Meeting:	IESBA	**Agenda Item**
Meeting Location:	New York	**7**
Meeting Date:	December 7–10, 2026	

Role of CFOs – Phase 2 Initiative

Objective of the Session

1. To consider the proposed partnership and pilot approach to developing practical, non-authoritative materials (NAM) for professional accountants in business (PAIBs) serving as CFOs and equivalent senior finance leaders.

Background

2. The Project Team (PT)[1] presented its Role of CFOs Initiative Phase 1 Final Report at the September 2026 IESBA meeting. The IESBA accepted the PT's recommendations:

   - Not to commence a CFO-specific standard-setting project or extend the scope of the Code beyond PAIBs in light of the PT's information gathering and related analysis;
   - To commence a focused initiative to develop NAM for PAIB CFOs, pilot test the NAM with relevant stakeholders to assess its effectiveness in strengthening ethical awareness and decision-making among those PAIBs, and inform whether further IESBA action is needed; and
   - To compile and refer relevant Phase 1 evidence to existing IESBA workstreams within their approved scopes.

Activities Since September 2026

3. Following the September Board discussion on the Phase 1 final report, the PT has explored a partnership approach through discussions with professional accountancy organizations (PAOs), developed an illustrative case for one of the four themes below, and briefs for the remaining themes.

Proposed Themes and Partner Engagement

4. The four prospective partners are as follows together with the proposed themes:[2]

   - The American Institute of Certified Public Accountants (AICPA) in consultation with the Global Accounting Alliance (GAA) on pressure, challenge and escalation, including interaction with boards and audit committees;
   - The Association of Chartered Certified Accountants (ACCA) on technology, artificial intelligence (AI), professional competence, and reliance on internal and external experts;

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[1] The PT consists of Jon Reid, IESBA Director and project lead, and Carla Vijian, IESBA Principal. The Board Advisor to the PT is David Wray, IESBA member.

[2] The four themes being explored were included on pages 10 and 11 of the PT's Role of CFOs Initiative Phase 1 Final Report.

- The Pan African Federation of Accountants (PAFA) and the Institute of Certified Public Accountants of Kenya (ICPAK) on preparation and presentation of sustainability disclosures and trade-offs; and
- CPA Australia on CFOs' strategic participation, stewardship, and role conflicts.

5. The PT is exploring two different delivery methods with the above prospective partners:
   - **Develop materials jointly:** The PT and partner representatives develop the materials jointly on the agreed theme and the partner assists with testing, with the possibility of co-branding under arrangements agreed by the IESBA and the partner organization.
   - **Review materials drafted by IESBA:** The partner contributes practical examples, assesses whether the scenarios capture the situations members face, review the draft materials, and assist with testing.
6. The PT will provide a further update during this Board meeting as the above prospective partnerships continue to evolve.

Application of the SMART Framework

7. The PT will explain during the meeting how the IESBA SMART framework was integrated into the PT's work during Q4 2026. The PT will not seek any decision from the IESBA in this regard.

Coordination with the IESBA's Technology Workstream

8. The PT and the IESBA Technology Project Team have discussed the intersection between the two initiatives as it pertains to:
   - The above theme being explored with ACCA on technology, AI, professional competence, and reliance on internal and external experts; and
   - Scenarios-based NAM that the Technology Project Team has drafted, one of which relates to a CFO and the Controller/finance team within an organization.
9. The two project teams will explore whether the Technology NAM relating to a CFO could be utilized as a base and potentially adjusted for the pilot and testing for the Role of CFOs Phase 2 theme being explored with ACCA. The project teams will continue to coordinate on this matter as the two workstreams evolve and keep the Board informed.

Next Steps

10. The PT's next steps include:
    - With respect to the prospective partnerships and themes:
      - Confirming the choice of delivery method, format, technical ownership, and any costs and co-branding arrangements;
      - Developing the themes "on paper" to ensure both partners agree with their technical accuracy and consistency with respect to the Code and the fact patterns;
      - Transforming the written materials into the agreed form of the NAM;

  - Compiling a participant list targeted at 8–12 PAIB CFOs and, where possible, covering different organization sizes, sectors, regions, and governance arrangements;
  - Undertaking and finalizing testing of the NAM, which may involve initial testing and follow-ups with participants;[3] and
  - Refining the NAM based on participant assessments and evidence gathered;
- Continuing to coordinate with the IESBA Technology Project Team;
- Providing a status update at the March 2027 IESBA meeting; and
- Presenting the Final Phase 2 report and recommendations at the June 2027 IESBA meeting.

Action Requested

11. IESBA members are asked to provide their input on the PT's activities to date and proposed next steps.

[3] The pilot would examine individual reasoning, usability, and subsequent use. It would provide formative evidence for improving the material and deciding next steps before finalization and publication.