

# Ethical considerations on the risks of generative AI for Business Valuation Specialists

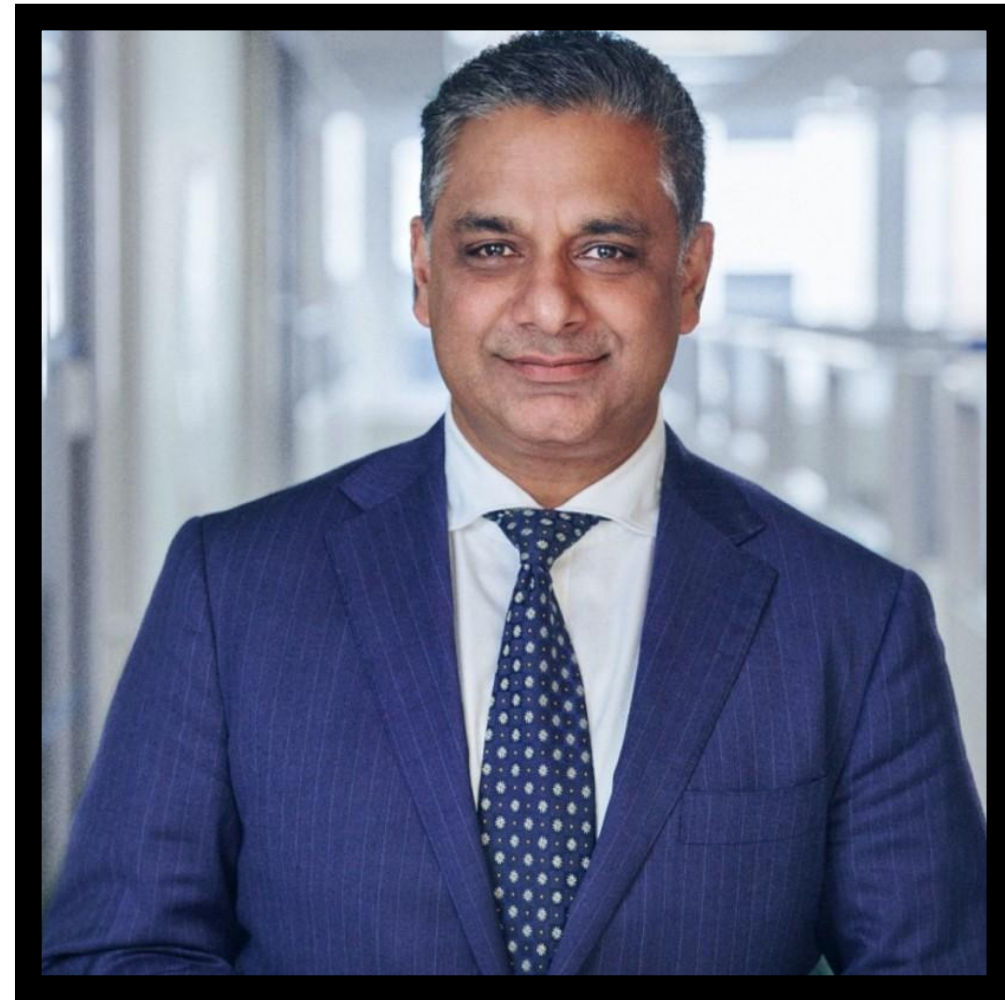
## Acknowledgement of Traditional Owners

Chartered Accountants ANZ acknowledges the land throughout Australia as Traditional Lands of the Aboriginal and Torres Strait Islander peoples and we respect their spiritual relationship with their Country and to their Elders past, present and future.

We also acknowledge them as the custodians of the Land and Waters, and that their cultural and heritage beliefs are important to Aboriginal and Torres Strait Islander peoples today.

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# Presenting



**Channa Wijesinghe FCPA, FCA**

Chief Executive Officer, APESB

Vice Chair, IESBA



**Fiona Hansen FCA**

Senior Managing Director, FTI Consulting



# Ethical considerations on the risks of generative AI for Business Valuation Specialists



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# Agenda

- Foundations of the Code
- Technology-Related Revisions to the Code
- Artificial Intelligence
- APESB Forward Work Program
- Ethical Considerations for Business Valuation Specialists
- Q&A

# Foundations of the Code



Accounting Professional & Ethical Standards Board

# International Ethics Standards Board for Accountants (IESBA)

IESBA's **mission** is to serve the public interest by setting high-quality global ethics and independence standards as a cornerstone to:

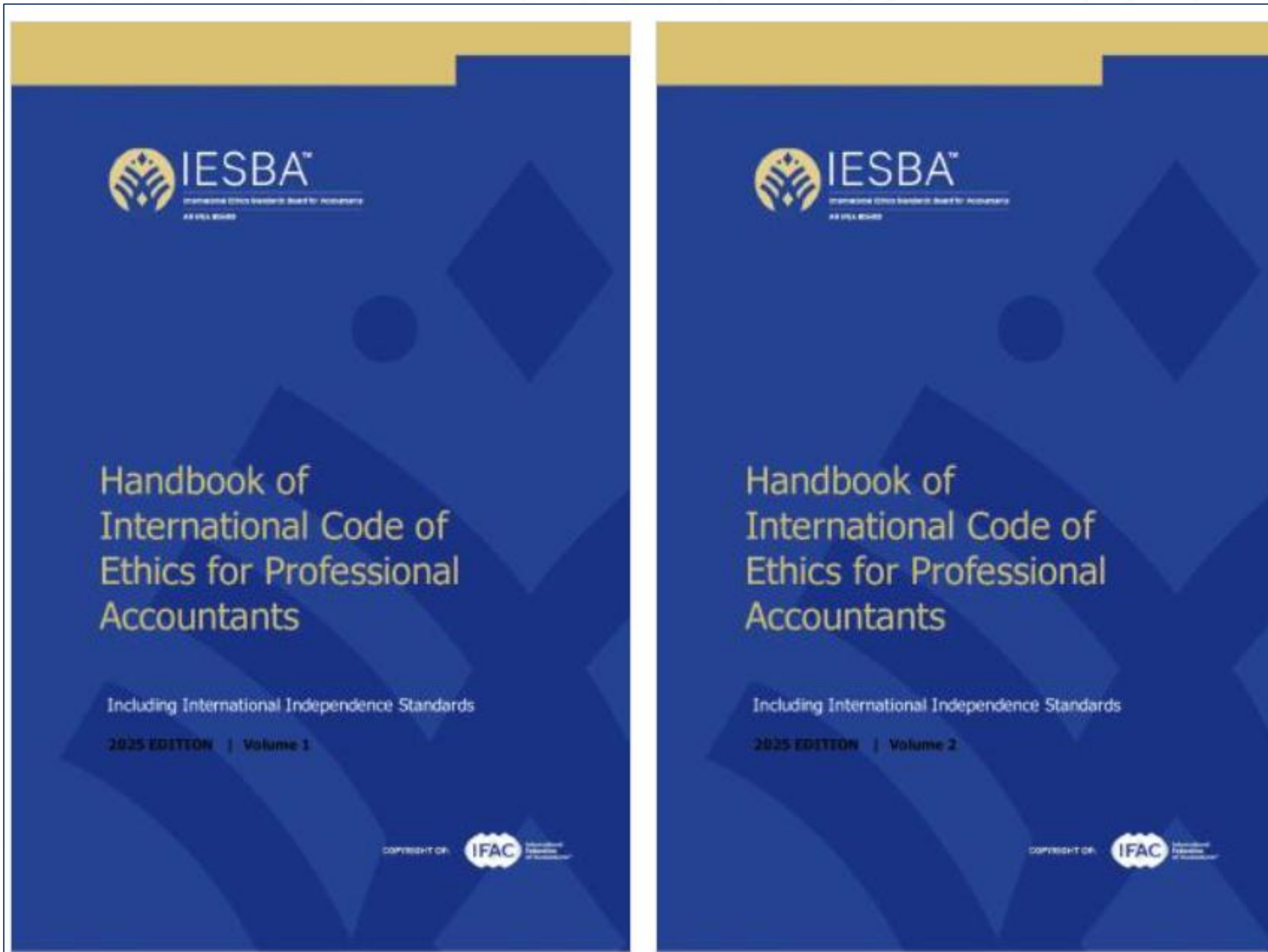
- ethical behaviour in business and organisations; and
- public trust in financial and non-financial information



