

**Technology Quality Management Workstream**  
**Action Plan to Develop Non-Authoritative Material**

**[Approved by IAASB]**

This action plan has been developed by IAASB staff in response to the IAASB's decision in December 2025 to develop technology-related non-authoritative material. The non-authoritative material is intended to support the consistent and effective application of the IAASB's quality management standards in circumstances where technological tools enabled by emerging technologies are used in engagements and are affecting, or have the potential to affect, how those standards are applied.

The action plan sets out the proposed scope, development approach, governance, and timetable for developing, issuing, and maintaining the non-authoritative material, consistent with the **IAASB's Technology Catalog Process: Approach to Addressing Technology-Related Matters** (the "**Approach**"), including the tailored approach for developing technology-related non-authoritative material with Board oversight and approval of the final content in public session.

The action plan was approved by the IAASB at its March 2026 meeting.

## **I. Subject**

1. This paper sets out the IAASB's action plan, as part of its Technology Quality Management Workstream, to develop non-authoritative material to support the consistent and effective application of the IAASB's quality management standards when technological tools enabled by emerging technologies are used by practitioners in the performance of audit and other assurance engagements (collectively "engagements").
2. For purposes of this action plan, 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. The action plan is concerned with quality risks related to such tools across their lifecycle, including, as applicable, how such tools are developed or obtained, implemented, maintained (including change management), monitored, and used in engagements.
3. The action plan describes the purpose, scope, development process, timeline, and resource considerations for developing, issuing, and maintaining the non-authoritative material.

## **II. Introduction**

4. This action plan is informed by the Technology Quality Management Workstream's information-gathering activities, including stakeholder roundtables convened by the IAASB, staff outreach and bilateral discussions outside the roundtables, and desktop research. The IAASB staff paper, Technology Quality Management Workstream – Feedback and Potential Next Steps (IAASB December 2025 meeting, [Agenda Item 8](#)) (the "**December 2025 Feedback Paper**") summarizes themes from those activities and remains available as a resource for more detailed information. The context and themes summarized below draw on those insights.
5. Firms have long used technological tools supported by quality management processes that were developed primarily for tools that are transparent and deterministic in nature. As firms increasingly adopt or expand the use of technological tools enabled by emerging technologies, particularly more advanced

forms of artificial intelligence (AI) and generative AI (Gen AI), questions arise about how the IAASB's quality management standards apply to managing the quality of these tools and the work performed using them.

6. Certain technological tools enabled by emerging technologies may exhibit unique characteristics (see paragraph 7 for more information) that create practical challenges in applying the IAASB's quality management standards. These challenges may arise, for example, in establishing appropriate governance and accountability, determining the nature and extent of testing or validation that is sufficient before such tools are deployed, monitoring performance after deployment, and appropriately evaluating the outputs of these tools when such tools are used in engagements.
7. As described in the December 2025 Feedback Paper, certain characteristics of such tools may affect how they are governed and used in practice and contribute to the practical challenges described in paragraph 6. These characteristics include the following:
  - **opacity** refers to limited explainability of how a tool produces outputs;
  - **non-determinism** refers to outputs that may vary even with similar inputs; and
  - **adaptivity** refers to changes in tool behavior over time, including through updates or other modifications.
8. Stakeholders across the information-gathering activities consistently described uncertainty about how to apply the principles and requirements in ISQM 1<sup>1</sup> and ISA 220 (Revised)<sup>2</sup> when technological tools enabled by emerging technologies are used in engagements. Stakeholders generally did not characterize this uncertainty as arising from deficiencies in the standards themselves. Rather, they described practical challenges in applying existing principles consistently and effectively across different firm structures, network arrangements, and levels of technological maturity.
9. In relation to firm-level quality management, stakeholders highlighted that challenges can arise throughout the lifecycle of technological tools, including when developing tools, onboarding or using third-party solutions, implementing and maintaining tools, and monitoring continued operation after deployment. Stakeholders also emphasized that these challenges are not limited to the ISQM 1 quality objective addressing technological resources. While that objective is central, they observed that the use of such tools may have implications across a firm's system of quality management more broadly, including governance and leadership, resources (human resources, including competence and capabilities), client acceptance and continuance, relevant ethical requirements and engagement performance.
10. In relation to engagement-level quality management, stakeholders noted that the characteristics described in paragraph 7 may complicate how engagement partners discharge responsibilities under ISA 220 (Revised), including responsibilities relating to engagement resources and to the nature, timing and extent of direction, supervision, and review. Stakeholders pointed in particular to circumstances where tool outputs are difficult to explain, where specialized skills are needed to evaluate outputs, or where there is heightened risk of overreliance, as well as data governance challenges and confidentiality concerns when using such tools.
11. Feedback obtained through the workstream indicates that, without further clarification grounded in the standards, uncertainty may contribute to public interest challenges. These include **regulatory**

