

# Technology Position

## Introduction to Development



Agenda Item 4  
March 2024 IAASB Meeting

# Agenda

**Live-streamed segment** → to introduce the Board's Technology Position Initiative and the agenda for the session

9:00 am to 9:20 am

**Private workshop** → the Board will begin to shape its Technology Position

9:30 am to 1:00 pm

# Technology Position Initiative

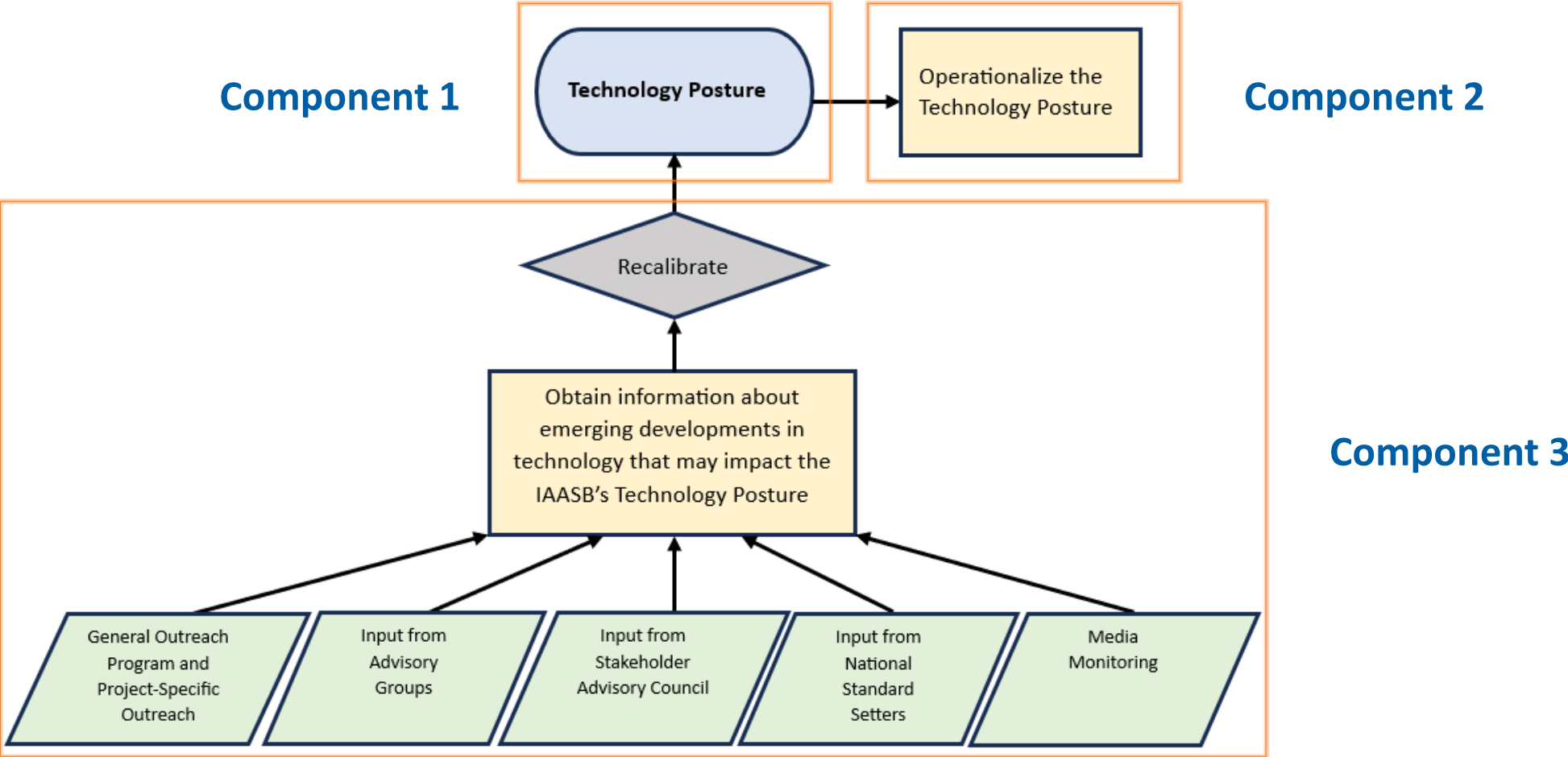
## The IAASB's Strategy and Work Plan for 2024–2027



- **Initiative:** Establish a Technology Position...
- **Commencement date:** H1 - 2024

...on addressing the impact of technology in the IAASB's standards, including the Board's vision and roadmap. This position will inform standard-setting and related activities during the Work Plan period.

# Technology Position Conceptual Framework



# Timeline

## March 2024 Meeting

- Start of deliberations on Components 1 and 2

## June 2024 Meeting

- Continue deliberations on Components 1 and 2
- Start of deliberations on Component 3

## September 2024 Meeting

- Targeted approval of Technology Position

# The Board's Current Technology Posture

The Board's current Technology Posture,<sup>1</sup> as it develops or revises the ISAs, is not to require but rather to acknowledge and support the use of technology in audits through guidance integrated in application material of the ISAs.



The IAASB's Technology Posture has been referred to as **Technology Agnostic**

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<sup>1</sup> In a recent survey of Board members, a majority agreed with the articulation described above. However, several members also thought the articulation should be broader by, for example, describing other ways, beyond the ISAs, that the Board is acknowledging and supporting the use of ATT, including through non-authoritative guidance and technology-related communications.