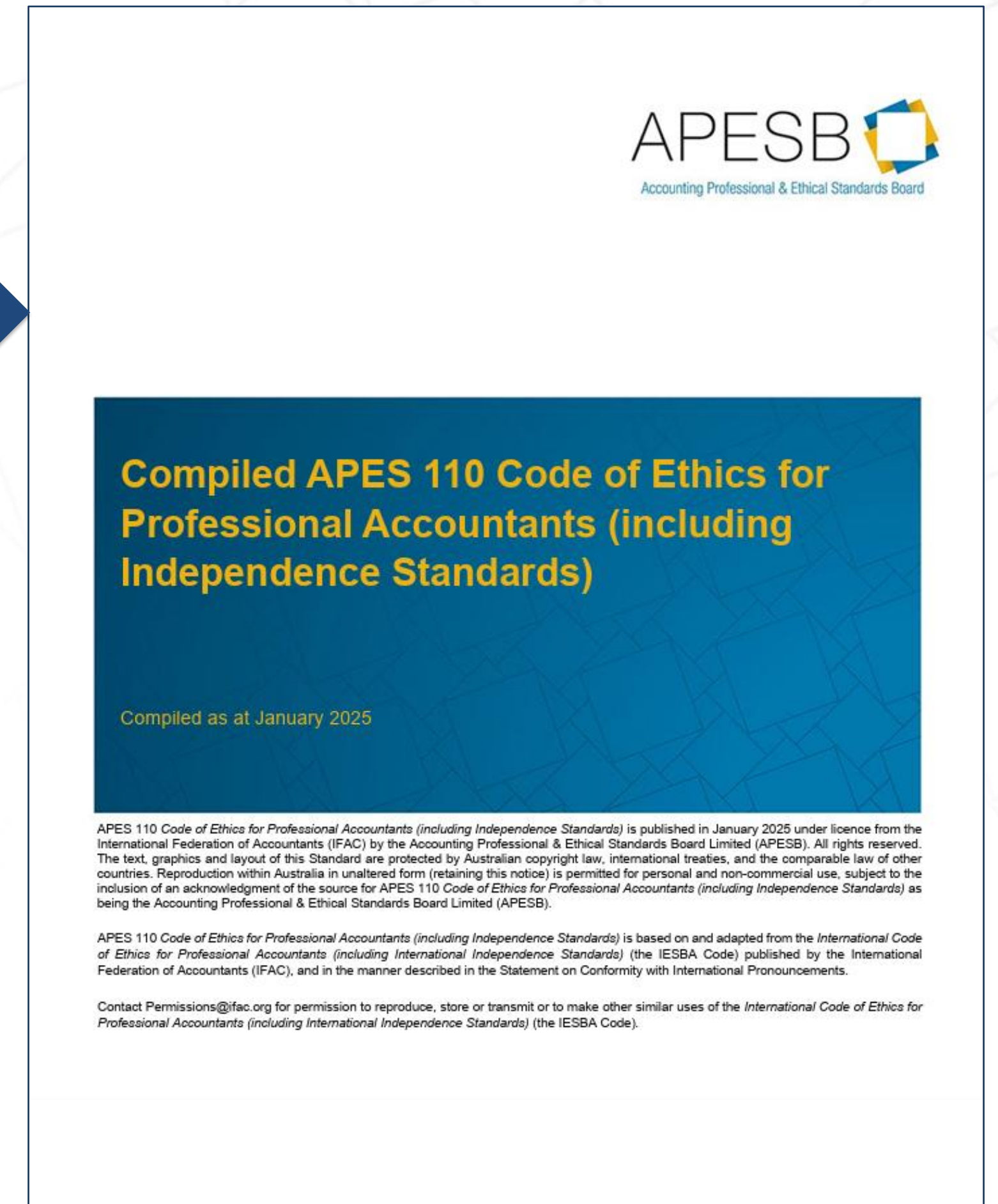
The **IESBA Code** is:

- Adopted or used in **> 130** jurisdictions, including **17** G20 countries
- Adopted by the largest **35** international networks of firms (the Forum of Firms) for transnational audits
- Translated in around **40** languages, including all major UN languages

