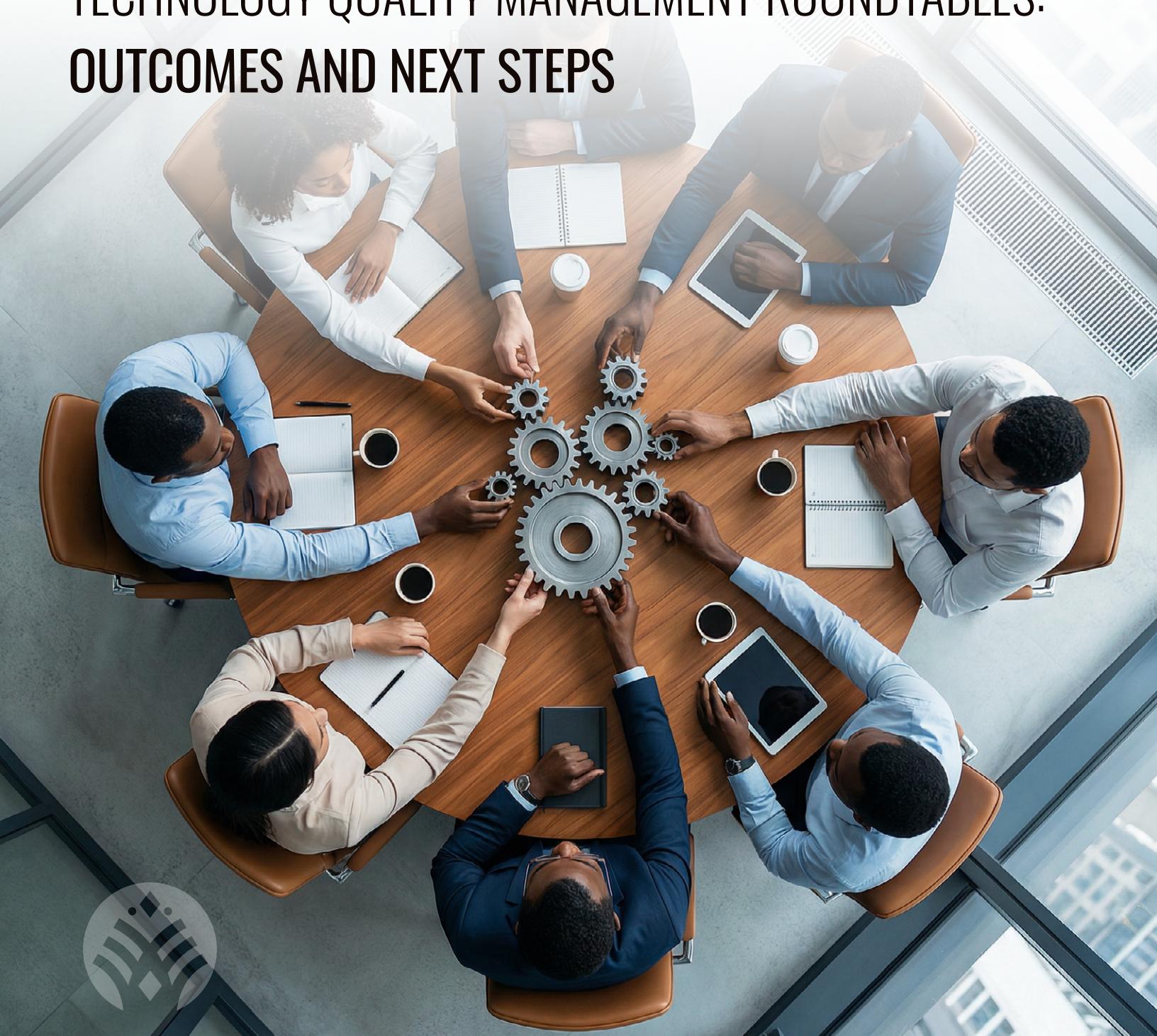


TECHNOLOGY QUALITY MANAGEMENT ROUNDTABLES: OUTCOMES AND NEXT STEPS





In the latter half of 2025, the IAASB conducted a series of eight global roundtables, engaging over 240 participants from six continents and a diverse range of stakeholder groups—including practitioners, regulators, audit committee members, accountancy bodies, service providers, investors, and academics. These roundtables, complemented by targeted meetings and desktop research into sector-agnostic AI governance frameworks, provided a rich, global perspective on the opportunities and challenges of using artificial intelligence in audit and assurance engagements.

