

Technology Monitoring Update and Proposed Changes to the Technology Catalog Issues Paper

Purpose of the Issues Paper

This paper provides the Board with its semi-annual update under Component 3 of the IAASB's [Technology Position](#). Under Component 3, the IAASB takes a proactive approach to monitoring, and adapting to, technological trends so that the Technology Position remains relevant and effective in a rapidly evolving technology landscape.

The purpose of the monitoring update is therefore twofold. First, it is to help the Board assess whether emerging technological developments give rise to new matters, or changes to existing matters, that should be reflected in the Technology Catalog. Second, it is to support the Board's consideration of whether those developments suggest any need to adapt aspects of the broader Technology Position.

In that context, this paper reports on the principal developments identified through the IAASB's monitoring activities during the period and explains how those developments have informed the proposed changes reflected in the proposed Version 3 of the Technology Catalog (Version 3), presented separately as **Agenda Item 8-B**. The proposed changes include structural changes intended to improve readability and transparency, refinements to the framing of matters in the Catalog, the introduction of new matters identified through the IAASB's monitoring activities, and clearer descriptions of progress on previously identified matters that are being addressed through active IAASB projects or workstreams.

Objectives of the June 2026 Discussion

The objectives of the discussion in June 2026 are to:

- Receive the IAASB's semi-annual monitoring update under Component 3 of the Technology Position;
- Discuss the proposed changes reflected in the proposed Version 3 of the Technology Catalog, presented separately as **Agenda Item 8-B**; and
- Offer views, as appropriate, on whether the monitoring update indicates any need to recalibrate aspects of the IAASB's broader Technology Position.

Introduction

Background

1. At its March 2026 meeting, the IAASB approved *The IAASB's Technology Catalog Process: Approach to Addressing Technology-Related Matters* (the Approach) ([Agenda Item 3-E](#)). The Approach formalizes the process the Board had already been following in developing the first two versions of the Technology Catalog, while also broadening the Catalog's scope beyond the International Standards on Auditing (ISAs)

and quality management standards to include Audit and Other Assurance Engagement Standards.¹ In addition, the Approach outlines the Board's considerations in choosing between standard setting and non-authoritative material (NAM), and lays out the development process to be followed when the Board's decision is to develop NAM to address technology-related matters. These considerations and process are relevant to informing the Board's preliminary direction on actions documented in the Technology Catalog.

2. Accordingly, the June 2026 update of the Technology Catalog is being developed using a broader lens than was reflected in earlier versions of the Catalog. At the same time, because this is the first update being developed under the broader scope formalized in the Approach, that broader lens will likely take several iterations of the Technology Catalog to be fully reflected.
3. The Approach explains that, for purposes of the Technology Catalog, technology-related matters are matters within the IAASB's remit that arise 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. Such matters may arise from technology used by entities, technology used by practitioners, the interaction between the two, or other work undertaken to operationalize the guiding actions in the Technology Position.
4. **Agenda Item 8-B** contains proposed Version 3 for the Board's discussion. Consistent with the Approach, the Technology Catalog is the Board's central operational tool for capturing technology-related matters, documenting the Board's preliminary direction on actions, and making visible the status of work underway or planned. Inclusion of a matter in the Technology Catalog does not itself represent a final Board decision or commitment to act.
5. This issues paper explains the monitoring activities undertaken during the period, the principal themes and developments identified through those activities, and how those developments have informed the proposed changes reflected in **Agenda Item 8-B**.

Materials Presented

6. This paper sets out the following:
 - (a) **Part A:** Monitoring Update and Implications for the Technology Catalog
 - (b) **Part B:** Coordination with Other IAASB Initiatives
 - (c) **Part C:** Way Forward
7. This agenda item includes the following related materials:

Appendix 1	Overview of the Technology Team
Appendix 2	Themes Identified through Technology Advisory Network Submissions
Agenda Item 8-A	Summary of Significant Changes to Version 2 of the Technology Catalog
Agenda Item 8-B	Proposed Version 3 of the Technology Catalog (Marked from Version 2)

¹ This includes the ISAs, the International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (the ISA for LCE), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs), and International Standards on Sustainability Assurance (ISSAs).

