

Disruptive Technologies – Cover**Objective of the Agenda Item**

The objective of this Agenda Item is to provide the Board with an update on Disruptive Technologies activities undertaken since the September 2022 Board meeting.

Background

1. The IAASB's Disruptive Technologies initiative is one part of a [dual approach](#) by the IAASB to ensure that standard-setting keeps pace, and is prepared to adapt to, technology transformation including disruptive technologies.
2. The IAASB's strategic planning process covers short- to medium-term audit and assurance issues, focused on workstreams and projects already initiated or identified based on public consultation and outreach activities. Current projects or initiatives that may be affected by technology transformation include audit evidence, sustainability and fraud with advice and counsel provided by the IAASB's Technology Consultation Group.
3. The disruptive technologies information-gathering and research work is to enable the IAASB to be prepared for technology disruption transforming audit and assurance, to explore and demonstrate how the IAASB can respond appropriately and within its mandate to support audit and assurance quality, and to potentially leverage technology to improve its own position as a global standard setter.
4. The activities around Disruptive Technologies are focused on the following areas:
 - Build processes and structures to support the IAASB's disruption initiative;
 - Maintain and improve the IAASB's knowledge about disruption trends and their implications for standard-setting and the public interest; and
 - Share knowledge and agenda with stakeholders in the reporting community to improve audit and assurance quality and thereby improve reporting quality.

Update on Disruptive Technologies Initiative Activities

5. At its September 2022 quarterly meeting, the IAASB received an update on the disruptive technology initiative activities and held breakout sessions to identify ways forward for the initiative and prioritize focus areas.
6. Since the last Board update, a number of activities have taken place relating to the IAASB's technology initiative, in addition to actions related to the prioritized focus areas. This included:
 - Maintaining a program of disruptive technology research and regular knowledge sharing, including Market Scan publications and internal knowledge base updates;
 - Performing background research into potential future technology-related workplan projects providing input into the IAASB Strategy and Work Plan for 2024–2027;
 - Designing and launching a series of thought experiments to enable a better understanding of the impact of different technologies on auditing standards; and

- Carrying out outreach activities including a deep dive session on Disruptive Technologies with Forum of Firms representatives which involved the use of polling technology to gain insights from representatives on technology adoption within their practices and obtain views on barriers to technology adoption.
7. The presentation in **Agenda Item 3-A** summarizes the technology initiatives that have been undertaken, including about technology adoption in audit and assurance based on available research and targeted outreach. For the purposes of the March 2023 IAASB meeting, IAASB Staff will walk the Board through the presentation and pause for input as indicated in the presentation.

Matters for IAASB Consideration

In the context of the focus of the disruptive technologies workstream (see paragraph 4), the Board is asked for its views on:

1. The technology initiatives update presented (see **Agenda Item 3-A**, slides 2-6).
2. The technology adoption research and adoption statistics from targeted outreach presented (see **Agenda Item 3-A**, slides 8-10).