243 PARTICIPANTS FROM VARIOUS STAKEHOLDER GROUPS

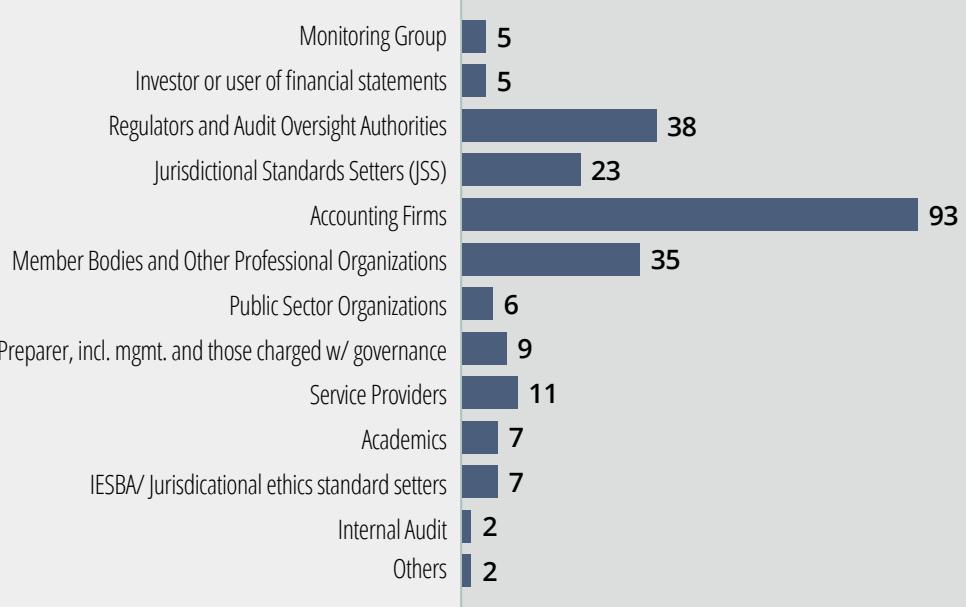
Each roundtable was structured into four sessions:

Session I: Use of Artificial Intelligence in Engagements

Session II: Applying the IAASB's Quality Management Standards

Session III: Stakeholders' Expectations

Session IV: The IAASB's Role



ROUNDTABLE PARTICIPANTS

HIGHLIGHTED SEVERAL KEY THEMES:



AI use is expanding and evolving: AI use cases in engagements continue to expand and stakeholders anticipate a future shift toward more integrated, “*agentic AI*”-orchestrated workflows, with human oversight remaining essential. *Agentic AI* is an advanced form of artificial intelligence that can accomplish a specific goal with limited supervision.

The standards remain resilient, but greater practical clarity is needed: ISQM 1 and ISA 220 (Revised) provide a strong foundation; however, additional guidance would help clarify how quality management principles should be applied when managing risks arising from certain emerging technologies—particularly those characterized by limited transparency, the capacity to adapt over time, or non-deterministic outcomes.



Stakeholders want global consistency: There is a clear call for IAASB-led support to enhance consistency in how its quality management standards are applied by firms and practitioners to emerging technological tools. This includes greater alignment in how those standards are interpreted by regulators and building stakeholder confidence that such tools are being appropriately managed in the public interest.



