

**Meeting:** IESBA CAG  
**Meeting Location:** New York  
**Meeting Date:** March 9, 2020

## Agenda Item

# G

### Technology

#### Objectives of Agenda Item

1. To receive:
  - (a) A report-back on the September 2019 IESBA CAG discussions; and
  - (b) A briefing on the Technology Working Group's (TWG's) Phase 1<sup>1</sup> Final Report (Phase 1 report).
2. To obtain Representatives' input on:
  - (a) The project proposal developed based on the recommendations in the Phase 1 report; and
  - (b) Priorities for the Phase 2 work and any considerations pertaining to overlapping areas between the new project and the Phase 2 work.

#### Background and Status of Initiative

3. In December 2018, the IESBA approved the TWG's [Terms of Reference](#). The focus of the TWG is on the ethical behavior of both professional accountants in business (PAIBs) and professional accountants in public practice (PAPPs) when using or encountering technologies in their professional activities. The impact of technology will be addressed in the context of professional accountants' (PA) compliance with the fundamental principles and independence standards.
4. During Phase 1, the TWG has been carrying out information gathering activities in relation to two distinct but related technology areas: artificial intelligence, including robotic process automation, and data analytics/big data.
5. In addition to conducting desk research of publicly available reports, articles and other relevant material, the TWG has engaged with a broad range of stakeholders both formally and informally to hear views, share knowledge, identify issues and ascertain if best practices have already been developed and are in use.
6. At the September 2019 CAG meeting, the TWG presented a preliminary report based on its information gathering and analysis to date. At the December 2019 IESBA meeting, the TWG presented its Phase 1 report, including a recommendation for the IESBA to launch a new project to

---

<sup>1</sup> TWG Members:

- Brian Friedrich, Chair, IESBA Member
- James Barbour, IESBA Technical Advisor
- Gregory Driscoll, IESBA Technical Advisor
- Hironori Fukukawa, IESBA Member
- Myriam Madden, IESBA Member

enhance the Code in a number of identified areas in order to maintain its robustness and relevance in an evolving digital age.

7. At its March 2020 meeting, taking into account the CAG's advice and other input, the IESBA will consider the project proposal in **Agenda Item G-3** with a view to approving this new project.
8. With the first phase of the Technology initiative now completed, the IESBA will turn to Phase 2. Apart from the new project which will proceed under a separate Task Force, Phase 2 will focus on (a) fact finding on other technologies that come under the broad headings of blockchain, cybersecurity, Internet of Things, cloud-based services, and data governance; and (b) the development of non-authoritative guidance. Planning for (a) and (b) will be carried out over the coming couple of quarters.

### **Action Requested**

9. CAG Representatives are asked for:
  - (a) Comments on the Phase 1 report in **Agenda Item G-2**; and
  - (b) Advice and other input on:
    - (i) The project proposal in **Agenda Item G-3**; and
    - (ii) Priorities for the Phase 2 work and any considerations pertaining to overlapping areas between the new project and the Phase 2 work.

### **Material Presented**

Agenda Item G-1	Report-back on September 2019 CAG Discussion
Agenda Item G-2	Technology Phase 1 Report
Agenda Item G-3	Project Proposal – Enhancing the Code in an Evolving Digital Age