Agenda Item 8-C

Proposed Version 3 of the Technology Catalog (Clean)

Part A: Monitoring Update and Implications for the Technology Catalog

Monitoring Activities

8. As explained in paragraphs 25 and 26 of the Approach, the IAASB's ongoing information-gathering, monitoring, and research activities draw on a range of internal and external inputs.
9. The current monitoring update has been informed by several complementary activities. These include:
 - (a) quarterly meetings with the [Technology Advisory Network](#) (TAN), supported by quarterly information requests;
 - (b) the Request for Input to all members of the IAASB Jurisdictional Standard Setters (JSS) Liaison Group (IAASB-JSS),² and the related annual JSS discussion;
 - (c) the [Stakeholder Advisory Council](#) (SAC) meeting held on April 27–28, 2026;
 - (d) desktop research and other horizon-scanning activities;
 - (e) ongoing outreach with stakeholders; and
 - (f) input from relevant IAASB project teams and staff teams.

Role of the TAN and Broader JSS Outreach

10. The TAN has continued to serve as the IAASB's principal structured mechanism, alongside desktop research, for tracking technology-related matters being identified by other standard setters and for scanning developments that may not yet be giving rise to immediate application challenges but could become increasingly relevant over time.
11. In practical terms, the TAN process has involved a quarterly information request asking members to identify their top five technology-related matters. Those individual submissions have then been consolidated to identify common themes, areas of convergence, and differences in emphasis across jurisdictions, with the consolidated themes informing discussions at TAN meetings. **Appendix 2** provides a thematic summary of those submissions, informed where relevant by broader outreach with the IAASB-JSS Liaison Group.
12. At a high level, the consolidated TAN submissions point to five main patterns:
 - (a) First, several themes relate to the use of artificial intelligence (AI) and advanced technologies by practitioners, including governance, explainability, and the implications for risk assessment and evidence gathering when technological tools are used in engagements.
 - (b) Second, a number of themes relate to the increasing use of AI and other advanced technologies by entities and the resulting implications for audit and assurance engagements.
 - (c) Third, a related theme concerns the use of AI and other emerging technologies by service organizations and the resulting implications both for audits of user entities and, more broadly, for assurance engagements over controls at service organizations.

² Information about the IAASB-JSS Liaison Group can be accessed on the [About IAASB](#) webpage.

- (d) Fourth, some themes point to possible new or evolving forms of assurance engagements, most notably in relation to AI assurance.
- (e) Fifth, cybersecurity and data security remain important monitoring themes.

Appendix 2 provides a fuller summary of these themes, informed where relevant by broader JSS outreach.

13. The broader outreach with the IAASB-JSS Liaison Group has also been important. The IAASB received submissions in response to a Request for Input that asked specifically about:
 - (a) Technology Used by Entities: Significant Developments or Issues;
 - (b) Technology Used by Auditors: Significant Developments or Issues; and
 - (c) Activities or Developments Undertaken by JSS.

Those submissions were collated and considered as part of the annual IAASB–JSS meeting held on April 29–30, 2026 and informed the proposed updates to the Technology Catalog, including the broader contextual observations reflected where relevant in **Appendix 2**.