WHAT WE HEARD: GLOBAL INSIGHTS AND REGIONAL NUANCES

AI IN ENGAGEMENTS

Current Use Cases: Firms are expanding AI use cases—including developing tools that support anomaly detection, detailed transactional testing, financial statement tie-outs; as well as related to accessing appropriate firm methodology and guidance. These applications are developed at the network, firm, and engagement team levels.

Future State: There is a shared vision of progression toward agentic AI—systems that collaborate with auditors and eventually orchestrate end-to-end audit processes, with humans providing oversight and judgment. Stakeholders view human-in-the-loop oversight as non-negotiable, even as systems become more autonomous.

APPLYING IAASB'S QUALITY MANAGEMENT STANDARDS

Resilience and Challenges: ISQM 1 and ISA 220 (Revised) are principles-based and resilient standards but emerging technologies introduce practical challenges. These challenges include firms evaluating whether tools are fit-for-purpose, ongoing monitoring, documentation, staff training, and direction, supervision, and review of work performed using these tools.

Emerging Practices: Firms are adopting tiered certification, iterative testing, dynamic monitoring, escalation procedures for anomalous behavior, and proportionate approaches for small- and medium-sized practices. However, adoption of these practices varies significantly across firms.



WHAT WE HEARD: GLOBAL INSIGHTS AND REGIONAL NUANCES

STAKEHOLDERS' EXPECTATIONS

Stakeholders consistently emphasized that while they support responsible use of AI, trust in AI-enabled engagements depends on several core principles, including:

Clear governance and accountability for how tools are developed, approved and used;

Transparency about a tool's capabilities, limitations and data handling;

Appropriate evaluation of AI-generated outputs and other safeguards that reduce the risk of inappropriate reliance on outputs;

Sufficient explainability for the tool's intended use;

Ongoing oversight to ensure tools continue to operate as expected;

Strong confidentiality and security safeguards; and

Proportionate and globally consistent approaches that reduce the risk of regulatory fragmentation.



THE IAASB'S ROLE

Central Role in Guidance: The IAASB is uniquely positioned to promote global consistency, influence stakeholder groups, and reinforce shared expectations about how its quality management standards apply to managing the unique risks of emerging technologies.

For additional detail on stakeholder feedback, refer to [Agenda Item 8 of the IAASB December 2025 Meeting](#).





At its December 2025 meeting, the IAASB agreed to adopt an approach to develop non-authoritative material to support consistent and effective application of the quality management standards to emerging technologies, including AI. Developing guidance allows the IAASB to move quicker, adapt to evolving technology, and coordinate with other organizations, including the International Ethics Standards Board for Accountants (IESBA), the IAASB's partner board.



WHY NON-AUTHORITATIVE GUIDANCE?



The IAASB believes that in the current circumstances non-authoritative guidance is the most effective means to provide additional support in clarifying how its quality management standards apply to emerging technologies and in promoting globally consistent expectations for the quality management of AI-enabled tools. Developing such guidance is the most effective and timely mechanism to:

- Offer practical guidance grounded in existing standards.
- Be updated as technology and emerging practices evolve.
- Address themes such as tool certification, ongoing monitoring, and exercising professional skepticism and judgment.
- Support firms of all sizes, including small- and medium-sized practices, through scalable and proportionate approaches.

Non-authoritative guidance may take the form of practice notes, guides or publications developed by staff or working groups, for example, alerts, illustrative examples or FAQs. In addition, the IAASB will explore whether there may be a need for a 'new' or enhanced mechanism for guidance in complex areas (e.g., an enhanced development process).



