

# Multidisciplinary Teams

## Introduction

This publication forms part of the [IESBA's Technology Working Group's Phase 2 Report](#), which documents the impacts of disruptive and transformative technologies on the work of professional accountants, and provides extensive analysis and insights into the ethics dimension of those developments.

Specifically, this publication explores the rise of multi-disciplinary teams and what it means for PAs, and highlights the importance of education and consistent standards and guidance.

The Working Group comprises Brian Friedrich, IESBA Member and Chair of the Working Group; Vania Borgerth, IESBA Member; David Clark, IESBA Technical Advisor; Christelle Martin, IESBA Member; and Sundeep Takwani, former IESBA Technical Advisor.

The full [Phase 2 Report](#) also discusses the relevance and importance of the overarching principles and specific provisions in the [International Code of Ethics for Professional Accountants \(including International Independence Standards\)](#) (the Code) in laying out the ethics guardrails for professional accountants as they face opportunities and challenges in their work as a result of rapid digitalization.

This publication does not amend or override the Code, the text of which alone is authoritative and reading it is not a substitute for reading the Code and is not intended to be exhaustive and reference to the Code itself should always be made. This publication does not constitute an authoritative or official pronouncement of the IESBA.

## Multidisciplinary Teams

### *Need for Multidisciplinary Teams*

1. Given increasingly complicated technologies and complex systems, the need for multidisciplinary teams continues to grow to ensure appropriate design, development, use, governance, and control over technology.
2. As discussed in the subsection on [Competence and Due Care](#), stakeholders stress that the traditional accounting, finance, or audit team needs to be complemented with diverse professionals from other disciplines to ensure the collective competence and due care is available for a PA to perform their professional activity. It was also observed that a PAIB's "value-add" within the larger team responsible for business strategy, finance and accounting, and IT, is frequently to act as a "bridge" between the IT and broader business groups. For example, PAs are effective at identifying appropriate key performance indicators to inform strategy, and the rationale for such choices, and can help guide technologists with respect to the tools needed to measure and monitor strategic implementation.

3. Stakeholders highlighted that, at a minimum, there needs to be an on-going and deep interdisciplinary engagement between PAs and technology professionals, even in situations where full multidisciplinary teams are not established. For example, a strong partnership is required between various business units under operations, such as finance and accounting, human resources, and IT to ensure shared accountability for data governance and use.<sup>1</sup>
4. Finally, stakeholders see multidisciplinary teams as critical with respect to considering “who” is accountable when an issue occurs with a technology tool or system, particularly with the desire to increase PA involvement in developing, implementing, and operating innovative and transformative technologies. Multidisciplinary teams should also include various C-suite and management staff that are needed to enable an appropriate organizational ethics culture (e.g., tone at the top), and to promulgate this collective responsibility. This is seen as particularly effective in exhibiting to everyone in an organization, ethical behavior and adherence to appropriate policies and procedures.

### *The PA's Role on a Multidisciplinary Team*

5. In the case of many large organizations, stakeholders cautioned that the influence of PAIBs is not currently perceived as “high” with respect to technology. Stakeholders also noted that PAIBs do not typically have the ability to impact technology adoption or development in a significant way. For example, when a company considers adopting or developing technology, data specialists and other IT specialists are typically the strategic advisors and drivers of such considerations, in addition to making up the implementation team. It was noted that PAs are rarely involved beyond performing KPI calculations, scenario analyses, or forecasting specific to the financial impact of the development and/or implementation. Stakeholders did, however, strongly encourage greater PA involvement. They suggested that PAs need to be part of the conversation on strategic value creation because of both their important bridging role across business units, particularly when serving in management and executive roles, and their business acumen, professional judgment, and adherence to the ethics principles of the Code.



