

The IASB and the IAASB had meetings in Toronto recently to discuss the use of technology in auditing, particularly AI. Here are some results of the findings.

Participants shared current AI use cases, such as:

- enhancing productivity tasks (e.g., document extraction, summarization, meeting notes, and drafting communications);
- using chatbots (e.g., querying methodology and standards);
- cleansing and transforming client data to enhance analytics;
- reviewing client documents and engagement team working papers; and
- strengthening risk assessment (e.g., anomaly detection and financial statement analysis).

Participants described several potential AI opportunities:

- Process transformation – Continuous auditing and leveraging real-time client and external data for issue detection.
- Advanced capability – Authentication of audit evidence, processing unstructured client data for corroboration, and risk-based sampling.
- Autonomous and integrated systems – Autonomous decision-making agents and interconnected technology working as a unified ecosystem.
- Supervision and coaching – Smart agents providing proactive prompts and guidance to staff.
- Judgment and valuation – Enhanced estimation capabilities that support higher-value insights for clients.

Participants shared several ways they are managing quality when using AI tools, including:

- human involvement at critical points in the audit;
- establishing centralized certification processes for firm-level tools;
- requiring rigorous validation of inputs and outputs for engagement-level tools;
- applying risk-based testing, with baseline testing for all tools and additional testing for higher-risk tools;
- putting safeguards and limits on how AI tools can be used in engagement files; and
- providing mandatory AI training before staff can use the tools, along with ongoing training as tools evolve.

It's clear that use of AI is proceeding and developing quickly. Over the next few years, this will be highly transformative in the practice of auditing. Exciting times!

For more on these meetings, check this out - <https://thinktwenty20.com/wp-content/uploads/2026/02/FRAS-Canada-Marketing-Communications-Update-February-2026.pdf>