# About the IESBA Code



Full  
adoption of  
the IESBA  
Code by  
APESB in  
Australia



# The IESBA Code/APES 110

## Fundamental Principles

Integrity

Objectivity

Professional Competence & Due Care

Confidentiality

Professional Behaviour

## Threats

Self Interest

Self Review

Advocacy

Familiarity

Intimidation

## Conceptual Framework



# Technology-Related Revisions to the Code



Accounting Professional & Ethical Standards Board

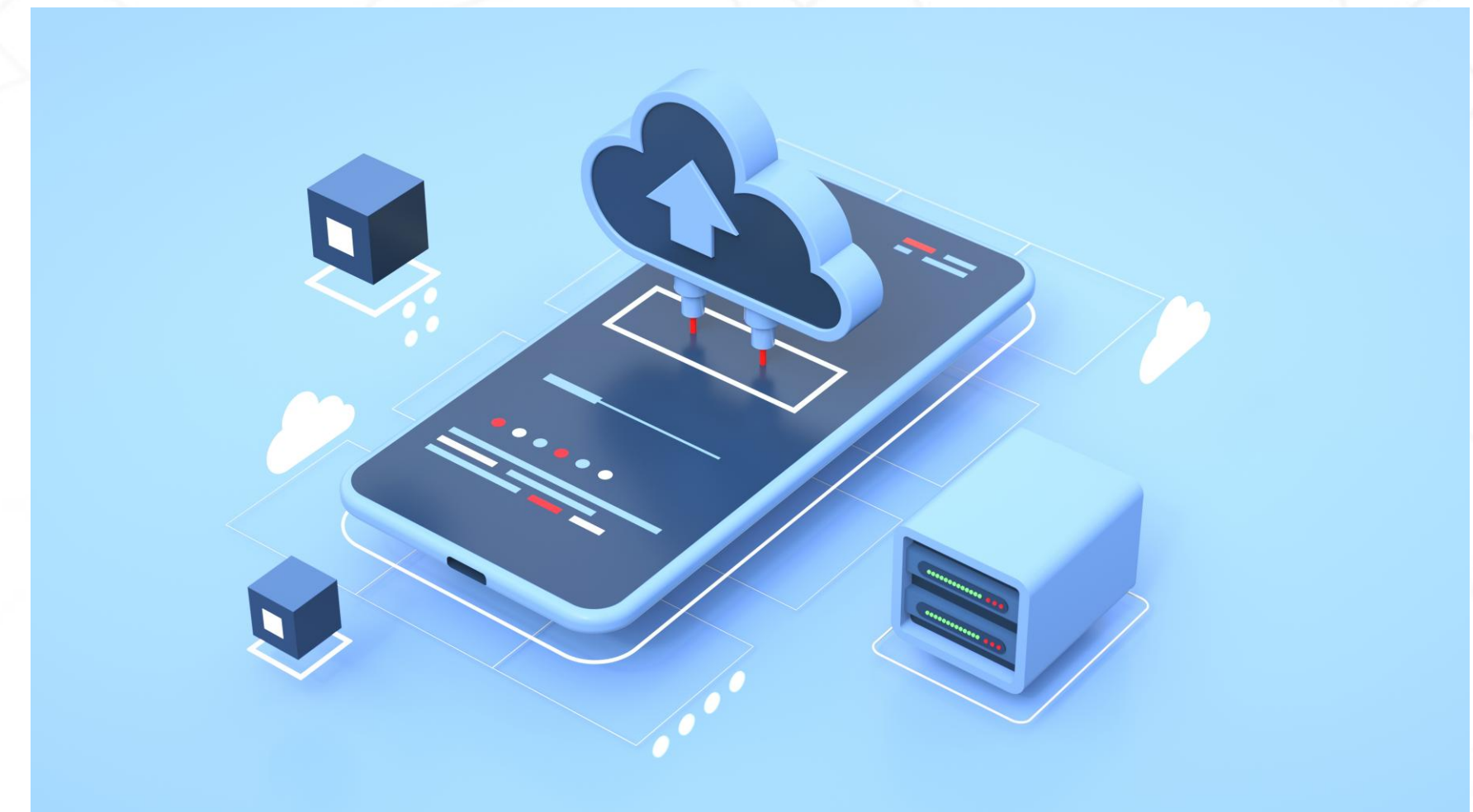
# Ethics and Technology

## Opportunities

- AI, data analytics, blockchain, cloud
- Greater efficiency, better insights

## Ethical Challenges

- Data privacy & confidentiality
- Bias & fairness in algorithms
- Professional scepticism in automated environments



**Technology is a tool, not a substitute for professional judgement.**

# IESBA Response

## New technology-related changes to the Code (April 2023)



- Applies to assurance on non-financial information
- Draws attention to competence, confidentiality & leadership
- Considers ethical threats from use of technology & complexity when exercising professional judgment
- Addresses the ethical dimension of using output of technology
- Strengthens independence provisions for technology-related services & business relationships

## Technology Working Group Phase 2 report (Nov 2022)



- Data used for AI training
- Transparency & explainable AI; data governance, including custody of data
- Ethical leadership & decision-making
- Communication with TCWG
- Reliance on, or use of, experts
- Business relationships
- Advocacy of the Code and development of non-authoritative guidance.

# Technology related revisions to the Code

- In June 2024, APESB issued the Technology-related [Amending Standard](#)
- Revisions based on IESBA Final Pronouncement [Technology-related Revisions to the Code](#) issued April 2023
- Guides the ethical mindset and behavior of Members in dealing with changes brought by technology



Effective from 1 January 2025

# Overview of Technology-related revisions

Draws attention to the **competence, confidentiality, & leadership** imperatives of the digital age

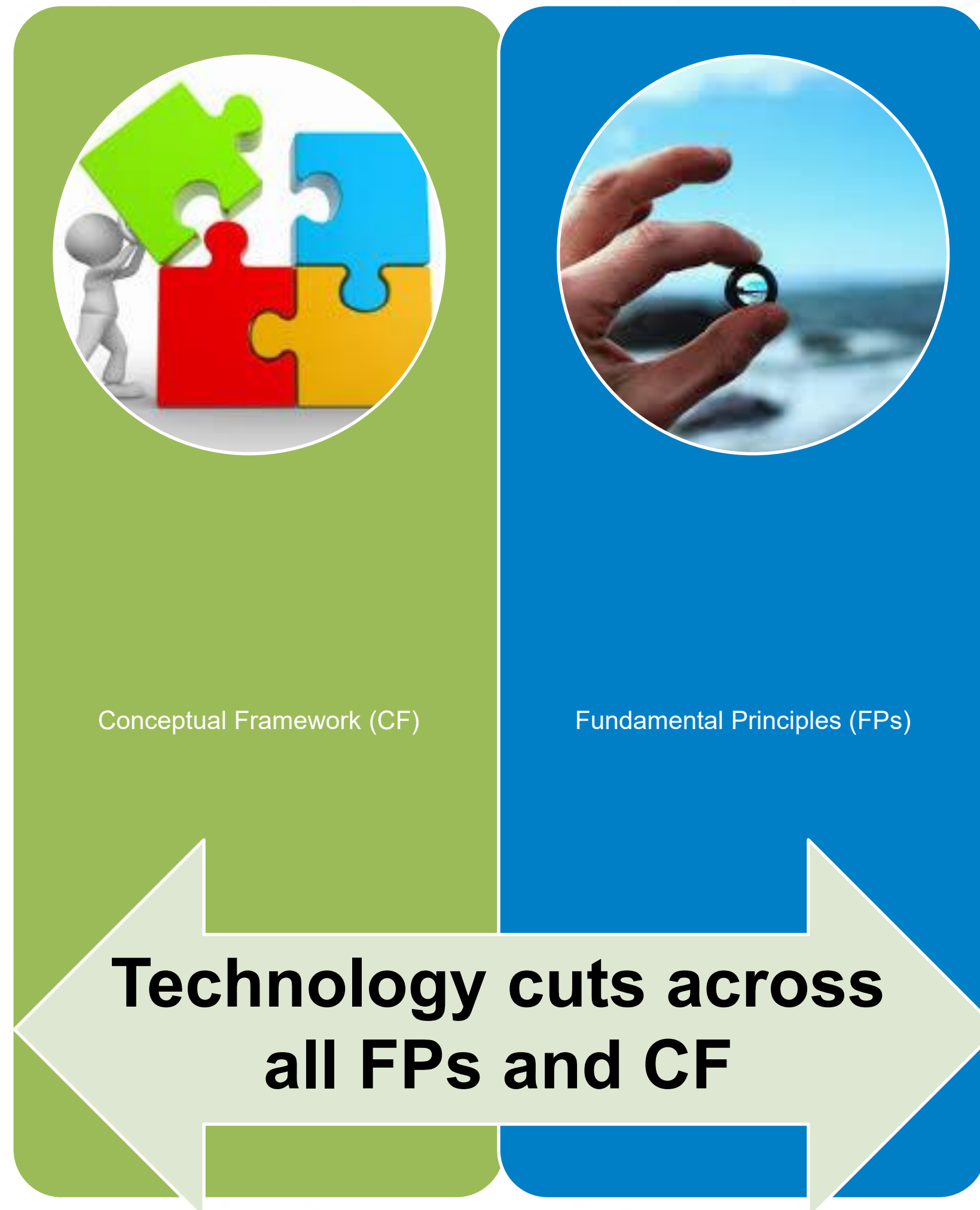
Considers ethical threats from **use of technology & complexity** when exercising professional judgment

Addresses the ethical dimension of **using output of technology**

Strengthens **auditor independence** for technology-related services & business relationships

Applies to assurance on **non-financial information** (e.g. ESG disclosures)

# Technology and the Conceptual Framework



- Importance of **maintaining confidentiality** throughout the data governance cycle
- Data available might not be sufficient for effective use of technology.
- Technology might not be appropriate for the **purpose** for which it is to be used.
- The accountant might not have **sufficient information and expertise**, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended.
- The technology was designed or developed using the knowledge, expertise or judgement of the accountant or employing organisation.

