Meeting: IESBA
Meeting Location: New York, USA
Meeting Date: September 17–20, 2018

Agenda Item 6

Technology

Objectives of Agenda Item

1. To receive a presentation from Ms. Sylvia Tsen, Executive Director – Knowledge, Operations and Technology at IFAC, on the role and work of the IFAC Technology Advisory Group (TAG).

2. To consider specific comments received on the consultation paper (CP), Proposed IESBA Strategy and Work Plan, 2019–2023 (SWP) in relation to the topic of technology and share any reactions.

3. To share views on the Working Group’s approach and potential areas of focus for consideration by the Working Group.

Working Group

4. Members:
   - Patricia Mulvaney, Chair, IESBA Member
   - Hironori Fukukawa, IESBA Member
   - Robert Juenemann, IESBA Member
   - Myriam Madden, IESBA Member

Activities since Last IESBA Discussion

5. The Working Group has liaised via email in preparation for this Board meeting.

6. Staff attended the TAG meeting in September 2018 to share views on technology disruptions on the profession and the ethical implications.

7. The Working Group will meet in person immediately after the September 2018 Board meeting to discuss the focus and approach to its work with a view to informing the development of its proposed Terms of Reference.

IFAC TAG Presentation

8. The TAG was set up in January 2017 to monitor emerging technology trends as they affect the accountancy profession and to raise awareness at a global level about the issues and opportunities arising from these trends.

9. Ms. Tsen will provide an overview to the Board on:
   - The role of the TAG
Matters for Consideration

1. **IESBA members are asked to share any comments, questions or reactions to the presentation.**

Comments to SWP CP on Technology

10. Overall, there was strong support from respondents to the SWP CP for prioritizing the topic of trends and developments in technology. A high level summary of the more overarching comments received on the topic and the Planning Committee’s (PC’s) responses are included in Agenda Item 5-A. The PC deferred consideration of the more specific comments to the Working Group. A full list of the comments relating to technology is included in Agenda Item 6-A.

11. The Board’s discussion at the September 2018 meeting will help inform the Working Group’s development of its Terms of Reference as well as the PC’s considerations in finalizing its recommendations on the SWP in relation to the topic of technology.

Matters for Consideration

2. Taking into account the Board discussion on SWP in the immediately preceding session, IESBA members are asked for reactions to the specific comments from respondents on the topic of technology as set out in Agenda Item 6-A.

Focus and Approach of the Working Group

12. One of the objectives of the upcoming Working Group meeting is to develop the key elements of its Terms of Reference. It is anticipated that the Board will be asked to review and approve the proposed Terms of Reference during its December 2018 meeting.

13. Amongst other matters, the Working Group will:

   (a) Consider various technology developments as potential areas of focus and their impact on ethical behavior of professional accountants. These developments include:
      - Big data and data analytics
      - Artificial intelligence (including machine learning)
      - Robotics process automation
      - Cryptocurrencies and initial coin offerings
      - Blockchain and other forms of distributed ledger technology
      - Cloud
      - Cybersecurity

   (b) Develop the approach to its work, including but not limited to the following:
      - Coordination with other standard-setting Boards and IFAC regarding their respective technology work streams such as:
IAASB’s Data Analytics Working Group
- IAESB’s ICT Task Force
- The IFAC TAG

- Leveraging from work of other professional organizations (e.g. IFAC member bodies)
- Exploring opportunities for collaboration with national standard setters or other organizations
- The use of advisory groups and expert panels as subject-matter experts
- Identifying the nature, extent and timing of responses to recommend to the Board
  - Possible deliverables such as thought piece(s), discussion paper(s), and non-authoritative guidance (e.g. IESBA Staff publications)
  - Milestones

14. The Working Group agrees with the PC’s view, as stated in paragraph 40 of Agenda Item 5-A, that “while there is no doubt that the technology trends are fast-moving, the field is vast and there is a risk of the Board chasing the trends and pursuing infinite lines of study with no clear outcomes.” In this regard, the Board’s discussions during the September 2018 meeting will help guide the Working Group’s thinking as it develops its recommendations in support of the Board’s strategic objectives on this topic.

Matters for Consideration

3. IESBA members are asked to provide:
   a) Views about whether any particular technology development should be treated as priority by the Working Group; and
   b) Input on the approach that should be taken by the Working Group as it explores this topic and develops appropriate recommendations to the Board.

Material Presented

Agenda Item 6-A Proposed SWP 2019-2023 – Compilation of Technology Comments