

### The IAASB's Technology Catalog Process: Approach to Addressing Technology-Related Matters

This document sets out the IAASB's approach to identifying, evaluating, and responding to technology-related matters within the IAASB's remit. It explains how the Board determines which matters are included in the [Technology Catalog](#)<sup>1</sup> and how the Catalog supports the Board's decision-making by documenting matters identified, their status, and the Board's preliminary direction on actions.

Where the Board's preliminary direction is to respond through the development of non-authoritative material, this document also explains the tailored process applied in those circumstances

## Introduction

### Purpose of this Document

1. The IAASB maintains a Technology Catalog (Catalog) that is publicly available and periodically updated. The Catalog provides visibility into technology-related matters the Board is monitoring and considering. These include matters arising from technological developments that may affect the consistent or effective application of the IAASB's standards, as well as matters arising from the Board's work to operationalize the IAASB's [Technology Position](#). The Catalog also sets out the Board's preliminary direction on actions in response to such matters.
2. To support transparency and consistency, it is important that the Board's process is clear regarding:
  - (a) which technology-related matters should be included in, or resolved/closed in, the Catalog; and
  - (b) how the Board determines and documents its preliminary direction on actions for those matters, consistent with the IAASB's [Framework for Activities](#) (see the actions in paragraph 15).
3. For purposes of this Approach, "actions" may include continued monitoring, further information gathering or analysis, standard-setting activities, development of non-authoritative material, or a combined or phased approach.
4. Having a clearly articulated approach helps the Board frame and address similar issues consistently over time, and helps stakeholders understand how the Board determines the most appropriate action or combination of actions, to support consistent and effective application of the standards. Accordingly, this document serves two purposes:
  - (a) **Transparency:** to explain how technology-related matters are identified, included in the Catalog, and documented over time.
  - (b) **Consistency and discipline:** to support a consistent approach to how the Board evaluates technology-related matters and determines its preliminary direction on actions.

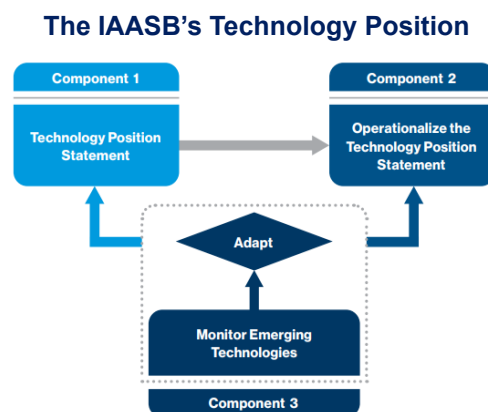
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<sup>1</sup> At the time this Approach was approved, the Catalog was published on the IAASB website as the "Technology Catalog of Issues and Possible Actions." The Catalog's title and public presentation may be updated over time to enhance clarity and transparency (including clearer communication of issues and challenges, preliminary Board direction, and status), without changing the purpose of the Catalog as described in this document.

5. In addition, where the Board's preliminary direction is to respond through technology-related non-authoritative material, **Section 4** of this document outlines the tailored approach applied in those circumstances.

### How this Approach Fits with the IAASB's Technology Position and the Catalog

6. This Approach is aligned with the IAASB's Technology Position, which provides the strategic foundation for the IAASB's activities relating to technology. The Technology Position Statement (Component 1) sets out guiding actions that inform how the IAASB engages with technology-related matters. The Technology Catalog was developed following a gap analysis that identified standard-setting and other opportunities in support of the Technology Position (Component 2). Ongoing monitoring supports updates to the Technology Position and/or the Catalog, as appropriate (Component 3).



7. The Catalog is intended to be presented publicly in a way that clearly communicates the nature of the issue or challenge, the Board's preliminary direction and rationale, and the status of work underway or planned.