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<sup>1</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>2</sup> International Standard on Auditing (ISA) 220 (Revised), *Quality Management for an Audit of Financial Statements*

**fragmentation** when regulators interpret and apply the standards inconsistently across jurisdictions, **diversity in practice** where firms apply the standards differently resulting in variability in engagement quality, and **an uneven playing field** where larger, better-resourced firms are better positioned than small and medium-sized practices (SMPs) to develop, govern, and use tools enabled by emerging technologies.

12. In December 2025, the IAASB therefore decided that the most appropriate response at this stage is the development of non-authoritative material to address the identified challenges in a timely, scalable, and proportionate manner. The **Approach** provides the basis for this decision and for how the IAASB will develop, approve, and maintain the proposed non-authoritative material.
13. **Sections III and IV** set out the purpose and scope of the proposed non-authoritative material.

### III. Purpose of the Proposed Non-Authoritative Material

14. Consistent with the purpose and characteristics of technology-related non-authoritative material described in **Section 4.1 of the Approach**, the proposed non-authoritative material will provide guidance that clarifies and supports the consistent and effective application of the IAASB's quality management standards in the circumstances described in **Section II** of this action plan.
15. The guidance is intended to help firms and engagement teams understand how existing principles and requirements apply when technological tools enabled by emerging technologies are used in engagements, including when such tools exhibit the characteristics described in paragraph 7. It will explain and illustrate considerations that may be relevant in applying the standards, while preserving the principles-based nature of the standards and the exercise of professional judgment.
16. In particular, the guidance is intended to support firm-level quality management under ISQM 1 by clarifying how a firm's system of quality management may respond to quality risks related to technological tools across their lifecycle. In addition, the guidance will support engagement-level quality management under ISA 220 (Revised) by clarifying considerations relevant to the engagement partner's responsibilities when such tools are used in an engagement. The guidance will address these considerations in a scalable and proportionate manner across different firm structures and levels of technological maturity.
17. The guidance will address public interest challenges identified through the workstream's information-gathering activities by supporting greater consistency in how the quality management standards are applied and understood by firms, audit regulators and oversight authorities across jurisdictions and firm types, including SMPs.
18. The guidance will be non-authoritative and will not establish new requirements or amend the IAASB's standards, nor is it intended to reinterpret them.

### IV. Scope

#### A. Scope of Matters and Tools Addressed

19. The scope of the non-authoritative material is limited to technology-related matters arising from the use of technological tools enabled by emerging technologies in engagements (as described in paragraph 2), to the extent such matters are affecting, or have the potential to affect, the consistent or effective application of the IAASB's quality management standards.

20. The guidance is expected to address quality risks related to such tools across their lifecycle, including, as applicable, a firm's tool certification processes<sup>3</sup> for firm-developed or third-party tools (including evaluation and approval for use before deployment and monitoring after deployment), as well as quality risks at the engagement level (including evaluation of outputs and appropriate human oversight).

