

**Minutes of the 154th Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)
Held on June 15-18, 2026, in Mainz, Germany¹**

Voting Members

Present: Tom Seidenstein (Chair)
Edo Kienhuis (Vice-Chair)
Sami Alshorafa
Hernan Casinelli
Nancy Cheng
Vishal Doshi
William Edge
James Ferris
Amaro Gomes
Robert Koethner
Neil Morris
Mikiko Ono
Chrystelle Richard
Greg Schollum
Wendy Stevens
Xiaoyue Sun

Technical Advisors (TA)

Svetlana Berger (Ms. Cheng)
Wolf Böhm (Mr. Koethner)
Antoine Boitard (Ms. Richard)
Juan Carlos Guerra (Mr. Casinelli)
Chandrashekar Chitale (Mr. Doshi)
Rene Herman (Mr. Edge)
Susan Jones (Mr. Morris)
Misha Pieters (Mr. Schollum)
Akiko Tsuji (Ms. Ono)
Jamie Shannon (Mr. Kienhuis)
Wenjing Shi (Ms. Sun)
Brian Wilson (Ms. Stevens)

External

Present: Ms. Josephine Jackson – Financial Reporting Council (UK)²

Official Observers

Present: Mr. Han Yi – Public Interest Oversight Board (PIOB)
Prof. Yoshihiro Sakuma – Financial Services Agency of Japan (JFSA)

¹ The June 2026 IAASB meeting was held in-person in Mainz, Germany. Dial-in was made available for all sessions and the meeting was live broadcast on the IAASB YouTube channel.

² Ms. Jackson, immediate past IAASB Vice-Chair, continues to support the Audit Evidence and Risk Response project team.

IAASB Technical Staff

Present: Willie Botha (Program and Senior Director), Ana Espinal-Rae, Angelo Giardina, Isabelle Raiche, Hankenson Jane Talatala, Jasper van den Hout, Kalina Shukarova Savovska, Kazuko Yoshimura, Kristie Zhang

Welcome and Introduction

- The IAASB Chair welcomed members, technical advisors (TAs), official observers and public observers (in the room and via YouTube) to the June 2026 IAASB meeting.

Meeting Topics

- [Approval of Minutes \(Agenda Item 1\)](#)
- [Audit Evidence & Risk Response \(2nd/Final Full Draft\) \(Agenda Item 2\)](#)
- [The ISA for LCE \(2nd/Final Full Draft\) \(Agenda Item 3\)](#)
- [ISA 500 Series \(Issues\) \(Agenda Item 4\)](#)
- [IESBA – Technology Workstream \(Update\) \(Agenda Item 5\)](#)
- [Strategy & Work Plan \(High-level Feedback\) \(Agenda Item 6\)](#)
- [Technology Quality Management \(Non-Authoritative Material\) \(Agenda Item 7\)](#)
- [Technology Catalog \(Monitoring and Update\) \(Agenda Item 8\)](#)

Approval of Minutes (Agenda Item 1)

Decisions

1. The Board unanimously approved the minutes of the March 2026 IAASB meeting.
2. The Board unanimously approved the minutes of the May 2026 IAASB meeting (virtual mid-quarter Board call).

Audit Evidence & Risk Response (2nd/Final Full Draft) (Agenda Item 2)

Decisions

Approval of Standards in the Audit Evidence and Risk Response Project

3. The Board unanimously approved for exposure Proposed ISA 330 (Revised),³ Proposed ISA 500 (Revised),⁴ Proposed ISA 520 (Revised)⁵ (“in-scope standards”), and the related conforming and consequential amendments to ISQMs⁶ and other ISAs, with 16 affirmative votes out of 16 Board members in attendance.

