

21 July 2023

Chief Executive Officer  
Accounting Professional & Ethical Standards Board Limited  
Level 11, 99 William Street  
Melbourne Victoria 3000

Via email: [sub@apesb.org.au](mailto:sub@apesb.org.au)

Dear Channa,

## **Exposure Draft 02/23 – Proposed Standard: APES 225 Valuation Services**

We appreciate the opportunity to comment on Exposure Draft 02/23 Proposed Standard: APES 225 Valuation Services issued by the Accounting Professional & Ethical Standards Board (APESB) in June 2023 (the ED).

Deloitte is supportive of the adoption in Australia by the APESB of the International Code of Ethics for Professional Accountants (including International Independence Standards), and we are supportive of the proposed amendments. Please find below our response to the request for comment.

**Request for Specific Comment 1:** Describe an example(s) or use case(s) of how AI or digital technology is used in valuation services, including where applicable: (a) the type of technology used (for example, data analytics, artificial intelligence including supervised or unsupervised machine learning, autonomous and intelligent systems, cloud services, robotic process automation, cybersecurity, blockchain or the internet of things); (b) the aspects of the services the technology undertakes and the accountants' role in the use of the technology (such as how the accountant interacts or interfaces with the technology and/or how the accountant impacts or provides inputs to the technology and/or how the accountant uses and/or interprets the outputs of the technology); (c) the opportunities or benefits of using the technology in the services; (d) the risks or concerns of using the technology in the services; and (e) any ethical considerations or concerns about using the technology in the services.

**Deloitte's response:** Deloitte uses Microsoft Excel and data visualisation tools such as Tableau and Power BI to analyse and examine valuation related data. Deloitte does not currently use AI or digital technology to reach valuation conclusions.

**Request for Specific Comment 2:** Are there any aspects of APES 225 that you believe require revision or development of additional professional obligations to address the use of AI or digital technology in valuation services (either relating to your response to Request for Specific Comment 1 or more generally in relation to the use of AI or digital technology)? Please provide reasons and justification for your response

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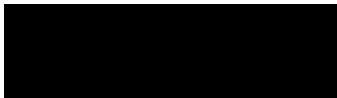
**Deloitte's response:** We do not believe any aspects of APES 225 require revision or development of additional professional obligations to address the use of AI or digital technology in valuation services.

Clause 4.5 of APES 225 (Clause 4.6 in the current draft) requires that, a Member shall gather sufficient and appropriate evidence by such means as inspection, inquiry, computation and analysis to provide reasonable grounds that the Valuation Report and the conclusions therein are properly supported. When determining the extent and quality of evidence necessary the Member shall exercise professional judgement, considering the nature of the Valuation, the type of Valuation Service and the use to which the Valuation Report will be put.

Should Members use AI or digital technology in valuation, as set out in Clause 4.6, we would expect the Member to gather sufficient and appropriate evidence by such means as inspection, inquiry, computation and analysis to provide reasonable grounds that the Valuation Report and the conclusions therein are properly supported through alternate verification. If it was not possible for a Member to gather sufficient and appropriate evidence to support the results produced by AI or a digital tool for all material inputs into a valuation, then a Member should not use that AI or digital tool in a Valuation Engagement or Limited Scope Valuation Engagement.

We would be pleased to discuss our comments with you. If you wish to do so, please feel free to contact me at 02 9322 7429.

Yours sincerely



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