## B. Forms of Output

21. Consistent with **Section 4.2 of the Approach**, the core output is expected to be a series of guides. Supplemental forms of non-authoritative material (for example FAQs, flow charts, examples, or illustrations) may also be developed where appropriate to supplement the guide series.
22. The intent is to provide sufficient clarity and practical insight to be useful to stakeholders, in a scalable and proportionate manner, while avoiding excessive detail or prescriptive content that could undermine the principles-based nature of the standards or become outdated as technologies and practices evolve.

## C. Topic Coverage of the Guide Series

23. The guide series is expected to address the “layers” framing described in paragraphs 36–40 of the **December 2025 Feedback Paper**. This framing reflects how technological tools enabled by emerging technologies, including Gen AI models in particular, are typically accessed and used in practice, and therefore helps identify where different quality management responsibilities tend to arise across network arrangements, firms, and engagement teams.
24. This layering is intended as a practical way to conceptualize relevant quality management considerations and is not intended to imply a rigid separation of responsibilities across network arrangements, firms, and engagement teams, nor a fixed structure for the guide series. In practice, the quality management considerations relevant to such tools are iterative and interconnected across layers and across firm- and engagement-level responsibilities.
25. In broad terms:
- (a) firms generally obtain access to a foundational Gen AI model,<sup>4</sup> at the firm or network level, from a third-party provider<sup>5</sup> rather than developing and training the model themselves, given the scale of data, computing infrastructure, and specialized expertise required;
  - (b) firms then develop, obtain, and/or configure technological tools that build on that foundational model (for example, firm-developed/configured tools or third-party applications implemented for use within the firm), including by connecting the model to firm-approved data and knowledge sources<sup>6</sup> (for example audit methodology, policies, and templates) and implementing firm-specific controls (for example prompts, guardrails, workflow steps, and logging or monitoring); and

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<sup>3</sup> The December 2025 Feedback Paper describes a firm's “tool certification process” as the process used to evaluate and approve a technological tool for use in engagements and to monitor its continued operation after deployment.

<sup>4</sup> In this context, “foundational model” refers broadly to an underlying model capability (for example, a large language model) that a firm accesses through a third-party service or platform, including through enterprise arrangements with cloud service providers.

<sup>5</sup> In ISQM 1, third parties that provide resources are referred to as “service providers.”

<sup>6</sup> For example, retrieval-based approaches that bring relevant firm-approved content (such as methodology or policies) into the tool's context at run time to support more grounded outputs.

- (c) engagement teams use those tools in engagements, including in circumstances where tools are firm-approved and in circumstances where engagement teams access tools outside the firm's approval channels.
26. The guides will address how relevant considerations may arise across components of a firm's system of quality management in ISQM 1, not only the resources component, including scalability and proportionality considerations in firm and network arrangements.
27. Within each layer, the guidance will illustrate considerations relevant to the lifecycle of technological tools, including engagement with third-party providers, development or configuration, deployment, and post-deployment monitoring and remediation, as appropriate.
28. The guidance will also describe considerations relevant to how responsibilities may be allocated and evidenced across network arrangements, firms, and engagement teams, particularly where tools are developed, evaluated, supported, or deployed at a network level while the requirements of ISQM 1 apply at the level of the individual firm.
29. In doing so, the guidance will emphasize that, regardless of where activities occur within a network structure, the firm retains responsibility for its system of quality management, including decisions to approve tools for use and how to monitor their continued operation.
30. **Table 1** provides a roadmap for the development of the guide series and is intended to be read as a coverage map. The table illustrates key quality management considerations across (i) the lifecycle of technological tools and (ii) the level at which responsibilities and oversight typically arise in practice. The matters reflected in **Table 1** will be considered through the lens of the components of a system of quality management in ISQM 1, as relevant to the circumstances. The final column addresses circumstances in which a tool has not been approved at a firm level for use by engagement teams, but where the firm has established policies or procedures to be applied at the engagement level when engagement teams plan to use that tool in defined circumstances.
31. **Table 1: Coverage map for the Guide Series**