6. For smaller organizations, on the other hand, stakeholders observed that PAs typically have a significantly larger role to play in IT strategy, driving the procurement or development and adoption of technologies within their organizations.
7. With the necessity of multidisciplinary teams in the digital age and a shift in public expectation for organizations to exhibit ethical decision-making more prominently (see discussion on [Why the Profession Needs to Act](#)), expectations of a PA's role within an organization and on multidisciplinary teams are changing. Specifically, stakeholders stressed the importance of PAs being able to manage such teams. At a minimum, PAs are expected to be involved in a greater range of issues and to raise related ethics concerns as they arise. To be effective in this regard, PAs should be involved from the start (i.e., when the strategic value creation conversations are occurring) so that ethics can be considered upfront. This includes ethics risk identification and management, such as implementing appropriate safeguards and governance structures (see discussion on [Ethical Leadership](#)).<sup>2</sup>
8. Stakeholders also remarked that automating accounting processes without a heavy PA involvement is not sustainable because it will lead to weaker internal control environments and, therefore, a greater likelihood of data breaches, transactional inaccuracies, and reporting misstatements. See discussion on [Technology Landscape: Robotic Process Automation](#).

## Reliance on Experts

9. Data used as inputs for data analytics and other technology, use of emerging technologies (such as robotics, AI, and blockchain, among others), as well as managing cyber-security issues, are complicated, specialist areas. As a result, it is now very common to have IT specialists working closely with, or integrated within, traditional audit or accounting and finance teams. This creates an expectation that PAs need to have a broad sense of what the technology being used is doing, and understand when it is appropriate to scope technologists into their activities, and how best to do so.
10. Beyond just relying on such experts and their technical competence, expectations are emerging with respect to more formalized consideration of ethical values across the ecosystem of technology use, from scoping, development and implementation to operation and maintenance. However, the risk of blind reliance (knowingly or unknowingly) on technology experts by PAs was highlighted. It was acknowledged that the Code outlines the expectations for a PA in terms of:
  - (a) Determining whether a PA can rely on, or use, experts<sup>3</sup> (including consideration of conflicts of interest,<sup>4</sup> as well as independence requirements for engagement teams<sup>5</sup> and group audits);<sup>6</sup>
  - (b) Automation bias;<sup>7</sup> and
  - (c) Undue reliance on technology.<sup>8</sup>





# Standards and Guidance

## Standards and Guidance

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11. Stakeholders recognize the importance of the IESBA's efforts in developing consistent and clear standards for PAs with respect to ethics obligations across all PA roles.
12. Numerous suggestions were received around increased awareness raising, education, and implementation guidance for both PAs and non-accountants. Some of these comments and ideas are relevant for other standard setting, regulatory, and advocacy bodies (both internal and external to the accounting profession) to consider.

## Endnotes

- <sup>1</sup> See also, for example, Redman, Thomas C. "The Trust Problem That Slows Digital Transformation." *MIT Sloan Management Review*, 26 July 2022, <https://sloanreview.mit.edu/article/the-trust-problem-that-slows-digital-transformation/>.
- <sup>2</sup> For PAs implementing AI in the financial services area, see for example, "The IEEE Trusted Data & Artificial Intelligence Systems (AIS) Playbook for Financial Initiative." *IEEE*, 7 May 2020, <https://standards.ieee.org/industry-connections/ais-finance-playbook/>, which includes best practice recommendations in this space.
- <sup>3</sup> Paragraphs 220.7 A1 and 320.10 A1 of the Code
- <sup>4</sup> Sections 210 and 310 of the Code
- <sup>5</sup> Glossary definition of "Engagement Team" in the Code
- <sup>6</sup> In February 2022, the IESBA released the Exposure Draft: "Proposed Revisions to the Code Relating to the Definition of Engagement Team and Group Audits." *IESBA*, 18 February 2022, <https://www.ethicsboard.org/publications/proposed-revisions-code-relating-definition-engagement-team-and-group-audits>. The IESBA noted that addressing the matter of independence for external experts is outside the remit of the Engagement Team Group Audit project but agreed to consider the matter as part of a future initiative.
- <sup>7</sup> Paragraph R120.12 A2 of the Code
- <sup>8</sup> Paragraph R112.1 of the Code

## ABOUT THE IESBA

The International Ethics Standards Board for Accountants (IESBA) is an independent global standard-setting board. The IESBA serves the public interest by setting ethics standards, including auditor independence requirements, which seek to raise the bar for ethical conduct and practice for all professional accountants through a robust, globally operable *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The IESBA believes a single set of high-quality ethics standards enhances the quality and consistency of services provided by professional accountants, thus contributing to public trust and confidence in the accountancy profession. The IESBA sets its standards in the public interest with advice from the IESBA Consultative Advisory Group (CAG) and under the oversight of the Public Interest Oversight Board (PIOB).

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