³ Proposed International Standard on Auditing (ISA) 330 (Revised), *The Auditor’s Responses to Assessed Risks*

⁴ Proposed ISA 500 (Revised), *Audit Evidence*

⁵ Proposed ISA 520 (Revised), *Analytical Procedures*

⁶ International Standards on Quality Management

4. The revisions made in finalizing the proposed in-scope standards, which addressed Board members' comments, are reflected in the following agenda items containing the approved text:
 - [Agenda Item 2-F2 - Proposed ISA 330 \(Revised\) - APPROVED](#)
 - [Agenda Item 2-G2 - Proposed ISA 500 \(Revised\) - APPROVED](#)
 - [Agenda Item 2-H2 – Proposed ISA 520 \(Revised\) - APPROVED](#)
 - [Agenda Item 2-E2 – Proposed Conforming and Consequential Amendments to ISQMs and other ISAs - APPROVED](#)
5. The Board supported the proposed consultation period commencing in early August 2026 and closing in mid-December 2026, for a period of approximately 130 days.
6. The Board supported the proposed content of the Explanatory Memorandum(s) (EMs) accompanying the exposure drafts as presented in **Agenda Item 2**. Once prepared, the EMs will be circulated electronically to the Board for a final 'fatal flaw' review before the exposure drafts are published.

Directions

Updates to Proposed ISA 330 (Revised)

7. The following are the substantive comments received and addressed in finalizing Proposed ISA 330 (Revised):

Definitions

- The reference to “classes of transactions, account balances or disclosures” was removed from the definition of tests of details to avoid unintentionally implying that tests of details may not be used for a purpose other than detecting material misstatements at the assertion level. Instead, the definition of substantive procedures was supplemented to explain that substantive procedures include tests of details (of classes of transactions, account balances or disclosures) or substantive analytical procedures.

Audit Procedures Responsive to the Assessed Risks of Material Misstatement (ROMM) at the Assertion Level

- The phrase “for each significant class of transactions, account balance and disclosure” was reallocated from paragraph 7(a) to paragraph 6, to clarify that paragraph 6 and all parts of paragraph 7 apply at the assertion level for significant classes of transactions, account balances and disclosures.

Substantive Procedures

- To provide appropriate prominence in the standard, as well as improve the flow among the requirements to design and perform substantive procedures with those that address audit procedures responsive to assessed ROMM at the assertion level, the requirements (and related application material) addressing substantive procedures were repositioned ahead of the section addressing tests of controls.

Tests of Controls

- The baseline requirement to design and perform tests of controls (i.e., paragraph 9) was streamlined and the conditionality of the requirement was clarified.
- The lead-in of paragraph 11 was clarified to state that the auditor's decision to respond to assessed risks of material misstatement at the assertion level through tests of controls alone is a conditional choice. In addition, in paragraph 11(b) an explicit recognition was included to clarify that a tests of controls alone approach is not permitted for significant risks.
- The requirement in paragraph 20(a) was extended to reflect that inquiries alone are unable to provide an appropriate basis for the auditor's determination of the potential consequences of deviations identified in the operation of controls. This is aligned with language used in Proposed ISA 520 (Revised) related to investigating the results of substantive analytical procedures.

Updates to Proposed ISA 500 (Revised)

8. The following are the substantive comments received and addressed in finalizing Proposed ISA 500 (Revised):

Information Intended to Be Used as Audit Evidence

- The requirement in paragraph 12 was clarified to refer to "evaluate, to the extent necessary, the accuracy and completeness of the information" to address concerns that the phrase "obtain audit evidence" had become circular in light of the changes made to the definition of audit evidence and the requirement in paragraph 11 to evaluate information as relevant and reliable. In addition, the scope of the requirement was clarified to refer to "information produced by the entity" instead of "information from internal sources." Related changes were also made to application material paragraphs A34, A44 and A44A.

Updates to Proposed ISA 520 (Revised)

9. The following are the substantive comments received and addressed in finalizing Proposed ISA 520 (Revised):

Analytical Procedures that are not Substantive Analytical Procedures

- The application material to the scope paragraph was removed in view of comments that it unintentionally caused confusion as to the status of analytical procedures that are not substantive analytical procedures. Instead, new application material in paragraph A4A was included to clarify that analytical procedures that are not substantive analytical procedures, when performed alone, do not provide sufficient appropriate audit evidence of the absence of a material misstatement at the assertion level. Corresponding changes were also made to Proposed ISA 330 (Revised) and Proposed ISA 500 (Revised).

Results of Analytical Procedures Performed as Risk Assessment Procedures

- The conditionality of the requirement in paragraph 7 addressing the results of analytical procedures performed as risk assessment procedures was clarified and the work effort required from the auditor was revised to “a consideration” (instead of a determination).