# Ethical considerations when using technology output

- The **nature of the activity** to be performed by the technology.
- The expected use of, or extent of **reliance** on, the output of the technology.
- Whether the accountant has the ability, or has access to an expert with the ability, to understand, **use and explain** the technology and its appropriateness for the purpose intended.
- Whether the technology used has been appropriately **tested and evaluated** for the purpose intended.
- **Prior experience** with the technology → whether its use for specific purposes is generally accepted.
- The employing organisation's **oversight** of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the technology.
- The **controls** relating to the use of the technology, including procedures for authorising user access to the technology and overseeing such use.

# Artificial Intelligence



# Academics apologise for AI blunder implicating Big Four

by Tom Herbert

A group of academics has apologised to the Big Four after it was revealed they had used material generated by artificial intelligence to implicate the firms in non-existent scandals via a submission to the Australian Parliament.

6th Nov 2023 10 comments



# Deloitte to refund government, admits using AI in \$440k report

Edmund Tadros and Paul Karp

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Oct 5, 2025 - 7:41pm

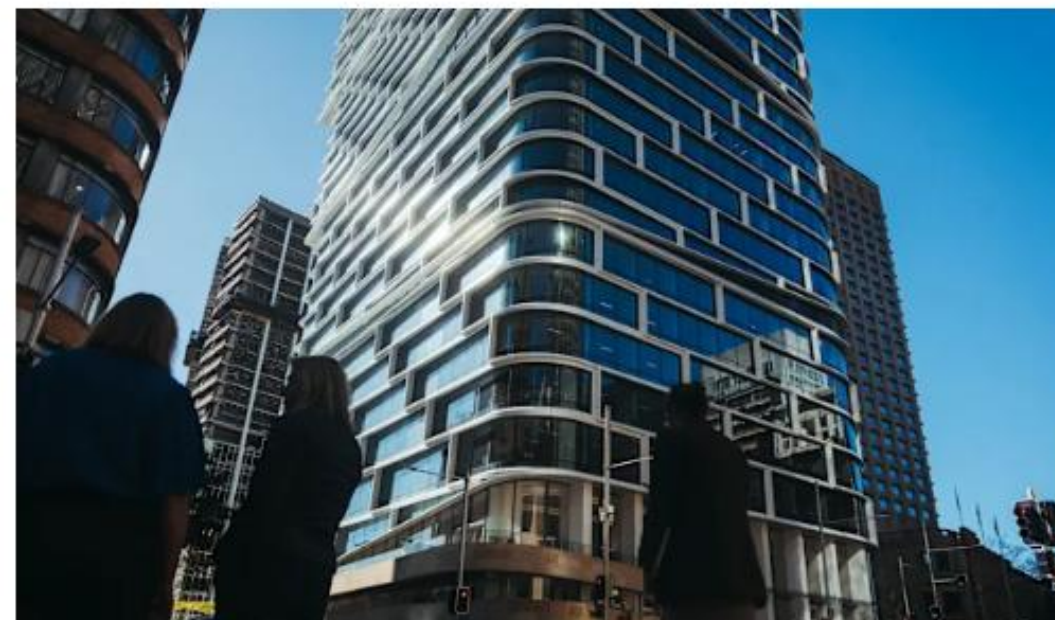
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Deloitte Australia will issue a partial refund to the federal government after admitting that artificial intelligence had been used in the creation of a \$440,000 report littered with errors including three nonexistent academic references and a made-up quote from a Federal Court judgement.

A new version of the report for the Department of Employment and Workplace Relations (DEWR) was quietly uploaded to the department's website on Friday, ahead of a long weekend across much of Australia. It features more than a dozen deletions of nonexistent references and footnotes, a rewritten reference list, and corrections to multiple typographic errors.



# PwC US boss says partners who resist AI have no place at the firm

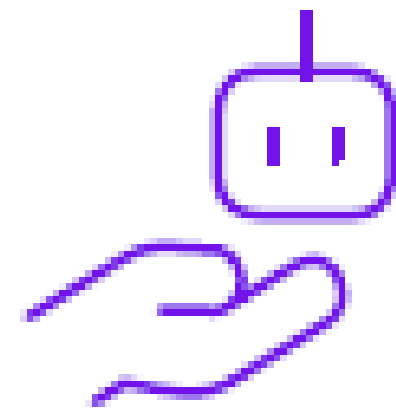


Paul Griggs says the firm will start to offer alternatives to the traditional model of billing clients based on the number of hours worked by its army of staff.

Mar 19, 2026 | Stephen Foley

# Use of AI

**58%**



of employees report intentionally using AI tools in their work on a regular basis.

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**48%**



of employees report that they have uploaded company information, such as financial, sales, or customer information, into public AI tools.

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Source: [UoM and KPMG,; Trust, attitudes and use of AI: A global study 2025](#)

# Building and using AI Ethically

- **Understand the model:** the data, its operation and potential unintended consequences
- Be comfortable with the inputs and the **control structure** monitoring the system and its output
- Utilise a “**human in the loop**” approach
- Have the ability and competence to ask the “**right**” **questions**

Can be achieved by the Member keeping current and educating themselves on relevant practical guidance and “best practices” specific to their role



# Other Ethical Considerations when Using AI

## Bias and discrimination

The extent to which bias is impacting the **outputs of technology**, and to ensure that they have the appropriate mindset, competence and tools to do this.

## Risk profile

The approach to AI learning might also affect its risk profile for producing **accurate and reliable outputs**

## Use of data

How data was made available for **training and testing the AI system** – and how confidentiality, including data privacy, has been considered and maintained

Increased need for being alert, having an inquiring mind, applying professional scepticism and being aware of bias

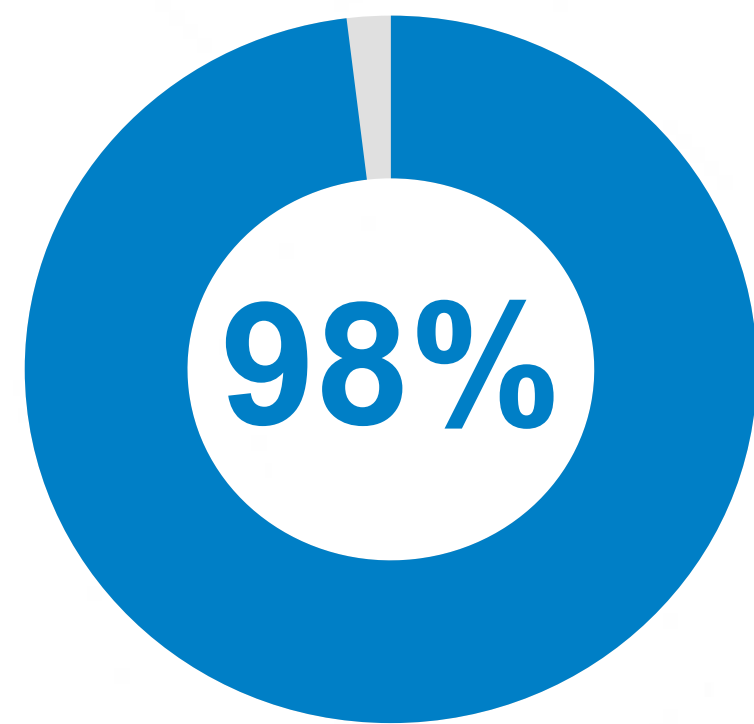
# APESB Technical Alert – Oct 2025

Members should **disclose** when AI tools are used  
and  
**supervise and review** their use in the delivery of professional activities