# Component 1

## Ongoing Suitability of the Current Technology Posture



### Considerations for the Board

Increasing sophistication of technological tools available to entities



Increasing sophistication of technological tools available to auditors



Growing expectation that auditors use technological tools in their audits



- More challenging to audit (e.g., black boxes)?
- New or different risks of material misstatement?
- Auditable through conventional audit techniques?
- What are the related audit innovations?
- What audit innovations are expected by 2030?
- Will audit innovations cause a misalignment to the ISAs?
- What are Board members hearing about this expectation, if applicable?
- Are technological tools becoming more available and more cost-effective?
- Does use of technological tools lead to more persuasive audit evidence?

## Component 2

### Approach to Operationalize the Technology Posture



#### Considerations for the Board

How to best utilize the IAASB's toolkit?



- Information gathering and research activities
- Full-scope development and revision of standards
- Narrow-scope maintenance of standards
- Implementation of support activities, including non-authoritative guidance

What is the most effective approach?



- Centralized
- Decentralized
- Hybrid
- Other



# **End of Plenary Session**

**Private Workshop starts at 9:30 am EST**

# Agenda for Private Workshop

**Session 1** Laying the Foundation

**Session 2** The Technology Posture



**Session 3** Approach to Operationalize the Technology Posture

- 9:30 am to 10:30 am
- 10:30 am to 11:30 am
- ◐ 11:30 am to noon
- Noon to 1 pm

# Private Workshop

## Session 1 Laying the Foundation

All participants exchange of ideas about:

- a) How the IAASB is using terms like technological resources and automated tools and techniques (ATT) in its standards.
- b) How entities are integrating (or expected to integrate) more sophisticated technologies, including AI, in their business processes and how that is changing their financial reporting risk profiles.
- c) The types of innovations that are occurring (or expected to occur) to audits due to the use by auditors of technological tools and whether those innovations are causing a misalignment with the ISAs.
- d) The most accurate articulation of the IAASB's current Technology Posture.



New topics may  
emerge from the  
discussions

# Private Workshop

## Session 2 The Technology Posture

Board members deliberations on what the Board's Technology Posture should be.

- a) Should the IAASB's Technology Posture cover more than the impact of technology on the ISAs? If so, what else should be covered (e.g., assurance engagements on digital reporting tagging, ISRE 2410)?
- b) Is the IAASB's current Technology Posture, specifically the posture in the ISAs that pertains to the use of technology in audits, still appropriate?
- c) What are some alternative Technology Postures that are worth considering?
- d) What are the risks to the audit and assurance services market if the use of technology were to become mandated under certain circumstances?



New questions will emerge from the discussions

# Private Workshop

## Session 3 Approach to Operationalize the Technology Posture

All participants breakout discussions.

- a) What is the most effective approach to operationalize the Board's Technology Posture?
- b) How could the IAASB's best utilize its "toolkit" to operationalize its Technology Posture (e.g., information gathering and research activities, full-scope development or revision of standards, narrow-scope maintenance of standards, and implementation support activities, including non-authoritative guidance)?
- c) What is the optimal set of actions for the Board to take to operationalize its Technology Posture?



New questions will emerge as the Technology Posture takes shape

## Breakout Group Allocations

|    | Room A                               | Room B                            | Room C / D                         | Room E                          | Room F                            |
|----|--------------------------------------|-----------------------------------|------------------------------------|---------------------------------|-----------------------------------|
| 1  | <b>Moderator:</b><br>Angelo Giardina | <b>Moderator:</b><br>Willie Botha | <b>Moderator:</b><br>Wendy Stevens | <b>Moderator:</b><br>Sue Almond | <b>Moderator:</b><br>Fadi Mansour |
| 2  | Hernán Casinelli                     | Chrystelle Richard                | Eric Turner                        | Edo Kienhuis                    | Julie Corden                      |
| 3  | Neil Morris                          | Kai Morten Hagen                  | Josephine Jackson                  | Greg Schollum                   | Robert Koethner                   |
| 4  | Tom Seidenstein                      | Warren Maroun                     | Vishal Doshi                       | Sami Alshorafa                  | Sachiko Kai                       |
| 5  | William Edge                         | Ana Espinal-Rae                   | Jasper van den Hout                | Kalina Shukarova Savovska       | Hankenson Jane L. Talatala        |
| 6  | Dan Montgomery                       | Brett James                       | Antoine Boitard                    | Brian Wilson                    | Jamie Shannon                     |
| 7  | Ida Diu                              | James Gunn                        | Claire Revenig                     | Rene Herman                     | Yvette Lange                      |
| 8  | Isabelle Raiche                      | Amy Groves                        | Helene Agélii                      | Susan Jones                     | Danielle Davies                   |
| 9  | Kazuko Yoshimora                     | Fernando Zanet                    |                                    |                                 |                                   |
| 10 | Thokozani Nkosi                      | Johanna Field                     |                                    |                                 |                                   |
| 11 | Wolfgang Bohm                        | Misha Pieters                     |                                    |                                 |                                   |
| 12 | Janine van Diggelen                  | Sripriya Kumar                    |                                    |                                 |                                   |
| 13 | Jeanne Viljoen                       |                                   |                                    |                                 |                                   |
|    | Room Capacity 20                     | Room Capacity 12                  | Room Capacity 8                    | Room Capacity 8                 | Room Capacity 8                   |

## Legend:

Board Members

IAASB Staff

Technical Advisors

Observers

Virtual Attendee

**End of Private Workshop Session**