Matters for the EMs

10. In addition to the matters set out in **Agenda Item 2**, the Board suggested to include the following matters in the EMs accompanying the exposure drafts for the “in-scope standards”:
- The use of the work effort ‘take into account’ instead of ‘consider’, including why this is a more appropriate approach in the instances used.
 - The rationale for the Board’s decision to make explicit that a tests of controls alone approach is permissible, including seeking respondents’ input on when such an approach is appropriate.
 - The rationale for including application material, in the format of an Appendix (*i.e., Appendix 3*), was to provide guidance on considerations for using technological tools when designing and performing audit procedures to obtain audit evidence, ~~as we as the content of Appendix 3.~~
 - The rationale for not pursuing specific documentation requirements in Proposed ISA 500 (Revised) addressing the auditor’s evaluation of the relevance and reliability of information intended to be used as audit evidence and seeking further input on the matter.

Other Substantial Matters

Due Process Considerations

11. The IAASB Program and Senior Director confirmed that the significant matters identified by the project team as a result of its discussions since the beginning of the project have been presented in the issues papers presented to the IAASB for deliberation, and that there are no significant matters that have not been brought to the attention of the Board. In addition, he noted that in the project team’s view, no further consultation (such as roundtables or further consultation with particular stakeholder groups) or field testing is needed at this stage of the project. However, the EM will encourage stakeholders, in providing feedback on the exposure drafts, to perform field testing they may believe appropriate.

Next Steps

12. The exposure drafts will be published for public comment in early August 2026 for an approximate 130-day consultation period.

The ISA for LCE Maintenance Project (Agenda Item 3)

Decisions

Approval of Proposed ISA for LCE (Revised)⁷

13. The Board unanimously approved the proposed ISA for LCE (Revised) for exposure, with 16 affirmative votes out of 16 Board members in attendance.

⁷ Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (Revised)

14. The revisions made in finalizing proposed ISA for LCE (Revised), which addressed Board members' comments, are reflected in the approved agenda item ([Agenda Item 3F - Proposed ISA for LCE \(Revised\) – Approved](#)) and explained below.
15. The Board agreed with the proposed consultation period of 120 days.

Updates to Proposed ISA for LCE (Revised)

16. The following substantive changes were made in finalizing the proposed ISA for LCE (Revised) in response to comments from the Board. All changes are shown in mark-up in [Agenda Item 3F](#).

Part 1, Fundamental Concepts, General Principles and Overarching Requirements

- Revised the lead-in of paragraphs 1.4A.1 and 1.5.1 from “The auditor shall” to “The responsibilities of the auditor are” because these were considered unconditional requirements that auditors may not be able to fulfill when sufficient appropriate audit evidence cannot be obtained.
- Added paragraph 1.8.2(b), which is based on paragraph 18 of ISA 260 (Revised).⁸ Paragraph 18 of ISA 260 (Revised) was previously a requirement for listed entities only. However, as part of the Listed Entity and Public Interest Entity project, the IAASB considered this requirement relevant to all audits and therefore decided to incorporate it in the ISA for LCE. Because of this change, the specified content and format for an unmodified auditor's report in paragraph 9.4.1 was also updated to be consistent with ISA 700 (Revised).⁹

Part 6, Risk Identification and Assessment

- Added paragraph 6.2.1(aA) to align with paragraph 11 of ISA 570 (Revised 2024). As a result, paragraph 6.2.4(c) was considered redundant and deleted. In addition, the EEM under paragraph 6.2.4(c) was relocated to the second section of the EEM under paragraph 6.2.1.
- Added the words “affecting the entity” in paragraph 6.3.3 to clarify that the fraud referred to in the paragraph is limited to fraud affecting the entity.
- In paragraph 6.3.8(b), clarified that transactions include “journal entries and other adjustments.” This aligns with paragraph 35 of ISA 240 (Revised).
- Enhanced the EEM under paragraph 6.4.2 relating to rebutting the presumption of risks of material misstatement due to fraud in revenue recognition by:
 - Replacing the reference to “single revenue” with “simple revenue,” as this was considered more appropriate to the typical nature and circumstances of an LCE.
 - Clarifying that the auditor may rebut the presumption.