### Structure of this Document

8. This document is organized into four sections as follows:
- [Section 1](#) – The Technology Catalog Process
  - [Section 2](#) – What Matters Are Covered and How Matters Are Identified
  - [Section 3](#) – Choosing Between Standard-Setting and Non-Authoritative Materials
  - [Section 4](#) – Developing Non-Authoritative Material
  - [Appendix 1](#) – Illustrative Examples of Technology-Related Matters
  - [Appendix 2](#) – How the IAASB Standards and Related Material Fit Together

## Section 1: The Technology Catalog Process

### 1.1 Purpose and Role of the Catalog

9. The Catalog is the Board's central operational tool for capturing technology-related matters. These include matters arising from: (i) technology used by entities; (ii) technology used by practitioners; (iii) the interaction between the two; and (iv) other work to operationalize the guiding actions in the Technology Position Statement. The Catalog is used to document the Board's preliminary direction on actions and the status of such matters.
10. The Catalog supports the Board's work plan and decision-making by:
- (a) providing a structured record of technology-related matters the Board is monitoring and considering;

- (b) describing, at a point in time, the Board's preliminary direction on actions for a matter (consistent with paragraph 15); and
  - (c) promoting transparency by making visible the nature of the matters being considered and the rationale for the Board's preliminary direction.
11. The inclusion of a matter in the Catalog does not, itself, represent a final decision or commitment by the Board to act. Rather, the Catalog supports transparency and consistency by documenting how the Board is assessing technology-related matters and considering possible preliminary actions, including whether any Board action is warranted and, if so, whether and when a matter may warrant being taken forward through the IAASB's work program.

## 1.2 Information Captured in the Catalog

12. For each matter included in the Catalog, the recorded information is intended to communicate, at a point in time:
- (a) the issue or challenge and its context (including whether it relates primarily to entity technology, practitioner technological tools,<sup>2</sup> and/or the interaction between the two);
  - (b) the source(s) of insight or input that led to identification of the matter (for example, outreach, consultations, monitoring, implementation feedback, or work arising from IAASB projects);
  - (c) the Board's preliminary direction on actions, consistent with paragraph 15,
  - (d) the status of work underway or planned; and
  - (e) where relevant, the IAASB standards that are giving rise to the matter.
13. Matters in the Catalog may be designated as active or resolved/closed. Resolved/closed matters may be reopened if circumstances change.
14. The Catalog is updated semi-annually and may be updated more frequently as needed to reflect changes in a matter's status and in the Board's preliminary direction on actions.

## 1.3 Recording and Updating the Board's Preliminary Direction on Actions

15. In operating the Catalog, the Board records and updates its preliminary direction on actions and status for matters identified. The Board's preliminary direction for a matter will generally identify one or more of the following actions:
- (a) **Continue monitoring the matter**, for example where developments are evolving and the matter may warrant reconsideration if circumstances change;
  - (b) **Undertake further information gathering or analysis** to better understand the matter and inform whether additional Board action is required;
  - (c) **Undertake standard-setting activities**, including consideration as part of a project proposal, a full-scope standard-setting project, or narrow-scope maintenance;

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<sup>2</sup> The focus is on "technological tools" used in engagements, being a category of technological resources that facilitate the design or performance of engagement procedures in obtaining sufficient appropriate evidence.

- (d) **Develop non-authoritative material** to support the consistent and effective implementation and application of the standards; or
  - (e) **Apply a combined or phased approach**, for example where monitoring and/or information gathering is undertaken alongside, or in advance of, standard-setting activities and/or development of non-authoritative material. Also, a particular matter may be addressed through a combination of standard setting and non-authoritative material.
16. The Board's preliminary direction, and any subsequent decisions about whether and how to proceed, are informed by qualitative considerations described in **Sections 3 and 4** and by the IAASB Framework for Activities.
17. As described in paragraph 11, a final determination to undertake a standard-setting project or to develop non-authoritative material is a work plan decision, balanced with other priorities, capacity, and availability of resources, and executed at the project or workstream level.

## Section 2: What Matters Are Covered and How Matters Are Identified

### 2.1 What This Approach Covers

18. For purposes of this Approach, technology-related matters are matters within the IAASB's remit that arise from: (i) technological developments affecting audits and other assurance engagements (including those that affect, or have the potential to affect, the consistent or effective application of the IAASB's standards); and (ii) other work to operationalize the guiding actions in the Technology Position Statement.
19. This Approach applies to technology-related matters within the IAASB's remit that relate specifically to the IAASB's:
- (a) **Quality Management Standards**,<sup>3</sup> and
  - (b) **Audit and Other Assurance Engagement Standards**,<sup>4</sup> including issues or challenges relating to the planning and performance of audit and other assurance engagements.
20. In applying this Approach, technology-related matters may be identified through a range of activities, including through the Board's work to operationalize the guiding actions in the Technology Position Statement. Those guiding actions provide a steer to matters that may warrant the Board's attention even where they are not prompted by an identified issue or challenge in the consistent or effective application of the IAASB's standards. For example, matters may arise in connection with the Board embracing technology-driven innovation (Guiding Action 1) or removing real or perceived barriers to the appropriate use of technology by practitioners (Guiding Action 2). Accordingly, matters arising

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<sup>3</sup> For purposes of this Approach Statement, references to the IAASB's Quality Management Standards include 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*, and International Standard on Auditing (ISA) 220 (Revised), *Quality Management for an Audit of Financial Statements*, which address firm-level and engagement-level quality management, respectively, including in relation to the use of technological tools that facilitate the design and performance of engagement procedures in obtaining sufficient appropriate audit evidence. ISQM 2, *Engagement Quality Reviews*, is also within the scope of this Approach Statement.