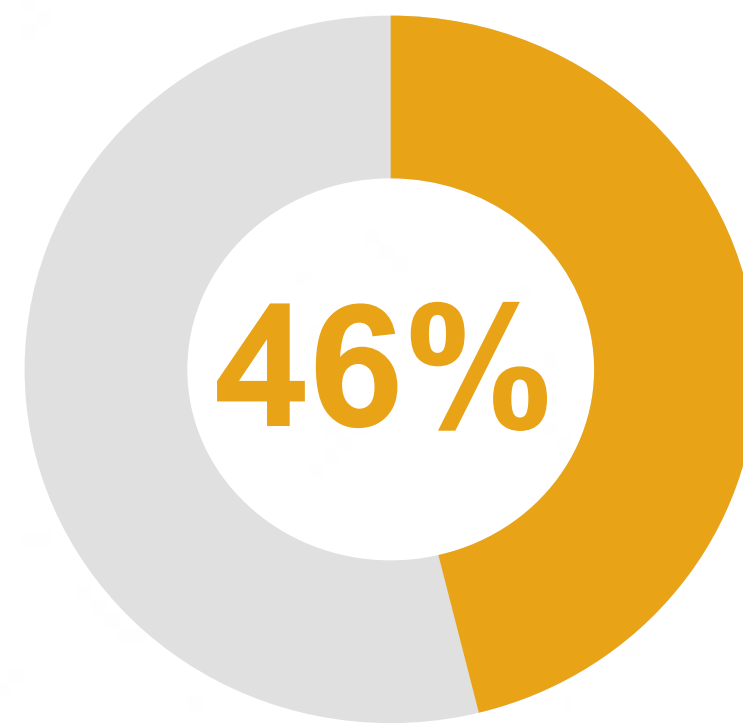
Members providing professional services to clients, such as valuation, forensic accounting, and corporate finance  
→ APESB's service-specific standards require disclosure of the **methodology and sources of information** used to prepare reports.

# AI Governance

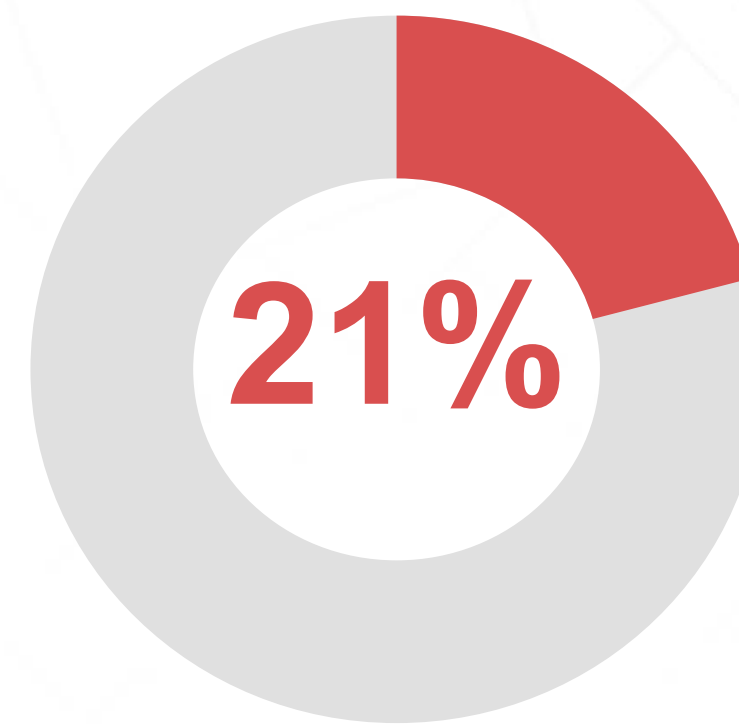
- AI governance ensures compliance with ethical standards, regulatory requirements, and public interest obligations.
- Evidence that the rapid increase in AI adoption is outpacing AI Governance. Consider the results of Karbon's [\*The State of AI in Accounting Survey 2026\*](#):