Part 7, Responding to Assessed Risks of Material Misstatement

- Enhanced the EEM under paragraph 7.4.1 by:

⁸ ISA 260 (Revised), *Communication with Those Charged with Governance*

⁹ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

- Reinstating the sentence that it is not the auditor's responsibility to rectify a lack of analysis by management, as this was considered relevant to audits of LCEs.
- Clarifying that the auditor's evaluation relates to management's assessment of the entity's ability to continue as a going concern.
- Avoiding implying that the auditor is always required to evaluate the method, significant assumptions and data used by management.

Part 9, Forming an Opinion and Reporting

- Deleted the illustrative wording in paragraph 9.5.5 and instead included paragraph 9.5.33(b) to address situations in which the auditor disclaims an opinion on the financial statements due to an inability to obtain sufficient appropriate audit evidence related to going concern.

Directions

Explanatory Memorandum

17. The Board directed the project team to include in the explanatory memorandum a section and a question on the IAASB's approach to maintaining the ISA for LCE, including the frequency and timing of maintenance projects.

Other Substantial Matters

Due Process Considerations

18. The IAASB Program and Senior Director confirmed that the significant matters identified by the project team as a result of its discussions since the beginning of the project have been presented in the issues papers presented to the IAASB for deliberation, and that there are no significant matters that have not been brought to the attention of the Board. In addition, he noted that in the project team's view, no further consultation (such as roundtables or further consultation with particular stakeholder groups) or field testing is needed at this stage of the project.

Next Steps

19. The project team will prepare an explanatory memorandum for negative clearance by the Board as part of the exposure draft package for the proposed ISA for LCE (Revised), which is expected to be issued for public comment in late July 2026. The project team will further develop its outreach plan to support obtaining perspectives from all stakeholder groups.

Targeted Standards in ISA 500 Series (Issues) (Agenda Item 4)

Decisions

20. The Board broadly supported the project team's recommendations on the following matters:

- Remove the reference to “physical” inventory counting in proposed ISA 501 (Revised)¹⁰ and clarify through application material that attendance may occur either in person or through technological means.
- Focus proposed ISA 501 (Revised) on obtaining sufficient appropriate audit evidence in the circumstances rather than prescribing a particular mode of attendance at the entity’s inventory counting.
- Explore potential revisions that reflect circumstances where the entity may not perform any form of physical inventory verification.
- Not to add a separate requirement addressing professional skepticism in proposed ISA 501 (Revised), because the proposals to enhance the standard discussed in **Agenda Item 4-A** sufficiently reinforce the appropriate exercise of professional skepticism.
- Remove the separate stand-back requirement from proposed ISA 505 (Revised)¹¹ on the basis that:
 - Proposed ISA 330 (Revised) already includes a stand-back requirement to evaluate whether the audit evidence obtained from further audit procedures is sufficient and appropriate in responding to the assessed risks of material misstatement.
 - Retaining a superfluous stand-back requirement in proposed ISA 505 (Revised) could create unnecessary duplication and confusion.

Directions

21. The Board provided directional input for the substantial matters outlined below:

Implications of the Use of Technology by Entities in Managing Inventory and by Auditors in Auditing Inventory

- Keep the revisions principles-based and future-proof by avoiding references to specific technologies that may quickly become obsolete.
- Rethink the structure of the standard to accommodate how inventory counts are performed in practice. Board members noted that depending on the manner in which the entity verifies the existence and condition of inventory, the auditor’s approach to obtaining sufficient appropriate audit evidence regarding the existence and condition of inventory may vary.
- Consider when the use of technology necessarily requires the involvement of an expert. Board members highlighted that there is a distinction between individuals with specialized skills or knowledge who are part of the engagement team and an auditor’s expert engaged under ISA 620,¹² who may either be an internal or external expert.

¹⁰ Proposed International Standard on Auditing (ISA) 501 (Revised), *Audit Evidence—Specific Considerations for Selected Items – Inventory*

¹¹ Proposed ISA 505 (Revised), *External Confirmations*

¹² ISA 620, *Using the Work of an Auditor’s Expert*

- Address emerging risks associated with technology-enabled audit procedures (e.g., risks of manipulation).
- Consider whether some matters may be better addressed through non-authoritative material.