<sup>4</sup> This includes the International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs), and International Standards on Sustainability Assurance (ISSAs).

from operationalizing the guiding actions are regarded as technology-related matters for purposes of this Approach.<sup>5</sup>

## 2.2 Categories of Technology-Related Matters

21. For purposes of this Approach, technology-related matters may be analyzed under one or more of the following categories:
- (a) **Entity technology:** technology used by entities that is relevant to an audit or other assurance engagement (for example, technology used in external reporting processes, underlying systems, or the generation of subject matter information, and related controls).
  - (b) **Practitioner technological tools** technological tools used by practitioners in engagements. This category encompasses technology-related matters that may arise in relation to:
    - (i) **Quality management:**<sup>6</sup> relating to the firm's governance, implementation, and use of practitioner technological tools, including how quality risks arising from the use of such tools are identified and addressed; and
    - (ii) **Engagement performance:** relating to how practitioner technological tools are used in planning and performing engagement procedures and in obtaining and evaluating evidence.
  - (c) **Interaction:** matters arising from the interaction between entity technology and practitioner technological tools, including where achieving an engagement objective depends on the practitioner's ability to access, extract, interrogate, or otherwise appropriately use information produced by the entity's technology (including information generated, processed, transformed, or stored within the entity's systems).

Illustrative examples of technology-related matters by category are provided in **Appendix 1**.

22. These categories are intended to provide a practical way to analyze technology-related matters within the scope of this Approach. In practice, a technology-related matter will generally relate to one or more of entity technology, practitioner technological tools, and the interaction between the two.
23. Technology used by entities may give rise to technology-related matters across a range of audits and other assurance engagements. For example, such matters may arise where entity technology affects how engagements are planned and performed and how the IAASB's standards are applied.
24. In other cases, technological developments may give rise to a need for new or evolving forms of assurance engagements (for example, assurance over an entity's AI system or its AI governance framework in accordance with suitable criteria). The IAASB's role with respect to such engagements

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<sup>5</sup> The Technology Position Statement described in Component 1 of the IAASB's [Technology Position](#) sets eight guiding actions. The examples in this paragraph are illustrative only and are not intended to be exhaustive.

<sup>6</sup> For the Quality Management Standards, technology-related matters of all types are within scope. As of the approval of this Approach, information-gathering undertaken by the Technology Quality Management workstream indicates that, in practice, quality-management-related matters have most often been raised in connection with practitioner technological tools enabled by emerging technologies, including advanced forms of artificial intelligence (AI), particularly where such tools exhibit characteristics such as opacity, non-determinism, or adaptivity. See the material presented to the Board at its December 2025 meeting ([Agenda Item 8](#)), which summarizes feedback received through this information-gathering.

will be considered in the context of the IAASB's remit and consistent with its public interest objectives and mandate; ultimately, whether and how to proceed is a work plan decision by the Board.

## 2.3 Identification of Technology-Related Matters

25. Technology-related matters are identified through the IAASB's ongoing information-gathering, monitoring, and research activities. These activities include work undertaken to operationalize the Technology Position (including its guiding actions) and to identify issues and challenges that may warrant Board consideration in a technology-enabled environment.
26. These activities draw on a range of internal and external inputs, including:
  - (a) **Stakeholder feedback received through formal consultations**, including consultations on the IAASB's Strategy and Work Plan and on exposure drafts and other consultation documents.
  - (b) **Insights from the IAASB's general outreach program**, including regular outreach to key stakeholders across constituencies at the global and jurisdictional levels, and project- or workstream-specific outreach to progress active topics of the IAASB's work program.
  - (c) **Input from targeted outreach and engagement with stakeholders**, including audit oversight authorities, firms, jurisdictional auditing and assurance standard setters, practitioners, regulators, and users of audit and assurance reports.
  - (d) **Information arising from implementation and application of the IAASB's standards**, including the results of post-implementation reviews.
  - (e) **Information arising from active standard-setting projects**, including during project scoping, developing project proposals and as projects progress.
27. Through these means, technology-related matters may be identified explicitly or may emerge indirectly, for example where stakeholders raise concerns about challenges in applying existing requirements in a technology-enabled environment or uncertainty or divergence in practice, or where the Board's work to operationalize the Technology Position Statement highlights matters warranting Board consideration.

