and sustainability assurance practitioners' ethical responsibilities and professional judgment, and the ongoing relevance of the Code.
3. In response to this feedback, the TWG met in February 2026 to update its Terms of Reference (**Agenda Item 9-A**) to reinforce the importance of ongoing monitoring of technology-related developments; awareness-raising of (a) ethical issues arising from professional accountants' and sustainability assurance practitioners' use of technology, and (b) the technology-related revisions to the Code; and the development of non-authoritative materials.

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<sup>1</sup> The Working Group comprises:

- Tomoyo Imura, IESBA Member, TWG Chair
- Nancy Miller, IESBA Member
- Bruno Tesnière, IESBA Technical Advisor
- Atsushi Tomono, IESBA Technical Advisor
- David Wray, IESBA Member

### TWG Activities Since December 2025

4. The TWG met virtually in February 2026 to discuss:
  - (a) The TWG's work plan for H1 2026<sup>2</sup> and next steps;
  - (b) Proposed non-authoritative materials to be developed; and
  - (c) The Technology Expert Group's (TEG)<sup>3</sup> environmental scanning.

### IAASB Technology Initiatives

5. The objective of this session is to update the IESBA on the IAASB's technology initiatives, with a particular focus on the Technology Quality Management (QM) Workstream and the IAASB's recent decisions and next steps. In addition, IAASB staff will invite the IESBA's perspectives on areas where close coordination will be important as this work advances, including ethical dimensions such as confidentiality, data governance, bias, and professional judgment.
6. See the **Appendix** for additional information on the IAASB Technology Initiatives.

### Action Requested

7. IESBA members are asked to:
  - (a) Agree the TWG's updated Terms of Reference as contained in **Agenda Item 9-A**;
  - (b) Consider the TWG's update on its recent and proposed activities and share any comments or questions; and
  - (c) Share views on, or reactions to, the presentation from IAASB staff.

### Materials

Agenda Item 9-A      Technology Working Group Draft Updated Terms of Reference – March 2026

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<sup>2</sup> Approved during the IESBA December 2025 meeting

<sup>3</sup> The TEG met virtually on February 10, 2026 to update the TWG on the results of its environmental scanning.

## Appendix

### Additional Information on the IAASB Technology Initiatives

#### Background and Context for the IAASB's December 2025 Direction (Technology QM)

1. At its December 2025 meeting, the IAASB endorsed the development of non-authoritative material (NAM) to support the consistent and effective application of the IAASB's quality management standards to emerging technologies used in audit and assurance engagements.
2. This decision was informed by extensive stakeholder outreach, including global roundtables, which highlighted that while ISQM 1<sup>4</sup> and ISA 220 (Revised)<sup>5</sup> remain principles-based and robust, additional guidance would be helpful to support consistent application in practice when emerging technologies are used in engagements.
3. In particular, stakeholders noted that certain emerging technologies, including some forms of AI and Gen AI, exhibit distinctive characteristics such as:
  - a) Opacity, where the basis for outputs may not be transparent;
  - b) Non-determinism, where identical inputs may produce different outputs; and
  - c) Adaptivity, where performance or behavior may evolve after deployment.

These characteristics are giving rise to challenges in operationalizing existing quality management principles and can create uncertainty around, for example, what appropriate testing before deployment and ongoing monitoring after deployment should look like, as well as how engagement leadership responsibilities are applied when such tools are used in engagements.

4. Stakeholders also emphasized the importance of guidance that addresses the full lifecycle of technological tools, including approval and testing, implementation and use, ongoing monitoring and change management, and engagement-level direction, supervision, and review. The IAASB's decision to develop NAM also responds to broader public-interest considerations, including the risk of regulatory fragmentation, diversity in practice, and the potential for an uneven playing field across firms of different sizes and levels of technological maturity.

#### IAASB Direction and Upcoming March 2026 Meeting

5. In addition to endorsing the development of NAM, the IAASB asked staff at its December 2025 meeting to develop a proposed action plan describing how NAM for the Technology Quality Management (QM) Workstream would be taken forward. The action plan sets out the purpose and scope of the initiative, key development steps, anticipated timing, and considerations relating to maintenance.
6. The Board also requested staff to develop an overarching approach to technology-related matters. This approach articulates how the IAASB intends to identify, assess, and respond to technology-related issues or challenges arising from the use of technological tools in engagements, particularly

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<sup>4</sup> International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

<sup>5</sup> International Standard on Auditing (ISA) 220, *Quality Management for an Audit of Financial Statements*

where these issues may affect audit and assurance quality or the effective application of the IAASB's standards.

7. Both the proposed overarching approach and proposed action plan will be considered by the IAASB and potentially approved at its meeting on March 16–19, 2026.

#### **IAASB Reference Materials**

8. News Alert – [IAASB Publishes Global Roundtable Feedback on Technology and Quality Management](#) (news alert refers to the publication in paragraph 11).
9. [Technology Quality Management Roundtables: Outcomes and Next Steps](#) (summary of roundtable feedback referenced in the press release).
10. [December 2025 IAASB Board Paper](#) – Technology Quality Management Workstream: Feedback and Potential Next Steps (IAASB Agenda Item 8).
11. *Proposed* Overarching Approach to Technology-Related Matters (IAASB Agenda Item 2-A) (for [IAASB March 2026](#) deliberation; not yet approved).<sup>6</sup>
12. *Proposed* Action Plan to Develop Non-Authoritative Guidance on Technology Quality Management (Agenda Item 2-B) (for [IAASB March 2026](#) deliberation; not yet approved).

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<sup>6</sup> Agenda Items 2-A and 2-B of the IAASB March 2026 meeting will be available by Friday, February 27, 2026 (i.e., the posting deadline for IAASB meeting materials). Important note: These proposed documents are being shared with the IESBA for awareness and coordination purposes only. They have not yet been approved by the IAASB and remain subject to change as a result of the IAASB's March 2026 deliberations.