Other Monitoring Activities

14. The current monitoring update was also informed by the joint IAASB and International Ethics Standards Board for Accountants (IESBA) discussion at the SAC meeting that was held on April 27–28, 2026. In that discussion,³ SAC members emphasized the importance of prioritizing technology-related initiatives, given the increasing use of advanced technologies by entities, auditors, assurance providers, and other actors in the external reporting ecosystem. SAC members also identified cybersecurity as an area warranting continued monitoring because of its possible implications for audits, assurance engagements, and the broader external reporting ecosystem (see also paragraph 34 below).
15. Desktop research has complemented other monitoring activities. It is useful not only to understand current regulatory and standard-setting developments, but also to support horizon scanning, including in relation to technological developments that may still be some way from becoming pervasive in engagements, such as the possible effects of quantum computing.
16. The monitoring update has also been informed by broader outreach with stakeholders and by ongoing discussions with relevant IAASB project teams. In particular, the proposed updates that relate to active IAASB projects and workstreams were discussed with the relevant teams so that the descriptions in **Agenda Item 8-B** appropriately reflect current project activity and project scoping decisions. This included coordination with the Audit Evidence and Risk Response project team, the ISA 500 Series project team, and the staff team undertaking information-gathering work on other subject matter-specific assurance engagements. This helped confirm both progress made on matters being pursued through those projects or workstreams and where earlier scoping assumptions should now be updated in the Technology Catalog.
17. Consistent with the Approach, not every observation from these activities has been treated as a Technology Catalog matter. Rather, the information has been used to assess whether an identified development points to:
 - a current or emerging issue affecting the consistent or effective application of IAASB standards;

³ For more information about the SAC discussion, refer to the [SAC Meeting highlights](#).

- a matter relating to operationalizing the Technology Position;
 - a matter already adequately captured in the Technology Catalog or in an active IAASB project or workflow; or
 - a matter that is better understood as background context, a source of insight, or outside the IAASB's remit.
18. It is also important to be clear about what falls within the IAASB's remit when determining what should not be added to the Technology Catalog as a standalone matter. Broader economic or workforce consequences of technology, in and of themselves, are not treated in this paper as Technology Catalog matters. This includes, for example, possible effects of generative AI (Gen AI) on audit fees, hiring practices, the composition of engagement teams, layoffs, entry-to-the-profession assessments, or firm training programs. Although some JSS, including those that also serve as professional accountancy organizations, may monitor or provide support to their members on such topics, those matters do not in themselves fall within the IAASB's remit.
19. That said, aspects of such topics may still fall within the IAASB's remit when they bear directly on the consistent or effective application of the standards, for example in relation to competence, direction, supervision, review, documentation, or the use of experts when technological tools are used in engagements (see also the description of technology-related matters in paragraph 3).
20. The Technology Team is also monitoring feedback received through the Joint IAASB and IESBA Stakeholder Survey on the Strategies and Work Plans for 2028-2031, which closed for comment on May 15, 2026. The survey includes a number of technology-related trends and possible impacts that are relevant to the IAASB's monitoring activities, including increasing use of emerging technologies, digital assets and their institutionalization, financial crimes enabled by technology, calls for greater agility in standard setting, and evolving expectations concerning sustainability reporting and assurance. The Technology Team intends to review technology-related feedback received through the survey during Q3 2026 to assess whether any additional matters emerge that should be reflected in the next iteration of the Technology Catalog.

Implications of the Monitoring Update for the Technology Catalog

21. In addition to the substantive implications discussed below, proposed Version 3 includes structural and framing refinements. Consistent with the broader scope formalized in the Approach, the Catalog continues to capture matters arising across the IAASB's Quality Management Standards and its Audit and Other Assurance Engagement Standards. At the same time, proposed Version 3 makes clearer that, unless otherwise indicated, the matters reflected in the Catalog are framed principally in the context of audits under the ISAs, that Theme 3 groups matters whose primary focus is quality management, and that Theme 10 groups matters whose primary focus is other assurance engagements.
22. Part of the Catalog restructuring is a proposal to present Version 3 through three tables to distinguish between:
- (a) matters not currently allocated to active projects or workflows (Table 1);
 - (b) matters allocated to active projects or workflows (Table 2); and
 - (c) matters that are resolved or closed (Table 3).