Attendance at Inventory Counting

- Emphasize that remote attendance should not automatically be viewed as equivalent to physical attendance. Concerns were raised regarding the persuasiveness of audit evidence obtained remotely due to limitations when using technological tools in assessing the existence and condition of inventory.
- Clarify that the auditor's mode of attendance at the entity's inventory counting, whether in-person or remotely through technological means, should depend on factors such as the nature of the inventory, the entity's inventory management process, the assessed risks of material misstatement and the reliability of the technological tools used.
- Consider whether the proposed drafting sufficiently reflects the role of internal controls in determining the nature, timing and extent of further audit procedures.

Alignment with Concepts for the Identification and Assessment of, and Responding to, Risks of Material Misstatement

- Consider whether more fundamental changes to concepts or terminology (e.g., "attendance," "unless impracticable," "unforeseen circumstances") and scope (e.g., whether it includes digital assets classified as inventory) may be necessary to ensure that it appropriately reflects risk-based auditing approaches rather than simply modifying existing wording.
- Consider whether requirements should be framed more directly around assessed risks and relevant assertions.

Inventory Under the Custody and Control of a Third Party

- Consider whether performing external confirmation procedures alone under paragraph 8(a) of proposed ISA 501 (Revised) could provide sufficient appropriate audit evidence regarding the existence and condition of inventory.
- Consider whether the reference in paragraph A14E of proposed ISA 501 (Revised) to "ordinarily considers it appropriate to perform inspection or other further audit procedures instead of, or in addition to, sending an external confirmation request" may create a de facto requirement and whether this should be elevated to a requirement instead.
- Consider replacing the phrase "is not at the lower end of the spectrum of inherent risk" in paragraph A14E of proposed ISA 501 (Revised) with "is at the higher end of the spectrum of inherent risk" to be consistent with similar references made in proposed ISA 330 (Revised).

Sufficiency and Appropriateness of Audit Evidence Obtained for Inventory

- Refrain from referring to "roll forward (or roll backward)" audit procedures in the standard to avoid confusion about what these mean in practice. Instead, retain the principles-based approach used in the extant standard, which describes them as "audit procedures to obtain

audit evidence about whether changes in inventory between the count date and the date of the financial statements are properly recorded.”

Implications of Using Technology and Third-Party Intermediaries in External Confirmations

- Consider further refinements in the proposed definitions of the terms “confirming party” and “intermediary,” including that:
 - The proposed definition of confirming party should make clear that it refers to an “appropriate” third party selected by the auditor, rather than simply any recipient of a confirmation request.
 - The proposed definition of intermediary appeared overly broad and could unintentionally include parties such as postal or courier services.
 - Additional clarity is needed regarding the meaning of terms such as “individual,” “organization” and “knowledgeable external source.”
- Clarify whether intermediaries are service providers under ISQM 1.¹³ It was observed that in some jurisdictions, financial institutions require auditors to use designated confirmation platforms, in which case the platform may function as a service provider to the bank rather than to the auditor. Accordingly, it may not always be appropriate to apply the ISQM 1 service provider framework to intermediaries.
- Clarify that direct access to information maintained by a knowledgeable external source is not an external confirmation procedure.

Assertions Addressed by External Confirmations

- Ensure that the drafting remains principles-based and is appropriately aligned with ISA 315 (Revised 2019)¹⁴ and proposed ISA 330 (Revised).

Reliability of Responses to External Confirmation Requests

- Replace the reference (in paragraph 9A of proposed ISA 505 (Revised)) to confirmation requests or responses that “may have been intercepted or altered” with “may not be authentic,” thereby focusing on the underlying reliability attribute rather than specific circumstances.
- Consider the need for a more proactive approach when evaluating the reliability of confirmation responses (in paragraph 9A of proposed ISA 505 (Revised)). It was questioned whether the proposed wording “events or circumstances that the auditor becomes aware of” was overly passive.
- Clarify whether the proposed requirement (in paragraph 10 of proposed ISA 505 (Revised)) to determine modifications to external confirmation procedures implied that auditors would be

¹³ 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*

¹⁴ ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

expected to resend confirmation requests where deficiencies in the confirmation process were identified.