## Section 3: Choosing Between Standard-Setting and Non-Authoritative Materials

28. As described in **Section 1**, the Board's preliminary direction on actions for technology-related matters in the Catalog may include continued monitoring, further information gathering or analysis, standard-setting activities, and development of non-authoritative material. This section focuses on the considerations the Board applies in determining whether the most appropriate action is standard-setting or the development of non-authoritative material.<sup>7</sup>
29. Standard setting is the primary means through which the IAASB serves the public interest. In accordance with the IAASB Terms of Reference, the IAASB's International Standards represent its authoritative pronouncements in accordance with the due process approved by the Public Interest Oversight Board (PIOB). The IAASB may also publish non-authoritative material addressing the intended application of the International Standards, or other material on auditing and assurance

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<sup>7</sup> **Appendix 2** provides additional background on how IAASB standards and related material are structured and how non-authoritative material fits alongside the standards.

matters, to support consistent and effective implementation and application (herein referred to as “non-authoritative material”).

### 3.1 Technology-Specific Qualitative Considerations

30. There is no bright line between technology-related matters best addressed through standard-setting and those best addressed through non-authoritative material. The Board applies its judgment, informed by the facts and circumstances of the matter, stakeholder input, and its public interest mandate, with particular regard to the context in **Appendix 2**. This judgment may be applied at the outset or after monitoring and/or information gathering has been undertaken to inform the Board’s preliminary direction.
31. The following qualitative considerations may be relevant in determining whether a technology-related matter is best addressed through standard setting, non-authoritative material, or a combined approach:
  - (a) **The extent to which there is an established expectation for standard setting** (for example, as reflected in the Board’s approved strategy and work plan, or arising from the Board’s public interest mandate).
  - (b) **The extent to which authoritative requirements or application material are necessary to support the consistent performance of quality engagements** (including in circumstances where standard-setting would provide durable clarity), as compared with circumstances where consistent application may be achieved through timely clarification through non-authoritative material.
  - (c) **Whether there is a need for specific and detailed technology-related guidance that may quickly become outdated**, in which case non-authoritative material may be more appropriate.
  - (d) **The maturity and stability of the technology and related practices giving rise to the matter**, recognizing that sufficiently mature and established technology and related practices can support durable authoritative material, while rapidly evolving technologies and related practices may be better addressed initially through non-authoritative material.
  - (e) **Whether existing principles in the standards appear robust but are difficult to apply consistently in a technology-enabled environment**, which may indicate a need for timely clarification through non-authoritative material rather than revisions to the standards.
  - (f) **Whether the standards, or uncertainty about how to apply them, may be discouraging the appropriate use of technology that could enhance engagement quality**. Where the barrier arises from the standards themselves, standard-setting or maintenance may be needed; where the barrier arises from uncertainty in application, non-authoritative material may be more appropriate.
  - (g) **Whether the technology-related matter is cross-cutting across multiple standards or engagement types**, which may indicate a need for standard-setting to promote coherence, or whether it is narrow and context-specific, which may be better addressed through targeted non-authoritative material.
32. These considerations are not intended to be exhaustive and are applied holistically and in combination. They do not operate as a checklist or formula, and no single consideration is



determinative. Accordingly, determining the appropriate response to technology-related matters involves the exercise of judgment, informed by evidence, context, and the IAASB's public interest responsibilities.

### 3.3 Execution Through Standard-Setting or Non-Authoritative Materials

33. Once the IAASB has determined that a technology-related matter should be addressed through standard-setting or non-authoritative material, the matter is advanced in accordance with the relevant components of the IAASB's Framework for Activities. Specifically:
- **Standard-setting:** A standard-setting project is initiated, or the necessary activities are incorporated into an existing standard-setting project, and progressed in accordance with the IAASB's Integrated Due Process and Public Interest Framework (PIF) Operating Procedures.<sup>8</sup>
  - **Non-authoritative material:** A workstream plan is established and work is progressed in accordance with **Section 4**.

