APPLYING THE QUALITY MANAGEMENT STANDARDS TO AI-ENABLED TECHNOLOGICAL TOOLS

Introduction to the Guide Series

Status of This Document

The IAASB approved this document on October 28, 2026, ahead of Guides 2 to 4. This is a **pre-final version** of the Introduction. As the IAASB continues to develop the guide series, it may identify matters to update, add, or remove to support the cohesiveness of the guide series. In mid-2027, the IAASB expects to publish all the guides together as one integrated guide series, including in a digital format designed for easy navigation and improved accessibility.

Purpose, Status and Audience

Terms shown in teal, like AI-enabled technological tools, are described in the glossary in **Appendix 2** of **Guide 1**.

1. The guide series is non-authoritative material intended to support the consistent and effective application of International Standard on Quality Management 1[1] and International Standard on Auditing 220 (Revised).[2] The guide series addresses technological tools enabled by artificial intelligence (AI-enabled technological tools). Technological tools,[3] in the context of the IAASB's quality management and engagement standards, are a subset of technological resources used directly by engagement teams in the performance of audit and other assurance engagements (collectively engagements). They facilitate the design or performance of engagement procedures in obtaining evidence.

2. The guides do not create requirements or establish a separate AI governance framework. They do not amend or override the IAASB quality management and engagement standards, the text of which alone is authoritative. Reading the guides is not a substitute for reading the relevant standards. The guides are not intended to be exhaustive and reference should always be made to the IAASB standards.

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1 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*.

2 International Standard on Auditing (ISA) 220 (Revised), *Quality Management for an Audit of Financial Statements*.

3 At the time the **Introduction to the Guide Series** and **Guide 1** were approved by the IAASB, proposed conforming and consequential amendments to ISQM 1 and the ISAs were on exposure. They arose from concurrent proposed revisions to ISA 330, *The Auditor's Responses to Assessed Risks*, ISA 500, *Audit Evidence*, and ISA 520, *Analytical Procedures*. Paragraph A104 of ISQM 1 identifies technological resources used directly by engagement teams in the performance of engagements as one category of technological resources. Proposed paragraph A99A in the exposure draft clarifies that these include "technological tools" that facilitate the design or performance of engagement procedures in obtaining evidence. Accordingly, AI-enabled technological tools within the scope of this guide series are a subset of technological tools, which are themselves a subset of technological resources. The exposure draft also proposes replacing references in the ISAs to "automated tools and techniques" with "technological tools."

3. The intended primary audience of the guide series is those who apply ISQM 1 and ISA 220 (Revised) and the regulators that oversee their application. This includes firm personnel responsible for the design, implementation and operation of the system of quality management (SOQM), including related methodology, technology, risk management and enablement activities; engagement partners and other engagement team members; and audit or assurance oversight authorities and securities regulators. Other parties could also find it relevant in understanding aspects of the quality management of AI-enabled technological tools used in engagements, although it has not been developed with their needs in mind. They include, among others:

   - Jurisdictional auditing and assurance standard setters;
   - Professional accountancy organizations;
   - Service providers that develop or provide AI-enabled technological tools, or elements of them, for use by firms;
   - Those charged with governance of entities subject to audit and other assurance engagements, including audit committee members;
   - Investors, analysts and other users of entities' external reporting; and
   - Academics and researchers.

4. References in the guide series to ISA 220 (Revised) are directly relevant to audits of financial statements. The engagement-level guidance in the guide series is therefore framed in the context of an audit. For other assurance engagements, practitioners apply the relevant engagement-level quality management requirements in those standards and may adapt the guidance in the guide series as appropriate by applying the quality management principles on which it is based.

5. The guide series recognizes that firms may structure their technology, governance, workflows, and controls in different ways. Firms apply professional judgment in designing, implementing and operating their SOQMs in light of the nature and circumstances of the firm and the engagements it performs.[4]

Why AI-Enabled Technological Tools Warrant Focused Guidance

6. The IAASB recognizes the potential of technology to enhance audit and assurance quality. The IAASB is committed to facilitating and, where appropriate, encouraging the appropriate use of technology by practitioners in their engagements.[5]

7. The IAASB believes that AI-enabled technological tools can enhance engagement quality when firms and practitioners manage their use appropriately in accordance with the IAASB's quality management standards. For example, they may help engagement teams analyze larger or more complex bodies of information, identify patterns or exceptions, interpret unstructured information, and perform procedures with greater accuracy, consistency or efficiency.

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[4] ISQM 1, paragraph 21.

[5] Refer specifically to the Technology Position Statement in Component 1 of the *IAASB's Technology Position* (September 2024). The Technology Position also commits the IAASB to striking an appropriate balance when describing the opportunities and risks associated with technology, and emphasizes the importance of sound quality management practices by firms and practitioners.