Tool lifecycle stage	Network <sup>7</sup> (when applicable)	Firm	Engagement team (firm-approved tools)	Engagement team (non-firm-approved tools)
Engagement with third-party service providers	Governance arrangements for provider selection and contracting, where applicable; network support made available to firms	Firm policies for evaluating and approving providers and solutions; understanding provider assurances and constraints; firm accountability retained	Considerations when engagement teams use firm-approved third-party tools, including understanding intended use and conditions	Considerations when engagement teams propose to use external tools that have not been approved by the firm but may be used under the firm's policies or procedures, including any required pre-use evaluation of appropriateness,

<sup>7</sup> ISQM 1 addresses the firm's responsibilities when the firm belongs to a network and complies with network requirements or uses network services, and makes clear that the firm remains responsible for its system of quality management. ISQM 1 requires the firm to understand relevant network requirements/services and the firm's responsibilities for implementing them, and to consider the effect of any network monitoring activities on the firm's monitoring and remediation. Accordingly, references in this table to "network" activities are included to describe common arrangements in practice and how they may interact with firm responsibilities under ISQM 1; they do not imply that ISQM 1 imposes separate requirements on the network.

				restrictions on use, escalation where required, and engagement partner accountability for judgments and conclusions
<b>Development of tool</b>	Network development or configuration support, if provided; coordination of methods, templates, or centralized capabilities, including communication of intended use parameters and known limitations	Firm development; defining intended use; validation approach; competence and capabilities; governance and accountability where development/configuration is provided through network arrangements (including the extent of reliance)	How engagement teams implement and use firm-approved configurations; roles of specialists; documentation of setup and controls	Considerations when engagement teams develop, configure or modify tools that have not been approved by the firm but may be used under the firm's policies or procedures, including any required pre-use assessment of appropriateness, escalation, documentation, and use conditions
<b>Deployment of tool</b>	Network deployment support, if applicable; communication of updates and known limitations	Firm authorization for use; access controls; deployment criteria; change management; training	Engagement partner responsibilities for appropriate use; direction, supervision and review over use; managing the risk of inappropriate overreliance	Use of tools that have not been approved by the firm but may be used under the firm's policies or procedures, including required safeguards relating to confidentiality and data governance, restrictions on use, and documentation expectations
<b>Post-deployment &amp; decommissioning<sup>8</sup></b>	Network monitoring support, if applicable; centralized issue identification and communications, including inputs to firms on observed performance trends and fit-for-purpose considerations	Ongoing monitoring, incident response, remediation, and reassessment of quality risks; managing updates and other changes that affect behavior, including ongoing assessment of whether the tool remains fit for purpose	Monitoring outputs and performance in engagement context; documenting oversight; responding to issues and changes affecting reliability	Identifying, documenting, and escalating issues arising from tools that have not been approved by the firm but may be used under the firm's policies or procedures, including communication of issues affecting reliability, appropriateness, confidentiality, or continued use

<sup>8</sup> Decommissioning of an AI-enabled tool may present quality management risks, including risks relating to secure retirement, prevention of unauthorized continued use, retention or disposition of relevant documentation and data, and data leakage.

32. For purposes of developing the guide series, the matters in **Table 1** will be grouped into the following three themes, which correspond to the layers described in paragraph 25:
- (a) **Theme 1: Third-party onboarding of foundational models and solutions**  
Firm-level quality management considerations when selecting, onboarding and approving foundational models and/or integrated third-party solutions for use in engagements, including understanding the intended purpose, capabilities, and limitations, and service provider arrangements that support its use.
  - (b) **Theme 2: Tool layer governance**  
Quality management considerations when firms implement, develop, or configure technological tools (including workflows) that build on third-party foundational models and solutions, including defining intended-use, testing/validation, approval for use, change management, and ongoing monitoring.
  - (c) **Theme 3: Engagement-level use, oversight, and accountability**  
Engagement-level quality management considerations when tools are used in performing procedures, including direction, supervision, and review; evaluating the reliability and appropriateness of outputs; documentation of use and oversight; and interaction with specialists.
33. The content, level of detail, sequencing, and topics covered in the guide series will be informed by input from the Workstream Expert Group and may be refined as development progresses to address the matters reflected in the coverage map in **Table 1**. As guides are developed, they will be brought to the Board for input as outlined in **Section VI.A**. Any significant revisions to this action plan will be addressed in accordance with **Section VII**.