This presentation is intended to make clearer how each matter is currently being tracked and addressed in the Technology Catalog.

23. For matters in Table 1, that is, matters not currently allocated to active projects or workstreams, the Catalog shows the Board's preliminary direction on action to address each matter, together with the Board's prioritization of that preliminary action. These prioritizations are intended to reflect the Board's indication, at a point in time, of the relative priority of acting on the preliminary direction for such matters. Prioritizations are discussed by the Board in plenary and are not intended to be formulaic or fixed; rather, they may change over time in light of urgency, the nature of the matter, and broader considerations about the appropriate allocation of Board resources.
24. In Table 2, prioritizations previously shown for matters allocated to active projects or workstreams in Version 2 of the Technology Catalog have been removed, on the basis that those matters are already being actively progressed through approved IAASB projects or workstreams and are therefore, in that sense, implicitly high priority.
25. In principle, a matter may be only partly addressed when it is allocated to an active project or workstream. In such circumstances, the aspect of the matter being addressed through the active project or workstream would be reflected in Table 2, while any residual aspect not yet allocated to an active project or workstream would remain reflected in Table 1. This would allow the Technology Catalog to show, transparently, both the portion of the matter that is actively being progressed and any remaining portion that continues to warrant separate monitoring or other preliminary Board direction.
26. The Technology Team does not consider that proposed Version 3 currently includes any such split matters. Rather, the Technology Team considers that the matters reflected in Table 2 are, in each case, fully addressed by reference to the active projects or workstreams to which they are currently allocated.
27. A matter would not be moved from Table 2 to Table 3 until the related action is complete. In the case of standard-setting, this would generally mean that the final pronouncement has been approved by the Board and certified by the Public Interest Oversight Board. In the case of technology-related non-authoritative material, this would generally mean that the related material has been developed and approved by the Board in accordance with the Approach. Accordingly, proposed Version 3 does not presently include any matters in Table 3.
28. All other significant changes to **Agenda Item 8-B** are explained in the Summary of Significant Changes (see **Agenda Item 8-A**).

Matters Already Reflected or Already Being Addressed

29. The themes identified through the TAN confirm that a substantial proportion of the matters currently being observed internationally are already reflected in the Technology Catalog or are being addressed through active IAASB projects or workstreams. This is particularly so for themes relating to AI governance, explainability, use of AI by auditors, and risk assessment and evidence gathering when technological tools are used in engagements. In these areas, the principal effect on the June 2026 update is therefore not the creation of wholly new matters, but clearer visibility into how extant matters are being progressed through active IAASB projects or workstreams. In some cases, extant matters have also been refined, reframed, or consolidated to improve clarity and conciseness and to align the Catalog more closely with the scope of active IAASB projects or workstreams, including through the consolidation of the former quality management matters into a single broader matter.

Proposed New Matters

30. One proposed new matter in proposed Version 3 of the Technology Catalog is **Matter 5(d)**, Audit challenges in audits of entities with activities in the crypto-asset ecosystem. This matter was not identified

primarily through the TAN themes or the broader JSS input. Rather, it emerged through the IAASB's broader monitoring activities, including stakeholder outreach and wider monitoring of developments in practice and regulation. Proposed Version 3 reflects the view that audits involving crypto-assets can present significant practical challenges in applying the IAASB's standards, particularly in obtaining sufficient appropriate audit evidence in highly technical and rapidly evolving environments. Applying the considerations in Section 3.1. of the Approach, the Technology Team recommends that the current fact pattern supports further information gathering as the preliminary direction. The information gathering will enable the Technology Team to define the matter more precisely and assess whether a genuine international gap exists.