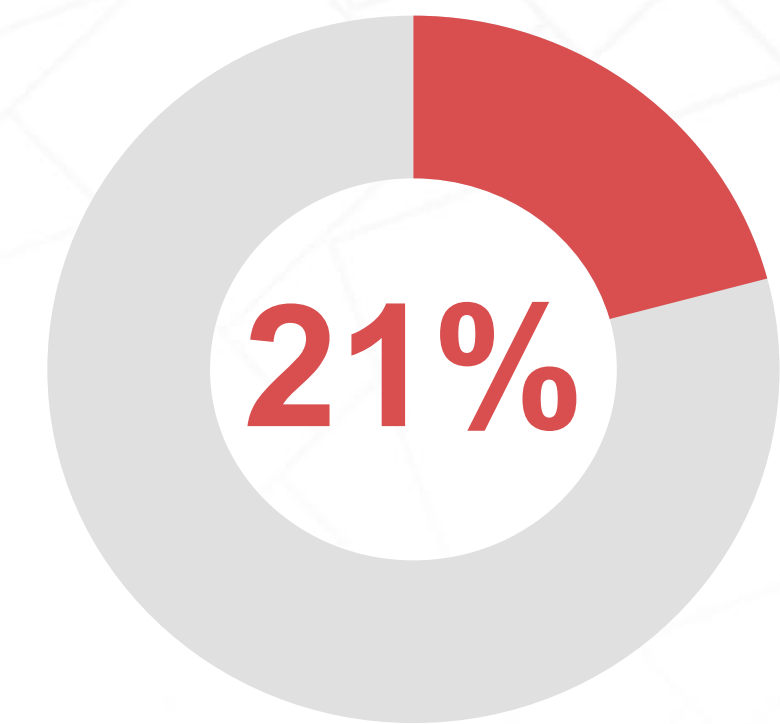
Using AI daily



Provide training on AI



Have an AI Policy



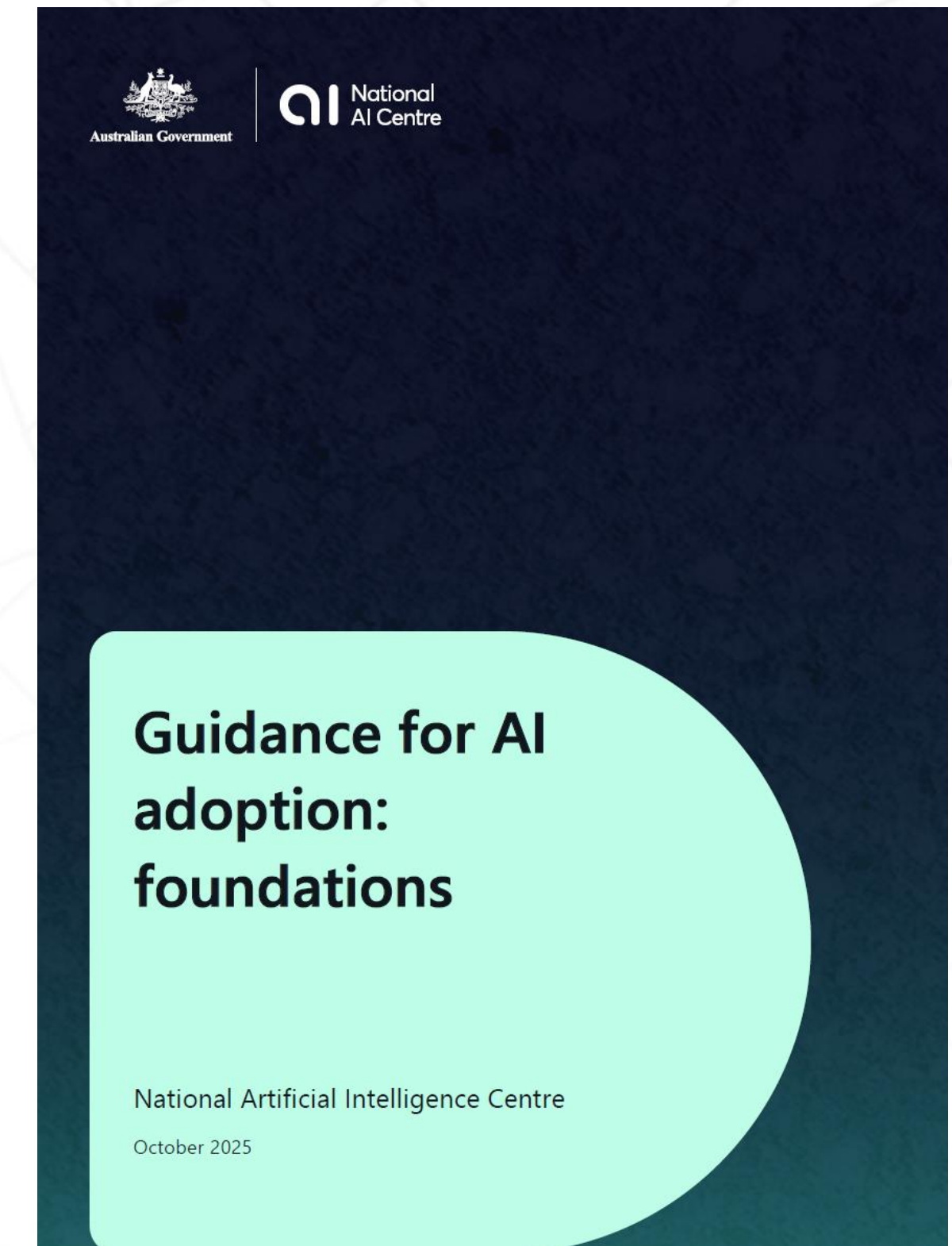
Have an AI Strategy

- Firms must establish AI governance to empower their staff and to be able to serve as trusted AI governance advisors to their own clients.

# Implementing AI policies and principles

- Steps to implement an AI policy (based on [National AI Centre \(NAIC\) guidelines](#)):

- Appoint an AI Governance Owner
- Create an AI policy
- Build and maintain an AI register
- Conduct Risk Assessments before using AI
- Govern your data first
- Train Staff and maintain human oversight



- Consider creating and adopting AI ethics principles such as **accountability, data protection, security, transparency, explainability** and **fairness**.

# Bringing it back to the Code

Integrity

Objectivity

Professional  
competence  
and due care

Confidentiality

Professional  
behaviour

# APESB Work Program



# APESB Forward work program

- Initial focus:
  - APES 215 *Forensic Accounting Services* and
  - APES 225 *Valuation Services*
- Develop guidance materials to support Members in navigating the associated ethical challenges relating to:
  - Confidentiality and data security
  - Quality control frameworks
  - Application of professional judgement
  - Bias, data integrity and undue reliance on AI
  - Transparency

# Further Information

For more information visit [www.apesb.org.au](http://www.apesb.org.au)

Follow the APESB [LinkedIn page](#) for timely updates,

To download APESB's mobile app:



# Purpose & Disclaimers

This set of PowerPoint slides has been developed by APESB Technical Staff and the IESBA Technical Staff on the Code, applicable standards and relevant proposals.

These slides provide only an *overview* and do not purport to present all the detailed requirements or changes. The slides should be read in conjunction with the Code, applicable standards and relevant proposals. These slides do not form part of the Code, the text of which is authoritative.

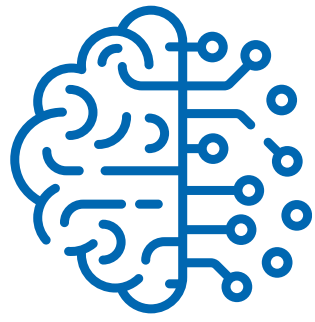
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CAANZ

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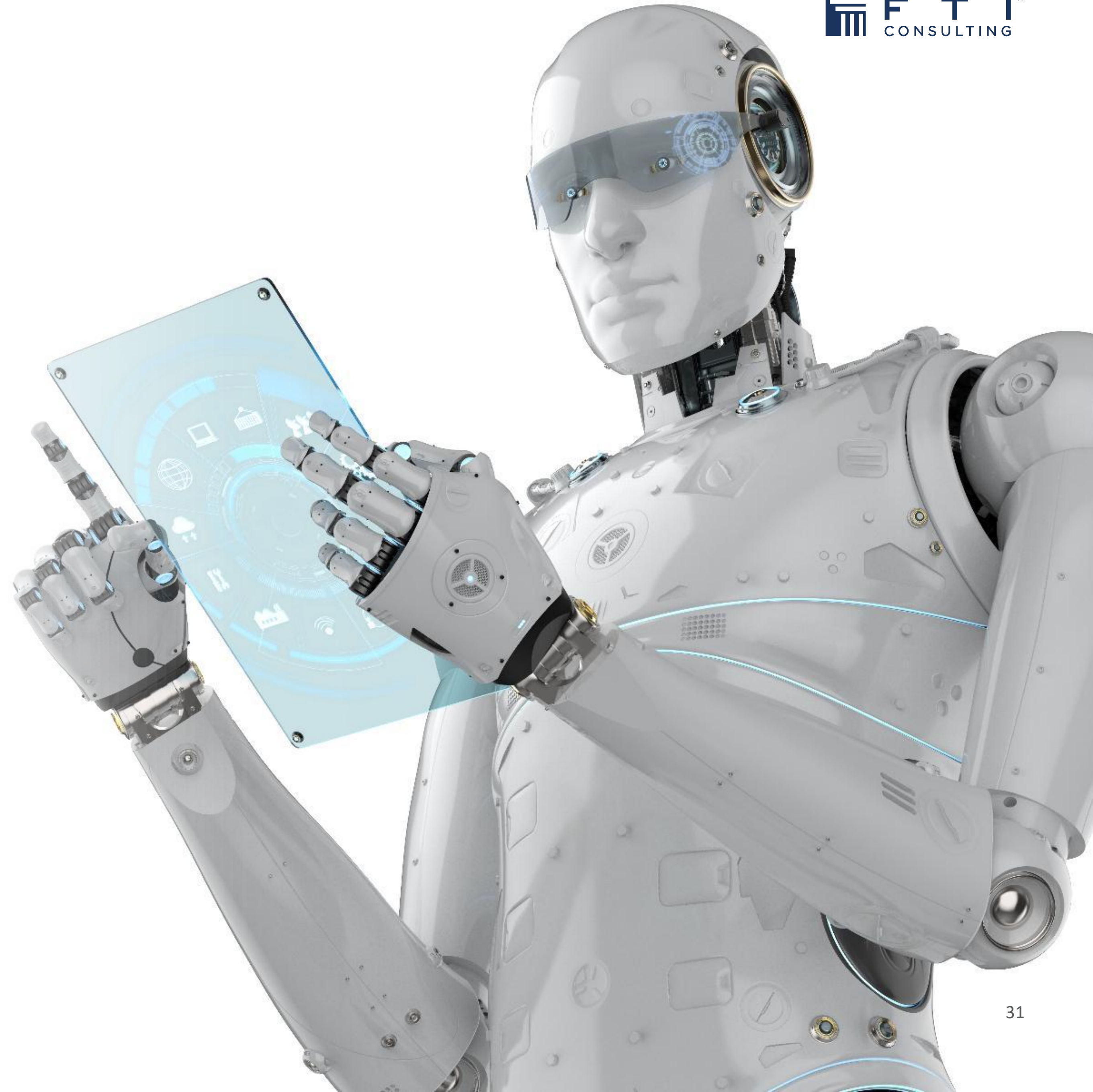
Presented by Fiona Hansen