## V. Development Process

### A. Overall Development Approach and Governance

34. The guide series will be developed in accordance with **Sections 4.3 and 4.4 of the Approach**. Workstream staff will lead development of the non-authoritative material, supported by Board oversight and multi-stakeholder input.
35. For purposes of this workstream, the following determinations are made in applying the development process in the **Approach**:
- (a) Workstream staff will be supported by two Board members assigned to provide strategic and technical advice throughout development.
  - (b) A Workstream Expert Group will be established to support and assist workstream staff in developing the guidance.
36. Workstream staff will bring to the Board issues, views, and proposals for deliberation at key points during development, including matters affecting scope refinement, structure, and draft content. The Board will approve the final content of each guide by affirmative vote in public session. Each guide will then be cleared for publication by the Program and Senior Director in consultation with the IAASB Chair or Vice Chair, consistent with the **Approach**.
37. If, during development, workstream staff identify the need for non-authoritative material in a form other than a guide, or supplemental outputs (for example FAQs, flow charts, examples, or illustrations), staff will raise this with the Board. Workstream staff will then proceed in accordance with the **Approach** and the



IAASB's [Framework for Activities](#) (Component IV, Section B), including applying the appropriate development and clearance process for the form of output.

#### **B. Establishment of a Workstream Expert Group**

38. To support the development of high-quality and practical guidance, a Workstream Expert Group will be established to provide structured input throughout the development process, consistent with the **Approach**. The purpose of the Workstream Expert Group is described in paragraph 53 of the **Approach**.
39. The Expert Group is expected to comprise 10–12 members, with participation from leading experts in audit practice and other stakeholder groups, such as audit regulation and oversight; securities regulation; third-party technology providers; and academia.
40. This composition is intended to achieve an approximate 50/50 balance between audit practitioners and other stakeholder groups.
41. The IAASB Chair approves the final composition, terms of reference, and operating arrangements of the Expert Group, which will be finalized in consultation with the Program and Senior Director and the Project Board Members. The composition of the Expert Group will be communicated on the Technology Quality Management [webpage](#).

#### **C. Information Gathering, Outreach, and Coordination**

42. The Expert Group will be the primary source of structured input during development. Workstream staff will also undertake targeted consultation with stakeholders as appropriate, consistent with the **Approach**, to test developing views, validate key judgments, and obtain perspectives that may not be fully represented within the Expert Group.
43. Workstream staff will coordinate with other IAASB activities and workstreams to promote coherence and avoid duplication, consistent with **Section 4.5 of the Approach**. Coordination will be undertaken as appropriate with a view to maintaining this workstream's focus on quality management considerations relating to technological tools used in engagements.
44. Coordination with the International Ethics Standards Board for Accountants (IESBA) will be undertaken as appropriate to promote alignment and coherence where the use of technological tools intersects with ethical requirements, including confidentiality and data governance considerations relevant to quality management. IESBA staff will be invited to attend meetings of the Workstream Expert Group as observers when helpful to facilitate information sharing, while respecting the respective mandates of the IAASB and IESBA.

#### **D. Transparency and Documentation**

45. Throughout the development process, workstream staff will document significant matters considered, rationale for proposals, key assumptions, and areas of judgment, including how stakeholder input has informed key decisions. This documentation is intended to support transparent Board deliberation and public accountability.
46. Significant matters arising during development that may affect scope, approach, sequencing, or timing will be brought to the Board's attention in a timely manner.



