Meeting: IESBA
Meeting Location: New York, USA
Meeting Date: March 11–13, 2019

Agenda Item 9

e-Code

I. Objective of Agenda Item

1. To perform a final review of Phase 1 of the e-Code, after receiving a presentation from the developer.

II. Working Group

2. The Working Group (WG) comprises:
   ● Don Thomson, Chair
   ● Brian Friedrich, IESBA Member
   ● Liesbet Haustermans, IESBA Member
   ● Andrew Pinkney, IESBA Technical Advisor

3. An external developer has been engaged to progress the development of the e-Code. The developer has built a team of experts with diverse skills sets, including user experience design, information architecture, and web application development to collaboratively deliver an impactful tool that will transform how professional accountants use the Code.

III. Background

4. The e-Code initiative is a pre-existing Board commitment as described in the IESBA’s Strategic Work Plan 2019-2023. The IESBA established the e-Code WG in December 2017, taking steps to support the adoption and effective implementation of the International Code of Ethics for Professional Accountants (including International Independence Standards) (“the revised and restructured Code” or “the Code”).

5. At the December meeting, the Board received a progress report and demonstration of a staged website¹ of the developing e-Code and provided feedback on ways in which to enhance the e-Code with a view to launching the e-Code in June 2019.

IV. Activities since the December 2018 Meeting

6. The WG held one in person and four teleconferences to reflect on the feedback received at the December Board meeting and provide further input to refine the e-Code. The developer participated

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¹ A staged website is a restricted version of the final product, to enable an introduction to how the final product will work, but without all of the functions being fully developed.
in the WG’s meeting and teleconferences and received specific input from WG members to assist in the development of the e-Code.

7. The WG has requested feedback from a targeted group of beta testers, including representation from all stakeholder groups. In addition, the Chair of the WG and the developer will demonstrate the e-Code to the CAG, and seek their feedback.

8. The WG has developed an IESBA update outlining the e-Code initiative and seeks feedback on this report prior to releasing the update after the March meeting.

9. The WG has continued to liaise with the IESBA and senior IFAC management staff to determine how best to deal with the concerns relating to access and use of IESBA publications. The following approach has been agreed to:
   - There is no prompt for a registered IFAC login ID and password to enter the e-Code. Instead, a first time user will need to agree to the terms of use, acknowledging agreement with permissions policies. An update on the wording of this policy will be provided at the meeting.
   - There is no prompt for a password when copying selected paragraphs from the e-Code, rather a reproduction policy reminder will be copied and pasted along with the selected text.
   - The PDF version of the IESBA handbook remains locked. Users are redirected to the IESBA website to download the PDF and the existing process will apply. I.e. password restrictions remain on the PDF version of the IESBA Code.

10. The WG notes that an updated IESBA website is expected to be launched in June 2019. The e-Code may be launched prior to the new IESBA website and plans are in place to ensure that the e-Code can be launched from the current website and then transition to the new website, as needed.

V. Format of the Board Discussion

11. The Board will be able to access the e-Code using a link to the staged website which is provided via email prior to the meeting to enable Board members to explore the e-Code ahead of the meeting.

12. At the meeting, the Chair of the WG will introduce the topic and invite the developer to present the updates made to the e-Code in response to feedback received in December during the first half of the session. After the developer’s presentation, Board members will be provided an opportunity to ask questions and make suggestions.

13. Feedback from the IESBA March meeting participants, the CAG and the beta testers will be used to refine the e-Code ahead of its launch of e-Code in June or to inform future phases of the product.

14. The remainder of the session will be focused on gathering feedback on the status report.

VI. Overview of e-Code Initiative

15. The e-Code initiative involves an exploration of how best to leverage technology to enhance the functionality, ease of access and navigability of the Code in a digital manner.

16. Key aspects that have been updated since December into the e-Code include:
   - A more dynamic and interactive user experience to improve navigability, with footers providing links to the next page, an interactive table of contents listing headings and subheadings, expandable content (i.e., accordion approach), hyperlinks to existing cross-
references within the text of the Code and pop-ups, that are now linked to defined terms. The table of contents includes some additional headings for those key topics that the IESBA had indicated where especially important at the December meeting.

- Links to foundational material to emphasize the key structural building block approach used to restructure the Code. The foundational material is linked at the relevant part. These links are visible by a toolbox arrow that is permanently visible beside the Part heading.

- Color to identify which part of the Code the user is reading.

- Links to related non-authoritative material, including videos, extracts from the Basis for Conclusions (BfCs) and Staff Q&As, at the relevant sections or paragraphs in the Code. These links are visible by toolbox indicators that are permanent, rather than only appearing when you hover over the paragraph. The WG is seeking feedback from beta testers as to whether the linked material is useful. An alternative approach may be to provide a link to the BfC documents at the section level, rather than including numerous extracts in the toolboxes.

- More options for basic and advanced searches, including both natural language or boolean search techniques. Specific paragraphs have been tagged to enable searches for requirements and explicit prohibitions. This approach could also be used for paragraphs that have been identified in the Code as only applying to public interest entities or those that only apply to non-public interest entities.

- Features to facilitate the printing, sharing and bookmarking of specific passages in the Code that are particularly relevant to a user’s work, that are designed to minimize impediments whilst still protecting IFAC copyrights. When copying selected text, a copyright statement will automatically appear when a user pastes the text. On first time entry to the e-Code a user will also need to agree to the terms of use.

17. Some matters raised at the December 2018 meeting will be considered in future Phases of the e-Code including:

- The need for more than one edition as changes are made to the Code of Ethics i.e., reflecting changes not yet effective, prior editions as well as the current Code;

- Translation matters;

- The impact of advances in technology on access to prior editions;

- Use by national standard setters for changes made at a jurisdictional level.

VII. Matters for Consideration

Non-authoritative material

18. The e-Code includes links to non-authoritative material, including extracts from the basis for conclusions, at appropriate paragraphs. A granular approach taken has been to link this material at a paragraph level, rather than providing a link to the document as a whole. The WG is seeking views as to whether the volume of this material is useful to users or whether these links should be removed.
List of prohibitions

19. The technology behind the e-Code enables tagging of specified paragraphs, i.e. requirement paragraphs, or paragraphs that include explicit prohibitions. These tagged paragraphs can be used to power the search engine, but could also be used in other ways, for example, to develop summaries of all prohibitions. A summary of prohibitions has historically been developed by staff and is available on the IESBA website. Such a list is now in need of updating, as a result of the restructured Code. The e-Code could update this list automatically going forward.

20. The WG is seeking views on how best to make use of this feature.

Timeline

21. The scope and timing of future phases will be impacted by the information about users’ experiences that is gathered as the product develops and once the e-Code has been launched.

22. The WG plans to release the IESBA update outlining the development of the e-Code after the March meeting.

23. Beta testers will be asked to provide all feedback by April 9, 2019.

24. The WG will continue to make refinements to the e-Code based on all of the feedback received by the first week of June.

25. The WG also plans to demonstrate the e-Code at the National Standard Setters meeting in May and then launch the e-Code in June 2019.

VIII. Materials Presented

Agenda Item 9-A Draft e-Code Update

IX. Actions Requested

26. The IESBA is asked to consider the presentation and the matters for consideration in this paper and share their views about:

- The e-Code.
- Any other matters that might be relevant to the development of the e-Code, in particular those included in the Matters for Consideration section of this paper.
- The draft e-Code update/ status report.