23 June 2026



Valuation specialists are **navigating a shift with AI tools enhancing efficiency, but they cannot replace the fundamental requirement for professional judgement.**

Ethical considerations centre on ensuring that automated outputs do not compromise the *integrity, transparency, or accountability* of a valuation.



20 April 2026 | 2:30pm (GMT+8)

Join at menti.com | use code **3794 1336**

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**Nicolas Konialidis,  
CFA, CVA, ASA-BV**  
Asia Director & Technical Director  
of Business Valuation Board  
IVSC

1

[Click here](#) for link

# IVS



The new **IVSC Perspectives Paper, *Navigating the Rise of AI in Valuation: Opportunities, Risks, and Standards***, and the **IVSC's Technology Working Group** are examining the growing use of AI and related technologies in valuation, and highlight both the potential benefits and critical challenges.

## Key themes include

The growing use of AI in data collection, modelling, and report generation



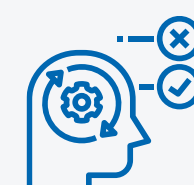
Risks to transparency, quality control, and confidentiality



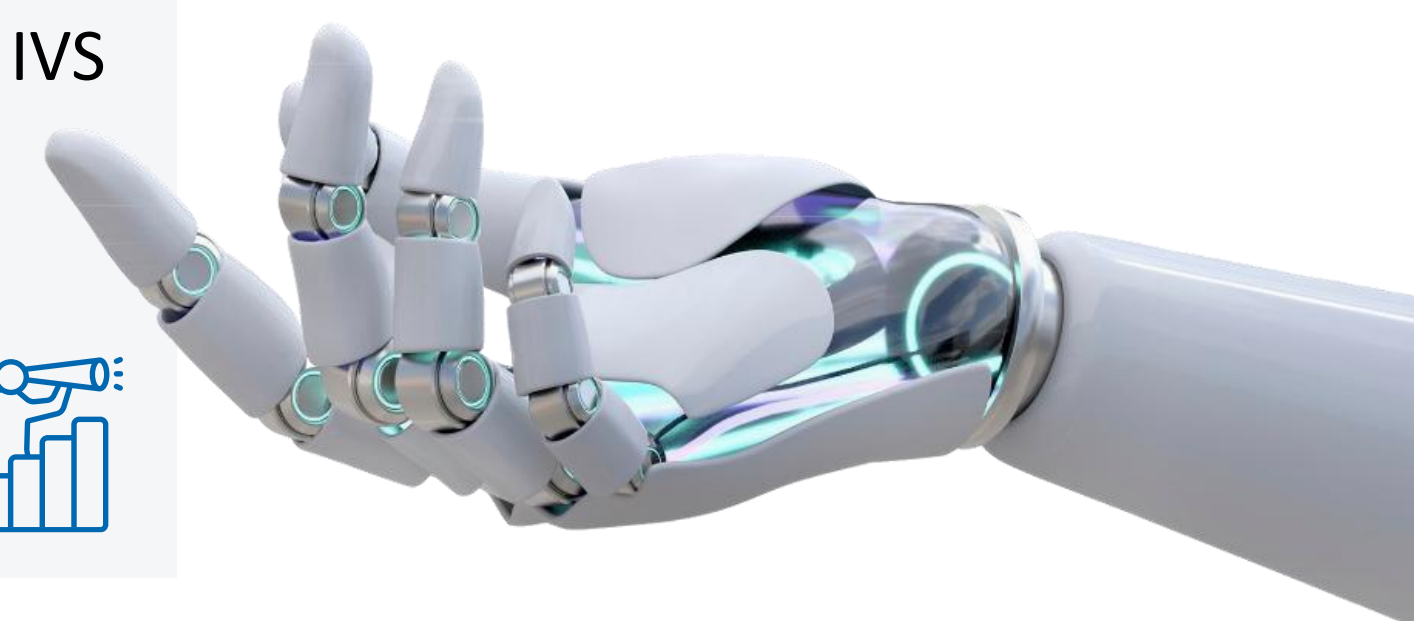
How IVS 2025 addresses the use of valuation technology



Why professional judgement remains irreplaceable in IVS-compliant valuations



Future areas for potential IVS enhancement, including model governance and explainability



*The paper makes clear that while AI can be a powerful tool to support valuers, it cannot replace them. IVS (effective 31 January 2025) affirms that professional judgement and scepticism are essential to ensuring valuations remain fit for purpose, regardless of the technology used.*

# Agenda

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- 01** Setting the scene

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  - 02** Maintaining Professional Judgement & Oversight

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  - 03** Transparency and Explainability

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  - 04** Data Integrity and Bias Mitigation