31. A second proposed new matter is **Matter 5(e)**, Impact on the audit of increasingly sophisticated cybersecurity threats affecting entities. While cybersecurity and data security were already being monitored as part of the broader technology landscape, more recent monitoring has sharpened the within-remit dimension of that theme as it relates to the audit. Proposed Version 3 reflects the view that cyber threats and incidents affecting entities may in some circumstances give rise to risks of material misstatement or other matters relevant to the audit, including where they affect financial reporting, internal control, or the reliability and availability of information intended to be used as audit evidence. The proposed preliminary direction is further information gathering, reflecting the need to better understand the fact patterns in which cyber-related threats and incidents are giving rise to audit challenges in practice and whether any future IAASB response may be warranted.
32. A third proposed new matter is **Matter 10(a)**, AI Assurance. This matter has been informed by the TAN themes, broader JSS input, and other monitoring activities. Proposed Version 3 reflects the view that technological developments are beginning to raise questions about whether there is a need for new or evolving forms of assurance engagements in relation to AI, including assurance over an entity's AI system or its AI governance framework in accordance with suitable criteria. Consistent with the broader scope formalized in the Approach, this matter is proposed to be captured in the Technology Catalog as a possible new or evolving form of assurance engagement. The proposed preliminary direction is further information gathering, reflecting that this is an emerging area in which the Board would benefit from first better understanding the developing landscape, including the possible role of extant IAASB standards and whether any genuine gap is emerging (see also Section 2 of **Agenda Item 5** of the [March 2026 IAASB meeting](#) materials, which addressed the landscape for other subject matter-specific assurance engagements).
33. A fourth proposed new matter is **Matter 10(b)**, Sustainability Assurance. Like Matter 5(d), this matter was not identified primarily through the TAN themes or the broader JSS input. Rather, it arose through other monitoring activities, including ongoing stakeholder outreach and consideration of the broader scope formalized in the Approach. At a high level, the matter concerns whether technology used by entities in sustainability reporting, or by practitioners in obtaining sufficient appropriate evidence in sustainability assurance engagements, may give rise to risks to the consistent or effective application of ISSA 5000.⁴ Proposed Version 3 reflects this matter accordingly. The proposed preliminary direction is continued monitoring, recognizing that, with ISSA 5000 effective for periods beginning or after December 15, 2026,

⁴ ISSA 5000, *General Requirements for Sustainability Assurance Engagements*

implementation questions are likely to emerge more clearly as the standard begins to be applied in practice.

34. A fifth proposed new matter is **Matter 10(c)**, Cybersecurity assurance. This matter is distinct from **Matter 5(e)**, which focuses on audit implications of cybersecurity threats affecting entities. **Matter 10(c)** instead focuses on whether the increasing significance of cybersecurity risk, together with the emergence in some jurisdictions of frameworks and guidance for engagements in this area, may point to the need for new or evolving forms of assurance engagements, including assurance engagements addressing an entity's cybersecurity risk management program or related controls. The matter has been informed by broader monitoring activities, including discussion at the SAC, stakeholder outreach, and jurisdictional developments. The proposed preliminary direction is further information gathering, reflecting that the Board would benefit from first better understanding the extent of current practice, standard-setting activities or guidance developed at jurisdictional level, the relevance of extant IAASB standards, and whether any genuine gap is emerging.

Matters Not Proposed as Standalone Additions

35. Standalone new matters are not currently proposed for themes relating to skills, training, and the future of the profession. As explained above in paragraphs 17–19, broader economic or workforce consequences are outside the IAASB's remit unless they bear directly on the consistent or effective application of the standards. In addition, although the use of AI and other emerging technologies by service organizations remains an important theme, the audit implications for user auditors are already reflected in extant Technology Catalog **Matter 5(b)**. The broader theme also points to possible implications for assurance engagements over controls at service organizations under ISAE 3402,⁵ but the dimension is not proposed as a separate standalone matter at this stage and can continue to be considered through the IAASB staff team's ongoing information-gathering on other subject matter-specific assurance engagements (see also Theme #3 in **Appendix 2**).
36. In addition, no new standalone matter is proposed relating specifically to the ISA for LCE. This is because the ISA for LCE has its own approved Approach for Maintaining the ISA for LCE (See [Agenda Item 3-F](#) of the December 2025 IAASB Meeting). Under that Approach, revisions arising from new or revised ISAs, including technology-related revisions to the ISAs, are considered for their relevance to the ISA for LCE and, when relevant, are incorporated in a proportionate way, taking into account the design principles of the ISA for LCE. Accordingly, rather than reflecting ISA for LCE implications as separate standalone matters in the Technology Catalog, those implications will, as appropriate, be addressed through the maintenance of the ISA for LCE under that Approach.

