Navigating the Code of Ethics through an AI Lens

CA ANZ Accounting Conference

21 May 2026

Accounting Professional & Ethical Standards Board

Channa Wijesinghe FCPA, FCA
Chief Executive Officer, APESB
Vice Chair, IESBA

Agenda

- Foundations of the Code
- Technology-Related Revisions to the Code
- Artificial Intelligence
- Q&A

Foundations of the Code

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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

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IESBA Leadership and Members

Gabriela Figueiredo Dias
Chair, IESBA and Co-CEO, International Foundation for Ethics and Audit

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Vice Chair, IESBA

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Nigeria

Amarjeet Singh
India

Rania Uwaydah Mardini
Lebanon

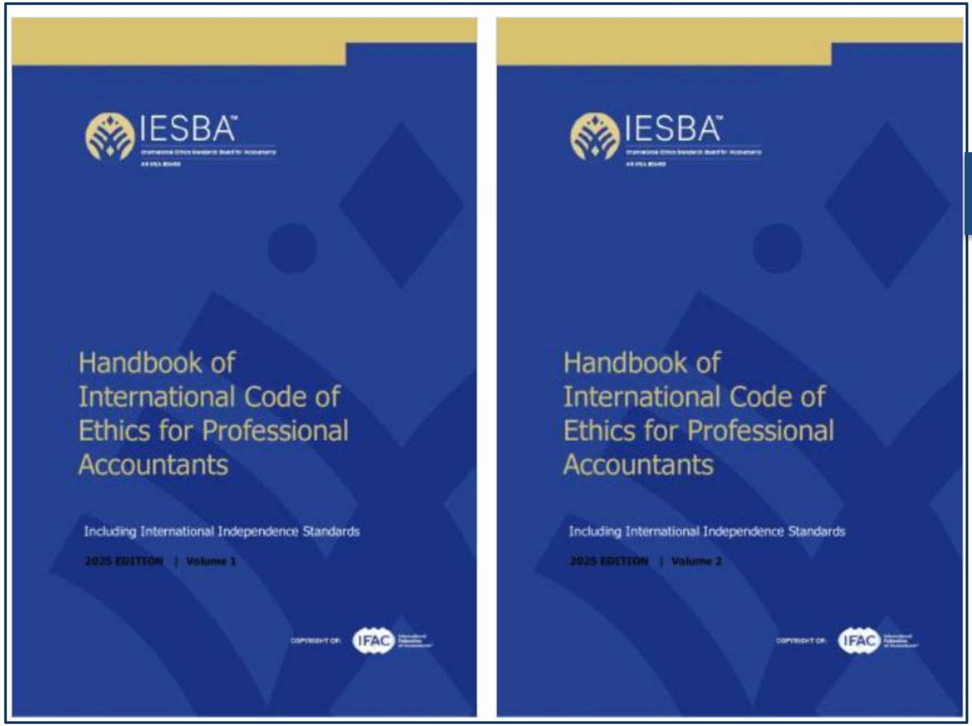
Jon Walters
United Kingdom

David Wray
France

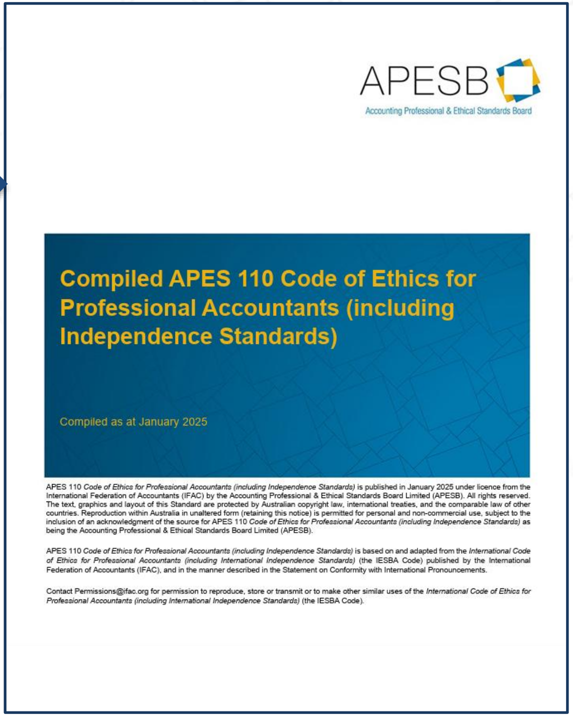
Saadiya Adam
South Africa

Mark Babington
United Kingdom

About the IESBA Code



Full adoption of the IESBA Code by APESB in Australia



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Compiled APES 110 Code of Ethics for Professional Accountants (including Independence Standards)

Compiled as at January 2025

APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* is based on and adapted from the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code) published by the International Federation of Accountants (IFAC), and in the manner described in the Statement on Conformity with International Pronouncements.

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

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Technology-Related Revisions to the Code

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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

Conceptual Framework (CF)

Fundamental Principles (FPs)

Technology cuts across all FPs and CF

- 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

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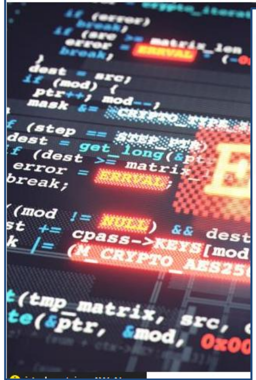
Academics apologise for AI blunder implicating Big Four

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

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

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Use of AI

58%

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

48%

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

Source: UoM and KPMG,: Trust, attitudes and use of AI: A global study 2025

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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

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Other Ethical Considerations when Using AI

Bias and discrimination	Risk profile	Use of data
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.	The approach to AI learning might also affect its risk profile for producing **accurate and reliable outputs**	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

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.

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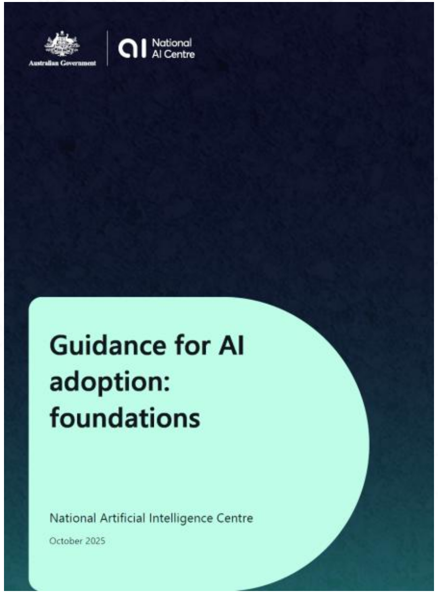
Implementing AI policies and principles

- 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

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APESB Forward work program

Review of APES 200 and GN 20 series for Sustainability and AI

Review of APES 300 and GN 30 series for Sustainability and AI

- Initial focus:
  - APES 215 *Forensic Accounting Services* and
  - APES 225 *Valuation Services*
- Assess whether guidance materials are needed to support Members in navigating the associated ethical challenges.

Q&A

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Further Information

For more information visit 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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