## VI. Timeline and Resources

### A. Workstream Timeline

47. The Workstream Team proposes the timetable set out in **Table 2**. The timetable is designed to support timely development of the guide series, including iterative Board consideration of draft guides and Board approval, in public session, of final guides, consistent with the development approach in **Sections 4.3 and 4.4 of the Approach**.
48. As the workstream progresses, specific milestones, sequencing of the guides, or activities may be adjusted in light of Board direction, stakeholder input or developments in technology and practice. Any significant revisions will be addressed in accordance with **Section VII** of this action plan.
49. **Table 2: Workstream Timetable for the Guide Series**

Timeline	Proposed Activities and Deliverables
<b>Q1 to Q2 2026</b> June 2026 IAASB meeting	<ul style="list-style-type: none"> <li>Establish the Expert Group and commence engagement</li> <li>Develop a list of topics that will be covered in the guide series</li> <li>Commence drafting of guides for selected topics</li> <li>Board input on: <ul style="list-style-type: none"> <li>The proposed list of topics to be covered by the guide series</li> <li>Draft content in guides on selected topics</li> </ul> </li> </ul>
<b>Q2 2026 to Q1 2027</b>	<ul style="list-style-type: none"> <li>Continue to engage with the Expert Group and undertake outreach with key stakeholders, including, as appropriate, targeted consultation of proposals</li> <li>Continue drafting of guides for selected topics</li> <li>Board input<sup>9</sup> on draft content in guides on selected topics</li> <li>Board approval, in public session, on completed guides</li> </ul>
<b>Q1 to Q2 2027</b> June 2027 IAASB meeting	<ul style="list-style-type: none"> <li>Continue to engage with the Expert Group and undertake outreach with key stakeholders, including, as appropriate, targeted consultation of proposals</li> <li>Continue drafting of guides for selected topics</li> <li>Present remaining completed guides to the Board for approval</li> </ul>
<b>Q3 2027 and beyond</b>	<ul style="list-style-type: none"> <li>Monitor technological developments and emerging practice to identify matters that may warrant updates to the guides and/or supplemental material</li> </ul>

50. If, as highlighted in **Section IV.B** and **Section V.A** of this action plan, workstream staff identify a need for non-authoritative materials in a form other than the guide series, the timing of such materials will be considered separately. This may include developing such materials in parallel with the guide series where doing so supports the workstream objectives without adversely affecting delivery of the guide series.

<sup>9</sup> Workstream staff will seek Board input both in public session and between IAASB meetings, as appropriate

## B. Workstream Resources

51. Development of the proposed non-authoritative material will be staff-driven, with ongoing involvement from the assigned Project Board Members and oversight by the full Board at key stages, consistent with the development process described in **Sections 4.3 and 4.4 of the Approach**.
52. Staff will draw on input from the Workstream Expert Group as the primary source of structured input, together with targeted consultation and outreach as appropriate, and other subject matter experts. Resource planning will recognize the technical and multidisciplinary nature of emerging technologies and their implications for quality management, and will be balanced with the IAASB's broader work program.
53. Consistent with the **Approach**, and where it supports timely and high-quality outcomes, workstream staff may coordinate or collaborate with others, including leveraging credible work by relevant stakeholders. In doing so, workstream staff will maintain appropriate oversight and ensure that the final non-authoritative material remains grounded in IAASB standards and retains its non-authoritative status.

## VII. Revisions to the Plan

54. As the workstream progresses, revisions to this action plan may become appropriate to respond to developments in technology and practice, stakeholder input, or matters identified during drafting that affect the scope, sequencing, level of detail, or timing of the guide series.
55. Workstream staff will keep the Board informed of proposed revisions and the reasons for them. Where proposed revisions are significant, including changes that materially affect the scope, approach, outputs, or timing of this action plan, workstream staff will bring the matter to the Board for discussion and direction.
56. This approach is intended to preserve flexibility and responsiveness while maintaining transparency and appropriate Board oversight throughout the life of the workstream, including with respect to updates that may be needed after issuance of the guide series to remain aligned with evolving technology and practice.