8. Technological tools have long been used in engagements, and many behave in a transparent and deterministic way. However, AI-enabled technological tools may exhibit characteristics[6] such as opacity, probabilistic behavior, adaptivity and autonomy. These characteristics can give rise to practical challenges (see **Section 4.2** of **Guide 1**) and questions about how to apply the principles in ISQM 1 and ISA 220 (Revised). For example, questions emerged about what testing is sufficient before a firm approves an AI-enabled technological tool for use, how to monitor the tool after deployment and how to evaluate its outputs or actions on engagements.

9. The IAASB explored these questions through information gathering in 2025, including roundtables held around the world. Stakeholders generally did not see these questions as arising from deficiencies in the IAASB's quality management standards. Rather, they described practical challenges in applying the principles in those standards consistently and effectively to AI-enabled technological tools, across different firm structures, network arrangements and levels of technological maturity.

10. This feedback indicates that the objectives of quality management do not change because a tool is enabled by AI. What may change is how the tool behaves, what could go wrong as a result and the information available to evaluate the tool and its outputs. These may, in turn, affect the nature and extent of the responses to quality risks (see **Section 4.4** of **Guide 1**), such as testing before deployment, human involvement in its use and monitoring afterward.

11. In December 2025, the IAASB concluded that ISQM 1 and ISA 220 (Revised) remain fit for purpose and decided that non-authoritative guidance, rather than new or amended standards, was the most appropriate response at this stage. Guidance can remain closely tied to the principles in those standards and be updated as the underlying technology continues to evolve.

12. By remaining grounded in the standards and relevant to current practice, the guide series aims to promote a common understanding among stakeholders across jurisdictions about how those standards are applied, which is in the public interest.

Scalability and Proportionality Across the Guide Series

13. Like ISQM 1, the guide series is intended to support scalable and proportionate quality management and to be relevant to firms of different sizes, structures and levels of technological maturity. It does not suggest or specify a single approach to managing quality when AI-enabled technological tools are used.

14. The quality objectives specified in ISQM 1 and the underlying quality management principles apply to all firms, but the nature, timing, extent, formality and complexity of a firm's processes and responses to quality risks will vary according to the nature and circumstances of the firm and the engagements it performs. Firm size may influence how these vary but is not, by itself, determinative.

15. Throughout the guide series, the explanations, examples and illustrations are intended to demonstrate how the quality management standards may be applied in different circumstances.

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[6] The International Ethics Standards Board for Accountants (IESBA) has identified certain of these characteristics in its staff publication, *Emerging Technologies: A Characteristics-Based Approach to Ethical Considerations for Professional Accountants* (July 2026). The publication considers, on a non-exhaustive basis, how such characteristics may give rise to circumstances that create or amplify threats to compliance with the fundamental principles in the *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Using an AI-enabled technological tool does not, by itself, mean that a firm needs to replicate the governance structures, technical resources, testing processes or other arrangements of a firm whose use of such tools is more extensive or complex. Conversely, the scale or complexity of a firm's use of AI-enabled technological tools may call for more specialized, formal or extensive processes and responses.

16. Factors that may affect the complexity of a firm's use of AI-enabled technological tools include:

- The nature and number of AI-enabled technological tools it uses;
- The intended uses or categories of use for those tools;
- How relevant elements of those tools are developed, provided or controlled; and
- Whether those tools are connected to other systems or tools, such as the firm's engagement software or document repositories.

Other matters may also be relevant, including what the firm identifies when applying the risk assessment considerations in **Section 4.2** of **Guide 1**.

How the Guide Series Is Organized

17. **Guide 1** provides the common conceptual foundation, including the glossary in its **Appendix 2**, which applies across the guide series. **Guides 2 to 4** apply that foundation in specific contexts across the life cycle (see **Section 3** of **Guide 1**). **Guide 2** addresses firm-level quality management before deployment, focusing on pre-deployment design, evaluation and enablement, including the design or configuration of the tool where the firm or its network controls it. **Guide 3** addresses engagement-level use and oversight. **Guide 4** addresses post-deployment monitoring, change and decommissioning. It covers both monitoring the tool itself and the firm's monitoring and remediation process as it applies to the responses relating to AI-enabled technological tools across the SOQM. The figure below illustrates how the guides relate to one another.



This document was prepared by the Staff of the International Auditing and Assurance Standards Board (IAASB).

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related services standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The IAASB develops auditing and assurance standards and guidance under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB and IESBA Stakeholder Advisory Council, which provides public interest input into the development of the standards and guidance.

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