Matters for IAASB Consideration:

1. The Board is asked for its views on the monitoring update and the proposed changes reflected in proposed Version 3 of the Technology Catalog, as presented in this paper and **Agenda Item 8-B**. In particular:
 - (a) Do the monitoring activities described in paragraphs 8–20 provide an appropriate basis for identifying and assessing matters to be reflected in the June 2026 update of the Technology Catalog?

⁵ ISAE 3402, *Assurance Reports on Controls at a Service Organization*

- (b) Do the proposed structural and framing refinements, as explained in paragraphs 21–29 and reflected in **Agenda Item 8-B**, support the Board decision making with regards to technology-related matters? This includes the updated descriptions of matters carried forward from Version 2 that are now reflected in **Table 1** of proposed Version 3, including the proposed prioritizations of such matters.
- (c) Do you agree with the proposed new matters added in Table 1, as explained in paragraphs 30–34, including their proposed prioritization (refer to **Matters 5(d)–(e)** and **10(a)–(c)**)?
- (d) Do you agree with the proposed treatment of skills, training, and the future of the profession, and broader economic or workforce consequences, as not warranting separate standalone matters at this stage (refer to paragraphs 17–19, and 35)?

Part B: Coordination with Other IAASB Initiatives

Coordination with Active Projects and Workstreams

- 37. The Approach emphasizes that technology-related matters cut across multiple standards, engagement types, and areas of the IAASB's remit, and therefore require coordination across the IAASB's activities to promote coherence and avoid duplication or divergence. It also contemplates that the IAASB may draw on technology-focused groups such as the TAN and the [Technology Consultation Group](#) (TCG) and take account of related IAASB initiatives when developing its response to technology-related matters.
- 38. In that context, the descriptions in **Agenda Item 8-B** have been updated to reflect the interaction between the Technology Catalog and relevant active IAASB projects or workstreams in Table 2. In particular, the proposed descriptions of extant matters have been updated to reflect current progress and scoping decisions in the Audit Evidence and Risk Response project and the ISA 500 Series project, as well as progress in the Technology QM workstream. This includes consolidating the former quality management matters into a single broader matter, **Matter 3(a)**, to align the Technology Catalog more closely with the scope and direction of the approved [Action Plan](#) for the Technology QM workstream and to better reflect the main practical challenges identified through the roundtables and related information-gathering activities.
- 39. Proposed Version 3 also gives clearer visibility into where an extant matter is no longer being pursued through a project in the manner previously anticipated, and where project scoping remains under development. In that regard, the documentation matter has been updated (**Matter 6(h)** in **Agenda Item 8-B**) to reflect the current position of the Audit Evidence and Risk Response project and reflects that the approach to the confirmations and inventory matters (**Matters 6(f) and 6(g)** in **Agenda Item 8-B**) continues to be developed through the ISA 500 Series project.