## Section 4: Developing Non-Authoritative Material

### 4.1 Purpose and Characteristics of Technology-Related Non-Authoritative Material

34. The purpose of technology-related non-authoritative material is to provide guidance on identified technology-related matters that clarifies and supports the consistent and effective application of the IAASB's International Standards. In doing so, the material aims to strengthen trust in audit and other assurance engagements and reduce the risk of regulatory fragmentation.<sup>9</sup>
35. Technology-related non-authoritative material is intended to provide a globally coherent reference point grounded in IAASB standards, clarifying how the IAASB's standards apply without creating implied or de facto requirements and complementing (not substituting for) authoritative requirements and application material. The material should be scalable and proportionate, so it can be applied by firms of different sizes and levels of technological maturity.
36. The non-authoritative material should avoid being overly technology-specific or prescriptive, recognizing that detailed descriptions of particular technologies or practices may quickly become outdated. Accordingly, the material should emphasize principles and scalable explanations that remain relevant as technology and techniques evolve.
37. The IAASB will remain agile and responsive to environmental changes, emerging demands, and urgent or unexpected issues. This may result in additional guidance, or updates to existing guidance, as technology and practice evolve.

### 4.2 Forms of Technology-Related Non-Authoritative Material

38. Non-authoritative material developed by the IAASB can take different forms, including International Practice Notes, non-authoritative guidance documents (guides), staff practice alerts, or other staff-

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<sup>8</sup> See "Due Process" under Quick Links on the IAASB website.

<sup>9</sup> Regulatory fragmentation refers to regulatory fragmentation refers to the risk that different regulators interpret and apply the same IAASB standards differently across jurisdictions, leading to inconsistent expectations.



or workstream- developed publications such as frequently asked questions (FAQs), flow charts, examples or illustrations, diagrams, presentations, videos and webinars.<sup>10</sup>

39. In the context of technology-related matters, stakeholder feedback has emphasized the importance of transparency, rigor, and Board accountability in the development of non-authoritative material, given its potential influence on practice and how practitioners apply the IAASB's standards.
40. Accordingly, for the purposes of this Approach, the IAASB anticipates that technology-related non-authoritative material will generally be developed in the form of guides,<sup>11</sup> either as a single guide addressing identified matters or various matters relating to a theme or topic, or as a guide series. A guide series may be preferred because it allows for a staggered approach whereby guidance may be issued more quickly in stages.
41. Guides strike an appropriate balance as a form of non-authoritative material to address technology-related matters because of their:
  - **Writing and presentation style**, including the ability to provide contextual explanation and practical illustrations in a format that is accessible to a broad range of stakeholders; and
  - **Timeliness and agility**, recognizing that other forms (for example, International Practice Notes) may involve a more formal development and approval process and may therefore be less responsive in fast-evolving areas.
42. While guides are expected to be the primary form of technology-related non-authoritative material under this Approach, other forms may be selected where appropriate, having regard to the forms outlined in paragraph 38 and further described in the IAASB Framework for Activities, Component IV, Section B. Other forms of non-authoritative material may also supplement a guide, for example, by addressing specific questions through FAQs, examples, or illustrations during development or after issuance.
43. In addition to developing guidance directly, the IAASB's role in responding to technology-related matters may, in appropriate circumstances, include facilitating, coordinating, or collaborating in the development of guidance by others. This may include, for example, guidance developed by another body under the auspices of the IAASB or in close coordination with it. Such approaches may support timely and high-quality outcomes, while remaining consistent with the IAASB's public interest mandate, governance framework, and the non-authoritative status of such materials.

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<sup>10</sup> See the IAASB Framework for Activities, Component IV, Section B for a detailed description of different forms of non-authoritative material

<sup>11</sup> Non-authoritative guidance documents (guides) are described in the Framework for Activities as follows: These Guidance documents (or Guides) serve much the same overarching purpose as International Practice Notes but are ordinarily broader in their focus and scope in addressing a topic or theme or type of engagement. Guidance documents are written in a different style that allows for 'free' explanation and simpler language, providing more contextual or background information, and more flexibility in the use of examples or illustrations, compared to International Practice Notes. The latter follow a style that is closer to that of the International Standards and apply the same (or much the same) drafting principles and guidelines. In addition, there is greater formality in terms of the development and approval process of an International Practice Note (see "Development and Clearance for Issue", below). International Practice Notes are included in the IAASB Handbook, while Non-Authoritative Guidance Documents are generally not.