- Retain language (in paragraph 10 of proposed ISA 505 (Revised)) that makes clear auditors are required both to determine and to carry out the necessary procedures. A Board member observed that the proposed drafting requires the auditor to determine what modifications to external procedures, or what other procedures, are necessary but no longer explicitly requires the auditor to obtain audit evidence to resolve any doubts.

Considerations About the Need to Perform External Confirmation Procedures

- The Board had mixed views on whether to introduce a specific “determination” requirement covering cash and cash equivalents held by third parties and accounts receivable in proposed ISA 505 (Revised) as proposed by the project team. On one hand, certain Board members noted that introducing a stronger requirement would better respond to public expectations following high-profile audit failures and promote greater consistency in audit practice. On the other hand, other Board members expressed concern that a separate “determination requirement” could duplicate decisions already required by ISA 315 (Revised 2019) and proposed ISA 330 (Revised).
- The Board directed the project team to:
 - Refine the drafting further, particularly regarding the appropriate work effort and the relationship with ISA 315 (Revised 2019) and proposed ISA 330 (Revised).
 - Explore drafting approaches similar to those adopted in proposed ISA 500 (Revised)¹⁵ and develop revised proposals for the Board’s further consideration.
 - Reconsider the location of the requirement, noting that it may be best placed in proposed ISA 330 (Revised).

Other Substantial Matters

Next Steps

22. In September 2026, the Board will discuss the first full draft of the exposure draft that is targeted for approval in December 2026.

IESBA – Technology Workstream Update (Agenda Item 5)

Other Substantial Matters

23. Ms. Viljoen, Principal at the International Ethics Standards Board for Accountants (IESBA), provided an update on IESBA’s Technology Workstream. The presentation focused on IESBA’s response to technology across three mutually reinforcing pillars:
- Technology-related revisions to the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code). Ms. Viljoen explained that the revisions were developed using a principles-based approach and address matters including

¹⁵ Proposed ISA 500 (Revised), *Audit Evidence*

professional competence and due care, transparency, confidentiality, accountability, complexity and professional judgment, and technology-related considerations relevant to independence.

- Continuous monitoring of emerging developments by IESBA's Technology Experts Group (TEG) and ongoing coordination with the IAASB's Technology Team, including reciprocal participation in both Boards' Expert Groups.
 - Support for awareness, adoption and implementation through non-authoritative materials, targeted outreach and dedicated communications.
24. Ms. Viljoen responded to questions and comments from the Board, including on the roles of IESBA Staff, the Technology Experts Group and IESBA Board members in developing non-authoritative material, and on the distinction between human oversight and human responsibility in relation to emerging technologies.

Strategy & Work Plan (High-level Feedback) (Agenda Item 6)

Other Substantial Matters

25. The Board considered an initial high-level overview of the responses received to the IAASB and IESBA joint stakeholder survey on the Strategy and Work Plan 2028–2031.
26. In reflecting on the high-level overview, the Board:
- Noted that responses to the joint stakeholder survey included a diverse range of stakeholder groups, including from users of financial and non-financial information, and respondents from all geographies. However, targeted outreach should continue to solicit input from underrepresented stakeholder groups, such as those charged with governance and preparer-related organizations. The Board also encouraged continuing engagement with users of financial and non-financial information in the development of the Consultation Paper by leveraging existing engagement channels such as engagement with the User Advisory Group and the Stakeholder Advisory Council.
 - Commented that accounting firms rated “Risk of Fragmentation” as the second highest trend, which could be linked either to the increasing number of national standards or to differences in how IAASB standards are interpreted by local jurisdictions. Comments were made that this reinforces the need for the standards to remain clear and allow for consistent global interpretation.
 - Emphasized that support for the “Emerging technologies” trend continues to indicate that the IAASB's work on technology is a priority area. In addition, comments were made that there may be further learnings for the Board to draw in this area as a more detailed analysis of the survey responses is made available.

Next Steps

27. In September 2026, the Board will consider a full analysis of the responses to the joint stakeholder survey and will continue to deliberate on the development of the Consultation Paper [for the draft IAASB Strategy and Workplan 2028-2031](#).