Coordination with Other Subject Matter-Specific Assurance Engagement Work

- 40. The broadened scope of the Technology Catalog also means that emerging forms of assurance, including assurance relating to AI systems and AI governance frameworks, cybersecurity risk management programs or related controls, and technology-related matters arising in sustainability assurance, should be considered in a way that is coherent with the IAASB's broader work on other subject matter-specific assurance engagements.
- 41. In that context, the Technology Team is coordinating with the IAASB staff team undertaking information-gathering work on other subject matter-specific assurance engagements so that technology-related

implications are understood, including whether technological developments may point to possible new or evolving forms of assurance engagements and, if so, how those developments should be reflected in the Technology Catalog. That coordination is particularly relevant to **Matters 10(a)–(c)**, as described in paragraphs 32–34 above, and includes, among other things, providing input on whether the use of AI and other emerging technologies by service organizations may be giving rise to issues that may warrant future consideration in relation to engagements under ISAE 3402.

Matters for IAASB Consideration:

2. The Board is asked to share its views on whether the proposed changes reflected in Table 2 of **Agenda Item 8-B** appropriately take account of related IAASB initiatives and whether any further interaction should be highlighted?

Part C: Way Forward

42. Following the Board's June 2026 discussion, proposed Version 3 will be revised to reflect the Board's views. Consistent with the current process, those revisions would then be finalized through an offline clearance process, with ultimate clearance by the IAASB Chair and the Program and Senior Director. Subject to that clearance process, the revised Technology Catalog will be posted on the IAASB website in July 2026 as Version 3.
43. In addition, following the close of the Joint IAASB and IESBA stakeholder survey on the 2028-2031 Strategies and Work Plans on May 15, 2026, the Technology Team will review technology-related feedback during Q3 2026 to assess whether any further matters should be added to the next iteration of the Technology Catalog.
44. Although the primary purpose of this paper is to support the Board's consideration of proposed changes to the Technology Catalog, Board members are also invited, if they wish, to offer observations on whether the monitoring update suggests any need to recalibrate aspects of the broader Technology Position, including the Statement outlined in Component 1 of the Technology Position.

Matters for IAASB Consideration:

3. The Board is asked to share any observations on the proposed way forward, including whether the monitoring update suggests any need to recalibrate aspects of the broader Technology Position?

Technology Team Members and Activities

Technology Team Members

1. In addition to the following IAASB technical staff, the Technology Team includes Megan Leicht (IAASB Project Manager):
 - Angelo Giardina
 - Fadi Mansour
 - Ida Diu
 - Isabelle Raiche
 - Sachiko Kai

Project Board Members

2. The IAASB Project Board Members are:
 - Edo Kienhuis
 - Nancy Cheng

Activities in the Period

3. During the second quarter of 2026, the Technology Team held virtual meetings and engaged offline with the Project Board Members to receive input and advice in the development of the documents presented to the Board in June 2026.
4. In May 2026, the Technology Team participated in virtual meetings of the International Ethics Standards Board for Accountants' Technology Working Group and Technology Experts Group.
5. In May 2026, the Technology Team hosted virtual meetings with the TCG and, separately, with the TAN.

Appendix 2

Themes Identified through TAN Submissions

This appendix summarizes the principal themes identified through the most recent submissions from TAN members, informed where relevant by the broader outreach with the IAASB-JSS Liaison Group. The ordering reflects the broad priority ordering indicated by TAN members. The appendix is intended to provide a concise view of the matters currently being tracked across jurisdictions and how those matters are reflected in the accompanying draft June 2026 Technology Catalog update.

#	Theme	Description	How reflected in Proposed Version 3 of the Technology Catalog (Agenda Item 8-B)
1	Quality management of AI used by auditors	Firms are increasingly using Gen AI and agentic AI in audits, raising questions about governance, monitoring, review of outputs, and human oversight. Broader outreach also highlighted differing levels of adoption across firms and the need for appropriate guardrails as use becomes more embedded in audit workflows.	Principally Matters 3(a), 6(b), and 8(a).
2	Use of AI by audited entities and impact on engagements	Entities are increasingly using AI in business processes and, in some cases, financial reporting, creating challenges for auditors in understanding processes, identifying and assessing risks, and responding appropriately. Broader outreach also highlighted data readiness, data quality, and cybersecurity as recurring constraints.	Principally Matter 5(a), and relatedly Matter 4(b).
3	Use of AI and other emerging technologies by service organizations	The use by service organizations of AI and other emerging technologies that may be opaque, non-deterministic, or adaptive is creating challenges both in assurance engagements over controls at service organizations relevant to user entities and in the audits of entities that use those services. These challenges include understanding relevant processes and controls, evaluating assurance reports over those controls, and	Partly reflected — principally Matter 5(b), which captures the implications for the audit when entities use service organizations that use emerging technologies. The broader theme also points to possible implications for assurance engagements over controls at service organizations under ISAE 3402, but that dimension is not separately captured in proposed Version 3. The IAASB staff team undertaking information-gathering on other