#### 4.3 Tailored Development and Approval Approach for Technology-Related Non-Authoritative Material

44. The IAASB's Framework for Activities contemplates multiple channels for developing non-authoritative material, with differing levels of formality and Board involvement (see Component IV, Section B of the Framework for Activities). In applying the Framework, the channel selected reflects the level of process and oversight intended for the output, rather than being determined solely on the basis of the type of material (for example, whether it is a guide or another form).
45. Non-authoritative guidance documents (guides) are described in the Framework for Activities as a form of non-authoritative material that is ordinarily developed using Channel 3 (negative clearance), unless Channel 4 is designated, which requires an affirmative vote by the Board.
46. For technology-related non-authoritative material, the IAASB intends to apply a tailored approach that generally favors the use of guides because of their flexibility in writing style, accessibility, and ability to incorporate contextual explanation and practical illustrations. At the same time, and in response to stakeholder feedback about the need for greater rigor, transparency, and Board accountability, the IAASB expects, in most cases, to apply a Channel 4 process for technology-related guides.
47. Applying a Channel 4 process to technology-related guides is intended to enhance the robustness and legitimacy of the output, promote consistency, and build stakeholder confidence, particularly in fast-evolving and complex technology-related areas. Under this approach, the Board is expected to approve the final content in public session.
48. Where circumstances indicate that another channel would be more appropriate (for example, to respond quickly to an urgent issue or to address a narrow matter that does not warrant Board approval), the IAASB may apply an alternative channel consistent with the Framework for Activities.

#### 4.4 Development Process

49. For purposes of developing technology-related non-authoritative material in the form of guides as described in paragraphs 40–42, the IAASB follows the following development process:<sup>12</sup>
  - (a) Designated IAASB staff have responsibility for driving the development of the material, subject to the IAASB's normal internal processes and governance arrangements (herein referred to as "workstream staff").
  - (b) One or more Board members may be assigned to the workstream to provide strategic and technical advice (akin to Project Board Members for a standard setting project). Throughout the development process, workstream staff may also reach out to any IAASB members or their technical advisors, or external individuals or groups with relevant expertise.
  - (c) Workstream staff develop a Workstream Action Plan for consideration and approval by the Board.
  - (d) Workstream staff, in coordination with the Program and Senior Director and the IAASB Chair or Vice Chair, advise the Board whether it is appropriate to establish a dedicated expert group (see also paragraphs 51–53 below).

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<sup>12</sup> This development process is a specific application of Channel 4 in the IAASB Framework for Activities, Component IV, Section B.

- (e) Workstream staff develop issues, views and proposals for deliberation by the Board in public sessions.
  - (f) Workstream staff undertake targeted consultation of proposals with identified stakeholders, as appropriate, to augment and complement their information gathering, research and outreach, including the input and views of the Workstream Expert Group (if such a group is established).
  - (g) The Board approves the final content of the material(s) by affirmative vote (simple majority) in public session.
  - (h) The Guide(s) is cleared for publication by the Program and Senior Director in consultation with the IAASB Chair or Vice Chair.
50. This development process is characterized by Board involvement, including Board approval of the final content in public session (consistent with the Channel 4 approach described in **Section 4.3**). The IAASB expects that this development process will often be appropriate given the pace of change, the complexity of the subject matter, and the importance of transparency, multi-stakeholder input, and visible Board oversight, while maintaining the non-authoritative nature of the material.
51. Where the nature of a topic warrants deeper or more specialized expertise, the IAASB may establish a dedicated expert group for a specific workstream to support focused work on highly technical or rapidly evolving areas. Decisions about the use of expert input and the composition of the expert group are informed by the nature and complexity of the matters under consideration and the need to support high-quality outcomes in the public interest.
52. A Workstream Expert Group is intended to be a technical expert group that brings together relevant and diverse perspectives. The composition of each Workstream Expert Group is addressed in the Workstream Action Plan and is designed to provide balanced and informed input on the technology-related matters that fall within scope.
53. The purpose of a Workstream Expert Group is to support workstream staff by:
- Providing technical or directional input on the proposed scope, structure, and prioritization of topics, as well as the content of proposals.
  - Offering perspectives on practical implementation challenges and scalability and proportionality considerations.
  - Assisting in identifying areas where further clarification or illustration would be most beneficial, and contributing to the content in this regard.
  - Providing feedback on draft materials throughout the development process.
- The roles may be further elaborated in the specific Workstream Action Plan. A Workstream Expert Group does not have decision-making authority, and its input does not replace workstream staff responsibilities or Board deliberation or approval of materials.
54. As contemplated in **Section 4.2**, technology-related non-authoritative material may also take a form other than a guide. In such instances, the development and clearance process is in accordance with the IAASB Framework for Activities, Component IV, Section B (Non-Authoritative Support Materials), including application of the appropriate channel for development and clearance for issuance (see **Section 4.3**).