Technology Quality Management (Agenda Item 7)

Decisions

28. In discussing [Agenda Item 7](#), which set out the proposed roadmap for non-authoritative material addressing Gen AI-enabled technological tools used in engagements, the Board broadly supported the direction of the Technology Quality Management Workstream and the development of a guide series to support the consistent and effective application of ISQM 1¹⁶ and ISA 220 (Revised).¹⁷
29. Subject to the directional feedback set out below, the Board broadly supported:
- The proposed focus of the guide series on Gen AI-enabled technological tools, including tools with agentic capabilities, used in engagements to facilitate the design or performance of procedures in obtaining evidence.
 - Using the technological tool life cycle, connected to firm-level quality management under ISQM 1 and engagement-level responsibilities under ISA 220 (Revised), as the foundation for organizing the guide series.
 - The proposed public interest objectives for the guide series, including supporting consistent and effective application of ISQM 1 and ISA 220 (Revised), helping reduce the risk of regulatory fragmentation, and supporting scalability and proportionality across firms of different sizes and levels of technological maturity.
 - The proposed five-guide structure and related content elements as a working construct for drafting, project management and Board oversight purposes, subject to retaining flexibility to merge, reorganize or resequence the guides as drafting progresses and further input is obtained.
 - The proposed recurring content elements, including the use of recurring examples and illustrations to show how the guides would operate as an integrated package.
 - The proposed sequencing and rolling Board consideration approach, while recognizing that the timetable is ambitious and may need to be managed flexibly in light of drafting progress, Expert Group input, Board oversight and due process considerations.

Directions

30. The Board provided the following directional input and suggestions:
- Emphasized that timeliness is critical and encouraged the project team to begin drafting rather than spend too much time further refining the roadmap. At the same time, speed should be balanced with sufficient Board oversight, stakeholder input and due process appropriate for non-authoritative material.
 - Underlined that the guide series should remain anchored in ISQM 1 and ISA 220 (Revised). The material should clarify how existing quality management concepts and engagement-level

¹⁶ International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Engagements*

¹⁷ International Standard on Auditing (ISA) 220 (Revised), *Quality Management for an Audit of Financial Statements*

responsibilities apply when Gen AI-enabled technological tools are used in engagements, without creating a separate AI governance framework or implying that the standards are deficient.

- Although the focus on Gen AI-enabled tools ~~is~~ appropriate given the significance and immediacy of Gen AI developments in practice, the concepts developed for Gen AI-enabled tools may also be relevant, by analogy, to other technological tools that give rise to similar quality management considerations. The material should highlight this perspective, including in relation to more traditional tools used by small- and medium-sized practices.
- Supported the use of the technological tool life cycle as an organizing foundation, noting that it provides a practical way to connect pre-deployment approval, deployment and enablement, engagement-level use, and post-deployment monitoring. Quality management should be presented as dynamic and reciprocal, with information flowing between firm-level quality management and engagement-level experience.
- Emphasized that the guide series should be treated as an integrated package. The guides should explain their interrelationships so that users do not approach each guide in isolation or assume that application of one guide, standing alone, would be sufficient.
- Supported the proposed five-guide structure as a useful starting point, but encouraged the project team not to be rigid. In particular, Guide 3 may overlap with Guide 2 or with other guides, and the project team should remain open to merging, reorganizing or resequencing guides where this would better reflect how tools are developed, approved, deployed and used in practice.
- Emphasized that the guide series should not become firm methodology or a broad technology manual. The IAASB's value proposition should remain focused on explaining the relevant concepts and principles in ISQM 1 and ISA 220 (Revised) and how those concepts and principles apply to Gen AI-enabled technological tools used in engagements.
- Requested that the project team continue to address scalability and proportionality throughout the guide series, including by explaining how concepts and principles may be applied by firms with different levels of resources, technological sophistication and access to specialists. The guides should remain practical, simple and proportionate.
- Supported the use of external reference points, while emphasizing that such materials should be used as inputs, examples and completeness checks rather than substitutes for the IAASB's standards. Where concepts or analytical frameworks from external sources are used, the project team should translate those insights back to ISQM 1 and ISA 220 (Revised). Relevant materials from the financial services sector, including those from bodies such as the Bank for International Settlements and Financial Stability Board, should also be considered where appropriate.
- Discussed the proposed sequencing and noted that Guide 2, Part 1, addressing service-provider and foundational model considerations, appears to be a sensible starting point. Work on the guides is expected to proceed in parallel because engagement-level use, tool approval, deployment and monitoring are interrelated.