NEXT STEP: MARCH 2026 ACTION PLAN

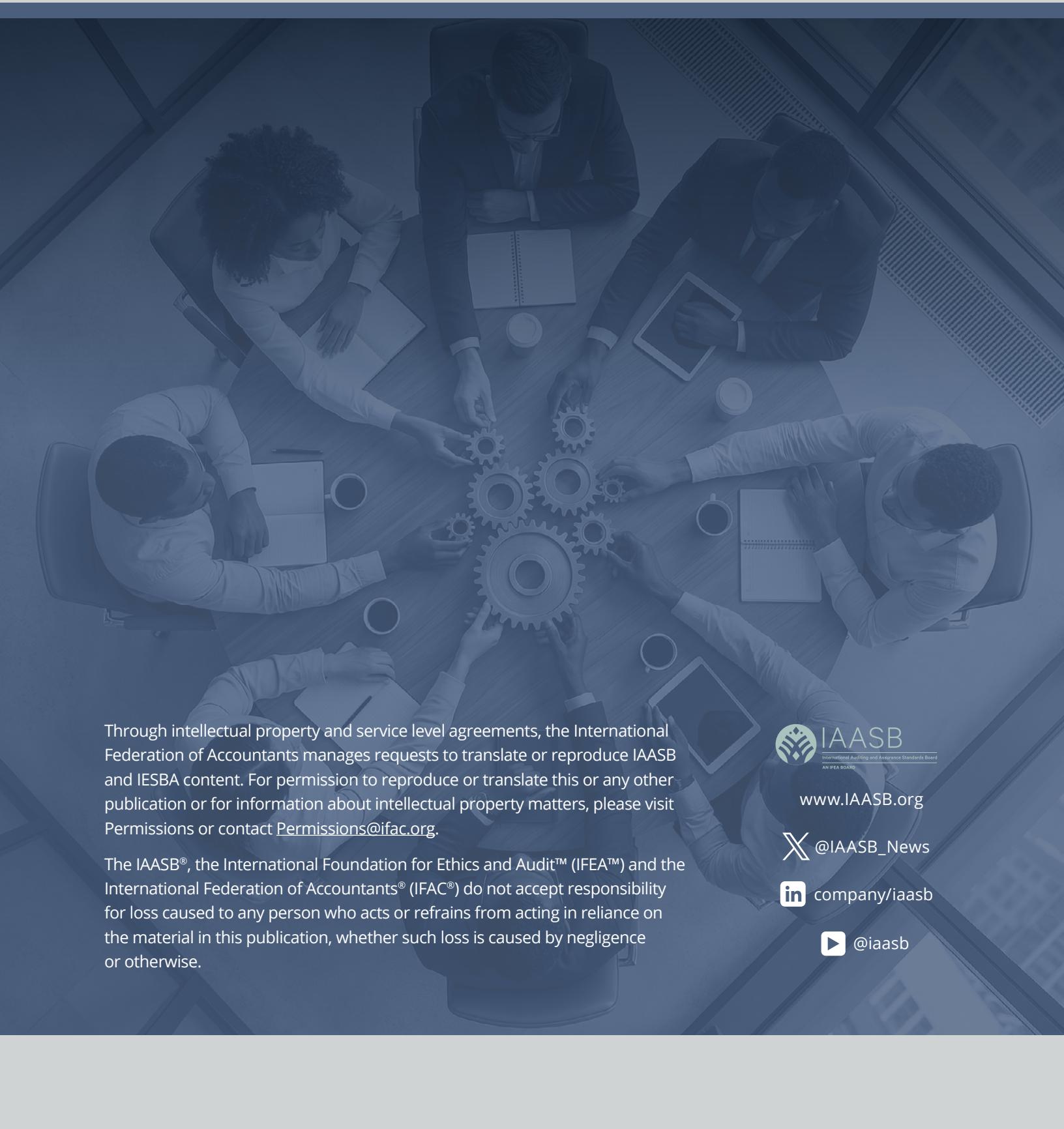


The IAASB will discuss a proposed *Technology Quality Management Guidance Action Plan* at its March 2026 meeting. The action plan will describe:

- The purpose and scope of the non-authoritative guidance initiative
- Priority themes or topics the IAASB will address
- The development process and forms of guidance, including the establishment of a workstream advisory group
- Planned information gathering and outreach, including coordination activities, for example, with IESBA
- Anticipated deliverables and timelines



To follow this initiative, visit the IAASB's [Technology Quality Management project page](#).



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