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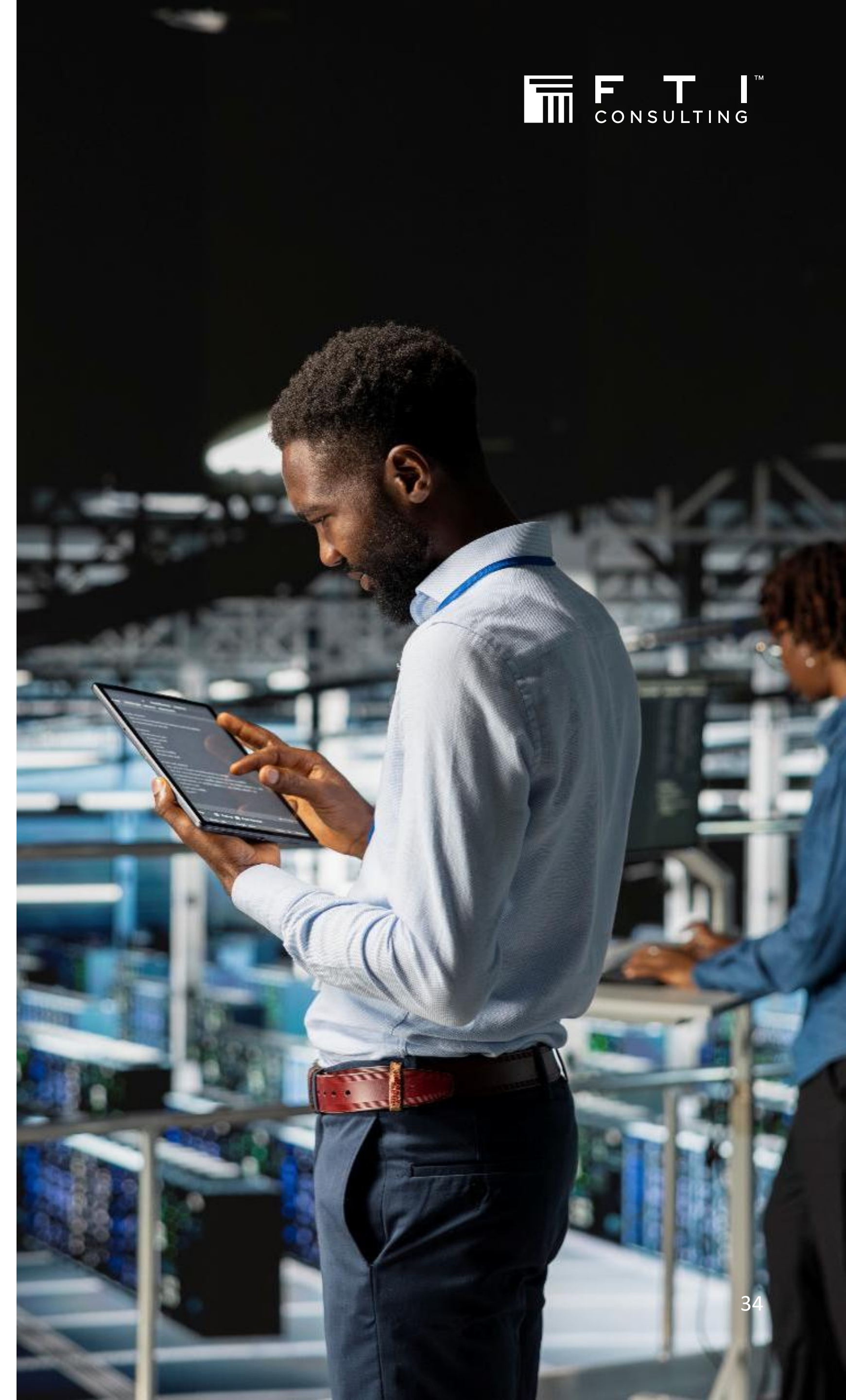
  - 05** Confidentiality and Data Security

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  - 06** Accountability and Liability

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  - 07** Questions
- 



## Setting the scene

### Work flows



Conflict checks



Valuation analysis



Research

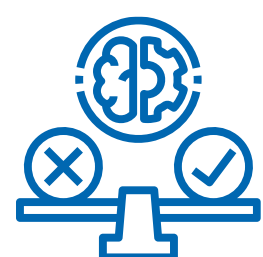


Report drafting

### Tools currently used

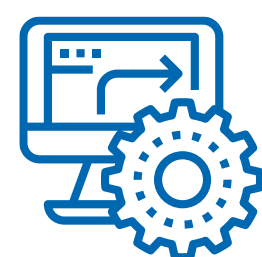
- Databases for market data such as Bloomberg, Factsheet, S&P CIQ, Morningstar, IBISWorld, RNA, ASX, ABS.
- Analysis of data using xls, Valutico, BizVal, Moneysoft, Sageworks Valuation (Abrigo), powerBI, Monte Carlo simulation models, Binomial and Black Scholes models, CAANZ templates
- Drafting reports – valuation ultimate, Valutico, Bizequity, Bstar, word, Grammarly, CAANZ templates

# Maintaining Professional Judgement & Oversight



## Irreplaceability of Judgement

- Ethical standards dictate that AI cannot produce an IVS compliant valuation on its own.
- The valuer must review and challenge all AI-generated outputs.



## Automation Bias

- Valuers must actively guard against "automation bias".
- And avoid the tendency to trust machine outputs without sufficient scepticism or independent verification.



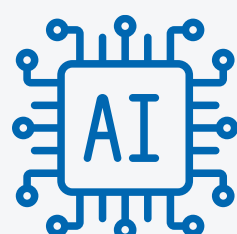
## Human-in-the-Loop

- Ethics frameworks now mandate "human-in-the-loop" processes to ensure that qualitative factors, such as market sentiment or unique asset characteristics, are adequately considered.

# Transparency and Explainability

## Disclosure of AI Use

- Specialists have an ethical obligation to disclose to clients—in writing and in advance—when and how AI tools are used in a valuation service.

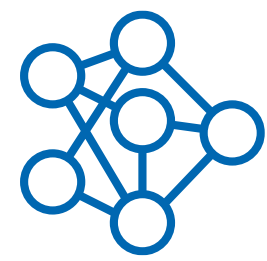


## Eliminating 'Black Box' Risks

- There is a critical requirement to understand and explain the logic behind AI models.
- Valuers must avoid 'black box' scenarios where they cannot explain how a specific value was reached.

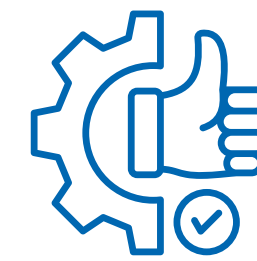


# Data Integrity and Bias Mitigation



## Algorithmic Bias

Specialists must identify and mitigate biases in AI training data that could lead to unfair or inaccurate results, such as a model mispricing rural assets because it was trained only on urban data.



## Sourcing Reliability

The ethical onus is on the specialist to verify the provenance and quality of data used by AI tools, especially as models begin to generate their own inputs.



# Confidentiality and Data Security

## Client Consent

Explicit consent is required before entering sensitive client data into public AI platforms.



## Privacy Guardrails

Professionals must ensure that confidential or privileged material is not uploaded to public AI tools that might retain or reuse that data for training.



# Accountability and Liability

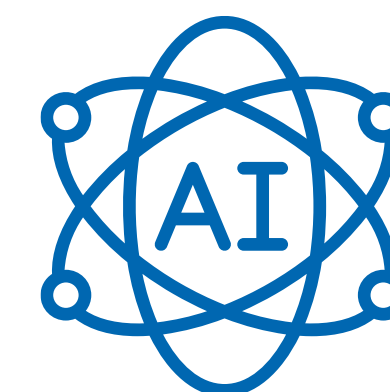
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## Ultimate Responsibility



Regardless of the technology used, the valuation specialist remains fully accountable for the final report and its contents.

## Professional Indemnity



RICS-regulated firms, for instance, must ensure they have appropriate indemnity cover specifically for the use of and reliance on AI system outputs.

# Q & A with the Panel



# Upcoming Events



## Valuing Intangible Assets in Practice: Financial Reporting, Investments, and Disputes

Monday, 20 July 2026 | 4.00pm AEST

[REGISTER NOW](#)



**Fiona Hansen**  
Senior Managing Director  
FTI Consulting



**Tim Heberden**  
Managing Principal  
QANTM Valuations



**James Moulton**  
Senior Investment Analyst  
UniSuper



**Nicolas Konialidis, CFA, CVA, ASA-BV**  
Asia Director & Technical Director of  
Business Valuation Board  
International Valuation Standards Council



# Thank you.

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