#	Theme	Description	How reflected in Proposed Version 3 of the Technology Catalog (Agenda Item 8-B)
		determining the implications for the audit of the user entity.	subject matter-specific assurance engagements is already considering the broader ISAE landscape, and the Technology Team can provide input to that work if monitoring activities suggest a need for possible future consideration of ISAE 3402.
4	Cybersecurity and data security	Cyber incidents, cloud and data-security risks, and related operational disruptions are becoming more prominent and relevant to audits, particularly as technology used to breach security systems, including AI, becomes more sophisticated. Broader outreach also pointed to cybersecurity as a recurring concern affecting both entities and practitioners.	Matter 5(e), and relatedly Matter 10(c).
5	AI assurance	Growing interest in assurance over AI systems is raising questions about whether extant assurance standards are sufficient. Broader outreach also indicated that some jurisdictions are considering or developing guidance for AI-related assurance engagements.	Matter 10(a).
6	Audit evidence from advanced technologies and alignment to ISAs	Use of advanced technological tools to perform full-population tests is raising questions about how auditors should address tool low-risk classifications, and, more broadly, how evidence obtained through the use of these tools fit within the audit evidence framework.	Principally Matters 6(a), 6(c), 6(d), and 6(e).
7	Digital assets, including stablecoins	Digital assets, including stablecoins, continue to raise audit and assurance questions, including practical challenges in applying the ISAs. In addition, there is a growing demand in some jurisdictions for assurance engagements over the controls and reserves used to support the value of stablecoins.	Partly reflected — Matter 5(d) captures audit challenges relating to entities with activities in the crypto-asset ecosystem, including stablecoins. However, proposed Version 3 does not include a separate standalone matter relating to assurance engagements over stablecoin controls and related

#	Theme	Description	How reflected in Proposed Version 3 of the Technology Catalog (Agenda Item 8-B)
			reserves, as this appears at present to be driven primarily by jurisdiction-specific regulatory developments and has not yet demonstrated sufficiently broad global relevance.
8	Sustainability assurance	Sustainability assurance is giving rise to technology-related questions both in relation to technology used by entities in preparing sustainability-related information and technology used by practitioners in obtaining and evaluating evidence in sustainability assurance engagements.	Matter 10(b).
9	Regulatory focus on AI	Regulators are increasingly issuing frameworks, guidance, and supervisory expectations relating to AI governance, validation, monitoring, explainability, data quality, human oversight, and third-party models. These developments are shaping expectations relevant to both entities' and auditors' use of AI and are providing important input to the IAASB's monitoring activities.	Indirectly only — treated as a cross-cutting monitoring input rather than a standalone Catalog matter. It is relevant across multiple matters in proposed Version 3, including Matters 3(a), 5(a), 5(e), 6(a), 6(b), 8(a), and 9(a).
10	Communication of auditor use of AI to audit committees	There is continued interest in communications with audit committees about the use of AI by entities and auditors.	Matter 9(a).
11	Skills, training, and future of the profession	Automation of audit procedures through AI raises questions about auditor skills, education, competence, and AI literacy, while also giving rise to broader workforce implications outside the IAASB remit.	Not added as standalone matter.