#### 4.5 Coordination and Outreach Activities

55. Technology-related matters cut across multiple standards, engagement types, and areas of the IAASB's remit. This requires coordination across the IAASB's activities to promote coherence and avoid duplication or divergence.
56. In developing non-authoritative material to address technology-related matters, the IAASB considers, as appropriate:
  - Interactions with existing or planned standard-setting or maintenance activities;
  - Implications across audits and other assurance engagements;
  - Alignment with other IAASB initiatives addressing related risks or concepts; and
  - Opportunities to leverage or build on credible work by others, consistent with the IAASB's Terms of Reference.
57. Consistent with the Technology Position, the IAASB may draw on existing technology-focused groups, such as the Technology Consultation Group (TCG)<sup>13</sup> and the Technology Advisory Network (TAN),<sup>14</sup> to provide input on emerging developments, practical challenges, and implementation considerations relevant to the Board's work.
58. Outreach activities with key stakeholders contribute significantly to the IAASB's work, including by demonstrating the Board's responsiveness to stakeholder needs and obtaining input and views on identified matters or proposals. Such outreach may be undertaken as part of the IAASB's general outreach program or workstream-specific outreach.
59. In addition, stakeholder feedback has emphasized that ethical dimensions often are relevant to addressing technology-related matters and has therefore encouraged coordination with the International Ethics Standards Board for Accountants (IESBA) on relevant matters.
60. The coordination and outreach above help ensure that responses to technology-related matters are proportionate, well-sequenced, and consistent with the IAASB's broader portfolio of activities.

#### 4.6 Where the Guides will be Published

61. Technology-related non-authoritative material developed under this Approach, including guides, will be published on the IAASB website in the [Technology focus area](#).
62. Consistent with the IAASB's commitment to remain agile, the IAASB may update, replace, or supplement a guide as circumstances evolve, including where developments in technology, practice, or stakeholder feedback indicate that revisions would better support consistent and effective application of the IAASB's standards.

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<sup>13</sup> The Technology Consultation Group (TCG) provides input to IAASB project teams, working groups, and staff, as needed, on technology-related matters relevant to the IAASB's projects and activities. Information on the TCG and its membership is available on the IAASB's [Technology Position Initiative webpage](#).

<sup>14</sup> The Technology Advisory Network (TAN) supports the IAASB's monitoring of emerging technologies that may affect the relevance and effectiveness of the Technology Position and the IAASB's standards. The TAN comprises representatives from the IAASB Jurisdictional Auditing and Assurance Standard Setters (JSS) Liaison Group. Information on the TAN and its membership is available on the IAASB's [Technology Position Initiative webpage](#).

## Appendix 1

### Illustrative Examples of Technology-Related Matters

This appendix provides illustrative examples of technology-related matters to support understanding of the categories described in **Section 2.2**. The examples are not intended to be exhaustive and are provided for illustration only. In practice, a matter may relate to more than one category (for example, both entity technology and practitioner technological tools), and matters may arise either from technological developments affecting engagements and the application of the IAASB's standards, or other work to operationalize the guiding actions in the Technology Position Statement.

#### Entity Technology

Examples of matters arising primarily from technology used by entities include:

- **AI-enabled systems in external reporting.** An entity's use of sophisticated technology (including AI-enabled systems) in financial reporting or other external reporting processes may give rise to challenges in applying the IAASB's standards, for example in understanding the entity's systems and related controls, identifying and assessing risks, and designing and performing procedures to obtain sufficient appropriate evidence.
- **Complex automated processes and controls.** Highly automated transaction processing or decision-making (including where outcomes are generated through complex models or rulesets) may create challenges in understanding information flows, evaluating the design and implementation of controls, and determining appropriate procedures to address risks arising from the entity's technology environment.

