

AGENDA PAPER

Item Number: 7
Date of Meeting: 25 June 2020
Subject: Update on Artificial Intelligence and Digital Technology Project

Action Required For Discussion For Noting For Information

Purpose

To:

- a) provide the Board with an update on the Artificial Intelligence and Digital Technology project; and
- b) seek the Board's views regarding the proposed stakeholder consultation process.

Background

In August 2019, the Board requested Technical Staff to develop a project plan to consider the applicability of the current ethical and professional standards to Artificial Intelligence and Digital Technologies.

The [project plan](#) was reviewed by the Board and approved at the March 2020 Board meeting. The key phases of the project plan include information-gathering and research, analysis and review of APESB pronouncements and issue of project outcomes

The aim of the project is to build an understanding of how Artificial Intelligence and Digital Technology is being used by professional accountants and to determine whether additional professional and ethical obligations or guidance is required in this area to assist professional accountants

Project progress update

Technical Staff have performed the following key components of *Phase 1: Information-gathering and research* of the project.

Desktop review and research into Artificial Intelligence/Digital Technologies and current guidance for members

Due to the developments and abilities of Artificial Intelligence and Digital Technologies, there is a significant number of available resources on these topics.

Therefore, in performing the desktop review, APESB Technical Staff have focussed on resources that relate specifically to the accounting industry or the ethics associated with artificial intelligence.

Technical Staff noted that most organisations were of the view that the use of artificial intelligence and digital technologies is increasing, and that ethics is an important consideration. The resource published by the International Ethics Standards Board for Accountants (IESBA) is the most relevant resource for this project, but Technical Staff have noted that the resources focusing on ethics and AI also provide valuable insights as to key considerations for professional accountants when using or implementing artificial intelligence and digital technologies.

Refer to agenda item 7(a) for a summary of a sample of resources noted as part of the desktop review. Technical Staff have provided the links to the resources for information purposes only and do not consider that these resources will need to have been read to participate in the discussion for this agenda item.

Identification of key stakeholders and organisations for initial consultation

Stakeholder engagement is a vital component of this project as it will inform how artificial intelligence and digital technologies are being used in commercial enterprises and by professional accountants. Technical Staff are planning to conduct initial consultations across a range of stakeholders to identify issues that the APESB may need to consider in respect of this project.

Technical Staff propose to engage with a range of key stakeholders, listed in Agenda Item 7(b). Technical Staff seek the Board's views on whether there are other stakeholders that should be included for consultation.

Staff Recommendation

The Board:

- (a) note the progress of the artificial intelligence and digital technology project; and
- (b) provide feedback in relation to the proposed stakeholder consultation process and whether there are other stakeholders that should be included for consultation.

Material Presented

Agenda Item 7(a)	Current resources available on AI and Digital Technology
Agenda Item 7(b)	Stakeholder consultation process

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Date	16 June 2020
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