IAASB Main Agenda (June 2026)

- Recognized that the proposed timetable is ambitious. Some Board members expressed concern about approving guides at the same meeting at which drafts are first presented, noting the need for sufficient time to consider the material, undertake outreach where necessary, and understand Expert Group input. The project team was encouraged to build flexibility into the process, including using Board calls or other touchpoints where needed to support effective Board oversight.
- Requested that the project team continue to provide clear information about Expert Group feedback, including points of consensus, matters of concern and areas where the Expert Group's views are influencing the direction of the guide series, to help the Board exercise its oversight role.
- Encouraged the project team to consider whether additional outreach with groups such as the Stakeholder Advisory Council, the Jurisdictional Standard Setters Liaison Group and the Small- and Medium-Sized Practices Advisory Group may be needed as development progresses, particularly to support scalability, proportionality and jurisdictional diversity.

Other Substantial Matters

Next Steps

31. The Technology Quality Management workstream team will address the Board's comments on the proposed roadmap, together with input from the Technology Quality Management Expert Group, and present any revisions to the roadmap to the IAASB at its September 2026 meeting. The workstream team also plans to present drafts of Guide 1 and Guide 2, Part 1 for the Board's consideration and, if appropriate, approval.

Technology Catalog (Agenda Item 8)

Decisions

32. In discussing [Agenda Item 8](#), which addressed the IAASB's semi-annual technology monitoring update and proposed version 3 of the Technology Catalog, as set out in [Agenda Item 8-B](#), the Board supported the proposed updates to the Technology Catalog. The Board noted that the revised structure is clearer and provides appropriate visibility to stakeholders about the technology-related matters being monitored by the IAASB and how those matters are being addressed.
33. The Board agreed that:
 - The monitoring activities undertaken by Staff provide an appropriate basis for identifying new and emerging technology-related matters that should be reflected in the Technology Catalog;
 - Staff's proposal not to include certain technology-related matters, including matters relating to skills, training and the future of the profession, is appropriate because those matters, in and of themselves, are outside of the IAASB's remit;
 - The enhanced descriptions of the technology-related matters included in version 3 of the Technology Catalog, and the related description of how those matters are being addressed through the IAASB projects and workstreams, appropriately reflect current work and proposals; and

- The IAASB's Technology Position remains appropriate and does not require recalibration at this time.

Directions

34. The Board provided the following directions and suggestions relevant to finalizing proposed version 3 of the Technology Catalog:
- Clarify the prioritization approach, including that each matter is assessed based on factors such as prevalence, urgency and the potential need for IAASB action, and that prioritizations are not intended to be formulaic or fixed.
 - Lower the priority of Matter 5(b), which addresses the impact on the audit when entities use service organizations that use emerging technologies. The Board noted that assigning a higher priority could imply that the IAASB is actively pursuing work in this area. Given the current stage of information gathering, the Board considered a medium priority more appropriate. However, the Board recognizes that this matter is an emerging topic of increasing prominence that may warrant a higher priority assessment in the future.
 - Consider refining the description of Matter 5(c) to further explain how the opportunities associated with the use of technology by entities may affect audits and assurance engagements.
 - Lower the priority of Matter 5(d), which addresses audit challenges in audits of entities with activities in the crypto-asset ecosystem, in light of the guidance already available and the need to further clarify the IAASB's role in this area.
35. The Board also directed Staff to explore a different presentation for the technology-related matter on sustainability assurance. The Board observed that this matter differs from the other matters included in theme 10: Other Assurance Engagements, and that its current placement may lead to confusion. The Board noted that the matter is intended to serve as a placeholder to support ongoing monitoring of how the use of technology by entities and assurance practitioners may affect sustainability assurance and other assurance engagements. The Board acknowledged that more specific matters may emerge through further information gathering, similar to the matters already identified in themes 1 to 9 in the context of audits of financial statements.

Other Substantial Matters

Next Steps

36. Staff will refine proposed version 3 of the Technology Catalog following the Board's directions and will publish the final document on its website in July 2026.