IESBA Technology Working Group — Updated Terms of Reference
June 2023

A. Background

1. From 2019 to 2022, the IESBA conducted extensive fact-finding work and stakeholder outreach on the latest technology developments and the ethical challenges they create for professional accountants (PAs). The insights and recommendations arising from such work are detailed in the Technology Working Group (TWG)’s Phase 1 (2019-2020) and Phase 2 (2021-2022) Reports, and served to inform the Technology-related Revisions to the Code, released in April 2023. These revisions strengthen the Code’s robustness and expand its relevance as technology continues to advance rapidly.

2. The IESBA recognizes that technology continues to be a strategic environmental driver that has the potential to impact the relevance of the Code. It is in the public interest that the IESBA continues to monitor the transformative effects of technological advancements and to identify any new ethical issues they might create.

B. Objectives

3. In this new phase, the objectives of the Technology Working Group (TWG) are to:

   (a) Make available to the Board regular internal education on emerging technology topics or areas;

   (b) Conduct ongoing, but substantially less intensive, environmental scanning to monitor developments in existing and new technologies, their application, and related issues;

   (c) Maintain the capacity for ad-hoc analysis of technology-related issues encountered by other IESBA workstreams to identify and assess any potential Code implications or need for additional non-authoritative guidance; and

   (d) Maintain the capacity for engaging with other IESBA workstreams or stakeholders to facilitate the implementation of the TWG’s Phase 2 recommendations, including contributing to, or facilitating, the development of non-authoritative resources.

C. Approach and Key Deliverables

4. The key deliverables of the TWG include:

   • Arranging two educational sessions on technology developments for the Board annually. The TWG will recommend the topics and arrange for relevant subject matter experts to present them.

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1 IESBA Technology Project
2 IESBA Strategy and Work Plan 2024-2027 Consultation Paper
• Providing two environmental updates on the technology trends and developments to the Board annually. In this regard, the TWG will be advised by the Technology Experts Group (TEG) on developments in existing and new technologies, their application, and related issues.

• Providing ad-hoc analysis of technology-related issues encountered by other IESBA workstreams to identify and assess any potential Code implications or need for additional non-authoritative guidance. In this regard, the TWG will seek advice from the TEG as needed.

• As needed, engaging with other IESBA workstreams or stakeholders to facilitate the implementation of the TWG’s Phase 2 recommendations.

For example, this might involve engaging with the IESBA’s Task Forces for Tax Planning and Related Services, Sustainability, and the Use of Experts, as well as the Planning Committee, in relation to those recommendations with standard-setting implications.

This might also involve engaging with stakeholders\(^3\) to (i) raise awareness of the relevant provisions of the Code in the context of the design, implementation and use of technological solutions, and (ii) encourage the development of non-authoritative resources pursuant to the Phase 2 recommendations.

D. Coordination and Other Matters

5. The TWG will coordinate with the Emerging Issues and Outreach Committee (EIOC), as appropriate. The EIOC and TWG will coordinate their efforts to ensure no duplication of work. Where issues are identified outside the remit of the TWG, they will be communicated to the EIOC. Equally, the EIOC will communicate with the TWG on technology-related topics identified through the EIOC’s environmental scanning in accordance with the EIOC’s Terms of Reference.

6. The TWG will continue to coordinate with the International Auditing and Assurance Standards Board (IAASB)’s Technology Consultative Group.

7. Where requested by other IESBA workstreams or stakeholders, drafts of non-authoritative materials will be reviewed from a technology-related ethics perspective by IESBA staff and, as needed, the TWG before being issued in final form.

8. With support from IFAC Communications, the TWG will consider ways, including through identifying outreach opportunities, to promote the Code as an effective tool for professional accountants to use in addressing ethics issues relating to technology.

E. Composition

9. The TWG is chaired by an IESBA member or technical advisor, with one other IESBA member and an IAASB correspondent member. The need for additional working group members will be monitored.

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\(^3\) For example, IFAC’s International Panel on Accountancy Education (IPAE) or other IFAC committees or advisory groups, professional accounting organizations (PAOs), national standard setters (NSS) and other standard setters.