#### Practitioner Technological Tools

Examples of matters arising from technological tools used by practitioners include:

- **Quality management–governance of technological tools.** Matters may arise in relation to how a firm governs, implements, and uses technological tools (including tools enabled by emerging technologies), including how quality risks arising from the use of such tools are identified and addressed.
- **Engagement performance–use of tools in procedures and evaluation of outputs.** Matters may arise in applying engagement requirements when procedures are performed using technological tools (including AI-enabled tools), such as how procedures are designed and categorized, how outputs are evaluated, and how professional judgment and professional skepticism are exercised when such tools are used.

#### Interaction between Entity Technology and Practitioner Technological Tools

Examples of matters arising primarily from the interaction between entity technology and practitioner technological tools include:

- **Crypto-assets recorded on a distributed ledger.** When an entity holds crypto-assets recorded on a distributed ledger, the practitioner may need to use a "blockchain explorer" or other technological tools to evaluate relevant assertions (such as existence and rights and obligations). In such circumstances, the matter arises from the interaction between the entity's technology environment

and the practitioner's ability to perform procedures and evaluate evidence in accordance with the applicable standards.

- **Accessing and interrogating information produced by entity systems.** Where relevant information is generated, processed, transformed, or stored within complex entity systems (including systems that produce outputs through automated processing), the practitioner may need to use appropriate tools or techniques to access, extract, interrogate, or otherwise evaluate the information in order to obtain sufficient appropriate evidence.

## Appendix 2

### How the IAASB Standards and Related Material Fit Together

This appendix provides background information to support **Sections 3 and 4**. **Section 3** explains how the Board considers whether a technology-related matter is best addressed through standard-setting or through non-authoritative material. **Section 4** describes the tailored approach expected to apply when developing technology-related non-authoritative material.

The following additional context is important to understand what drives the Board's decision-making between addressing technology-related matters through standard-setting or developing non-authoritative material (for easy reference, it is explained in the context of the ISAs):

- (a) **The contents of an individual ISA** are organized in sections that include:
- an introduction;
  - objective(s); and
  - a requirements section, together with application and other explanatory material ("application material", hereafter).<sup>15</sup>
- (b) **Application material**, by its nature, is guidance that supports the requirements in a standard.
- (i) Application material can be included as "A"-paragraphs in the application material section of a standard or in an appendix of the standard.<sup>16</sup> Application material does not in itself impose a requirement; however, it is an integral part of the standard and, therefore, authoritative. This means that the auditor is required to have an understanding of the application material in the context of the entire text of an ISA, including that the application material is relevant to the proper application of the requirements. Also, regulators take application material into account as part of their inspection and enforcement activities.
  - (ii) In developing a standard, the Board decides, where necessary, to include application material to provide further explanation for carrying out requirements, which may include explaining more precisely what a requirement means or is intended to cover.<sup>17</sup> The Board generally explains that requirements address the "what" (the auditor is required to achieve) and application material addresses the "why" or "how".<sup>18</sup>
  - (iii) Generally, application material should not reach a level of detail so as to move into the realm of audit methodology, or be too granular or specific so that the material may date relatively quickly (i.e., not future-proof). This is especially true for application material that addresses the "how".

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<sup>15</sup> See the CUSP [Drafting Principles and Guidelines](#), paragraph 1.1.1

<sup>16</sup> ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Internal Standards on Auditing*, paragraphs A64 and A65

<sup>17</sup> ISA 200, paragraph A64

<sup>18</sup> CUSP Drafting Principles and Guidelines, paragraphs 9.1.3 and 10.1.1



- (c) **Non-authoritative material** is also, by its nature, guidance. However, non-authoritative material is not part of the standards and is published separately (in different forms).<sup>19</sup>
- (i) Even though non-authoritative material is outside of the standards, it is important to anchor such material in existing principles of the standards to avoid creating implied or de facto requirements, and is intended to complement (not substitute for) authoritative requirements and application material.
  - (ii) The IAASB recognizes that over time, because of developments in the environment within which, for example, audit engagements are conducted, specific challenges may arise regarding the application of one or more standards, and that in certain circumstances a solution other than standard-setting may be most effective and timely to provide clarity and support the consistent application of the standards.
  - (iii) Non-authoritative material also may be used to describe aspects of the “how” related to principles and requirements of certain standards that would not be appropriate for inclusion in the standard(s) for the reasons described above in relation to the function of application material. In addition, non-authoritative material may address a specific or targeted issue(s) (including, as applicable, related to a specific industry or other particular context) to contribute to the proper and consistent implementation and application of the standards where a challenge(s) could be addressed without the need for standard setting.

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<sup>19</sup> Framework for Activities, Component IV, Section B