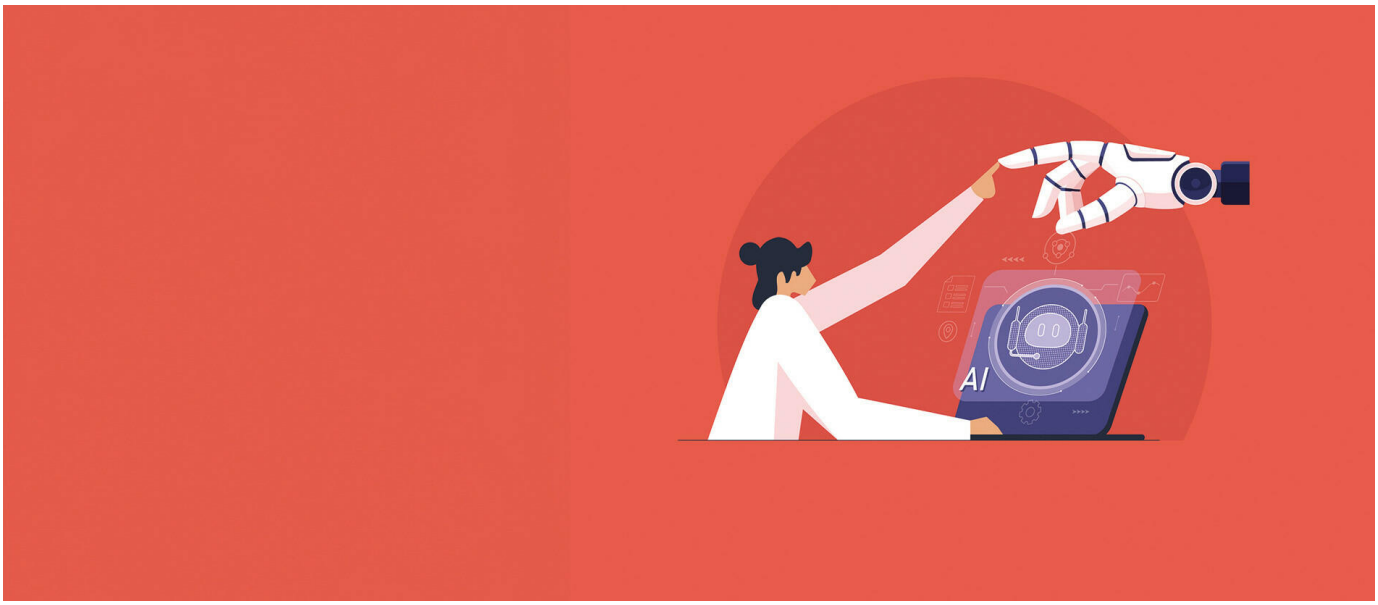
The evolution of artificial intelligence: professional standards

General Features | Professional standards



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We set out the professional standards required for members of CIOT and ATT in relation to artificial intelligence.

The progress of artificial intelligence (AI) is well documented, and the impact on tax professionals will continue to evolve. It is important to ensure that the professional standards of members continue to be observed when using AI.

The Professional Conduct in Relation to Taxation for the ATT (see tinyurl.com/msjn3fa2) and the CIOT (see tinyurl.com/3zn5e2sz)sets out the fundamental principles and behaviours that all members and students must follow in their tax work.

The Professional Rules and Practice Guidelines for the ATT (see tinyurl.com/4mvp97fz) and the CIOT (see tinyurl.com/2wujmz9j) expand on the fundamental principles, with related guidance which members must comply with.

We have outlined below how professional standards must continue to be adhered to when using AI.

Integrity

Members are required to be straightforward and honest in all professional and business relationships. Consideration should be given as to the level of transparency with clients when utilising AI in any work performed. Consideration should also be given as to any reliance placed on AI generated information and advice.

Objectivity

Members are required to avoid bias, conflict of interest or undue influence overriding their professional and business judgements. The bias that may be present in AI tools used must also be considered, which could be the result of underlying bias in the initial question asked of generative AI, any bias built into the system or bias arising from the data from which the tool generates a response. It is widely reported that some AI tools can ‘hallucinate’ information and data in order to generate an answer.

Professional competence and due care

Members must carry out their work with proper regard for the technical and professional standards expected. This includes not undertaking work a member is not competent to perform, unless appropriate advice, training or assistance is obtained. This applies to the services provided to a client and the use of AI where a member does not hold the necessary technical skills to understand and utilise the technology.

A member will remain ultimately accountable for the work prepared, even where AI has been utilised to structure this. The standards for tax planning in the Professional Conduct in Relation to Taxation state that members must ensure that any tax planning complies with the relevant laws and regulations.

Due diligence and professional scepticism are required to ensure that the data output from AI systems is correct, relevant and up to date. This is often referred to as ‘explainability’ in the context of AI generated information and data.

Confidentiality

Specific client authority is required before information is disclosed to third parties (unless there is a legal or professional right or duty to disclosure), and this includes entering data into AI systems. The data input should be anonymised and generic to ensure that client confidentiality is preserved.

Members may want to consider reviewing their engagement terms regarding how members may process client data prepared by the member; for example, inputting the client's data or member's work into a generative AI system.

Consideration needs to be given to where data is stored once input into an AI system, which could either be a proprietary system or publicly available system, and how long for. Specialist legal advice may be required. Members must ensure that they remain compliant with the legal requirements on the handling of data such as the General Data Protection Regulations. The Information Commissioner's Office has very helpful guidance in this area (see tinyurl.com/3wnzsnuw).

Professional behaviour

This encompasses the entirety of a member's business dealings, and when utilising AI a member must ensure their work is not performed improperly, inefficiently, negligently or incompletely.

Understanding the benefits and limitations of AI will help to determine appropriate use and identify any areas of concern when reviewing the work produced.

Should members have any queries in relation to professional standards or the application of the Professional Conduct in Relation to Taxation and the Professional Rules and Practice Guidelines to artificial intelligence, please contact the team at ATT at standards@att.org.uk or the team at CIOT at standards@ciot.org.uk.

Marc Leach, Professional Standards Officer, CIOT and ATT
mleach@ciot.org.uk

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