

# Ethics of Artificial Intelligence (AI): A CPAs Guide



Presented By  
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# Learning Goals



- Recognize the ethical dilemmas with AI applications that CPAs and fiancé professionals can encounter
- Identify practical guidelines for resolving these ethical dilemmas

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Nationally recognized thought leader, advisor, author and speaker on CPA technology

Strategic technology advisor to the profession w/ 35+ years of experience

Founded and sold two CPA technology advisory startups

Former National Mid-market Technology Partner - BDO

CPA Practice advisor Top 25 Thought Leader for the CPA profession

AICPA Business & Industry Hall of Fame Inductee

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Passionate advocate for the CPA profession!

# Presentation Outline

- [Why is This Important](#)
- [AI Technology Primer](#)
- [Review of the CPA Professional Ethics Framework](#)
- [AI Ethical Considerations for CPAs](#)
- [Guidelines for Using AI Ethically](#)
- [Developing an AI Usage Policy](#)
- [Wrap-up](#)

# WHY IS THIS IMPORTANT?



“AI will probably most likely lead to the end of the world, but in the meantime, there'll be great companies.”

Sam Altman  
CEO, OpenAI

“The new spring in AI is the most significant development in computing in my lifetime. Every month, there are stunning new applications and transformative new techniques. But such powerful tools also bring with them new questions and responsibilities.”

Sergey Brin

Co-founder Google

“What all of us have to do is to make sure we are using AI in a way that is for the benefit of humanity, not to the detriment of humanity.”

Tim Cook  
CEO, Apple



“First time in human history nobody has any idea how the world will look in 20 years.”

“The most important thing to know about AI, it is the first technology in history that can make decisions by itself and can create new ideas by itself.”

Yuval Noah Harari  
Best Selling Author - Sapiens

“Robots will be able to do everything better than us. I am not sure exactly what to do about this. This is really the scariest problem to me.”

Elon Musk

Founder, Tesla & SpaceX

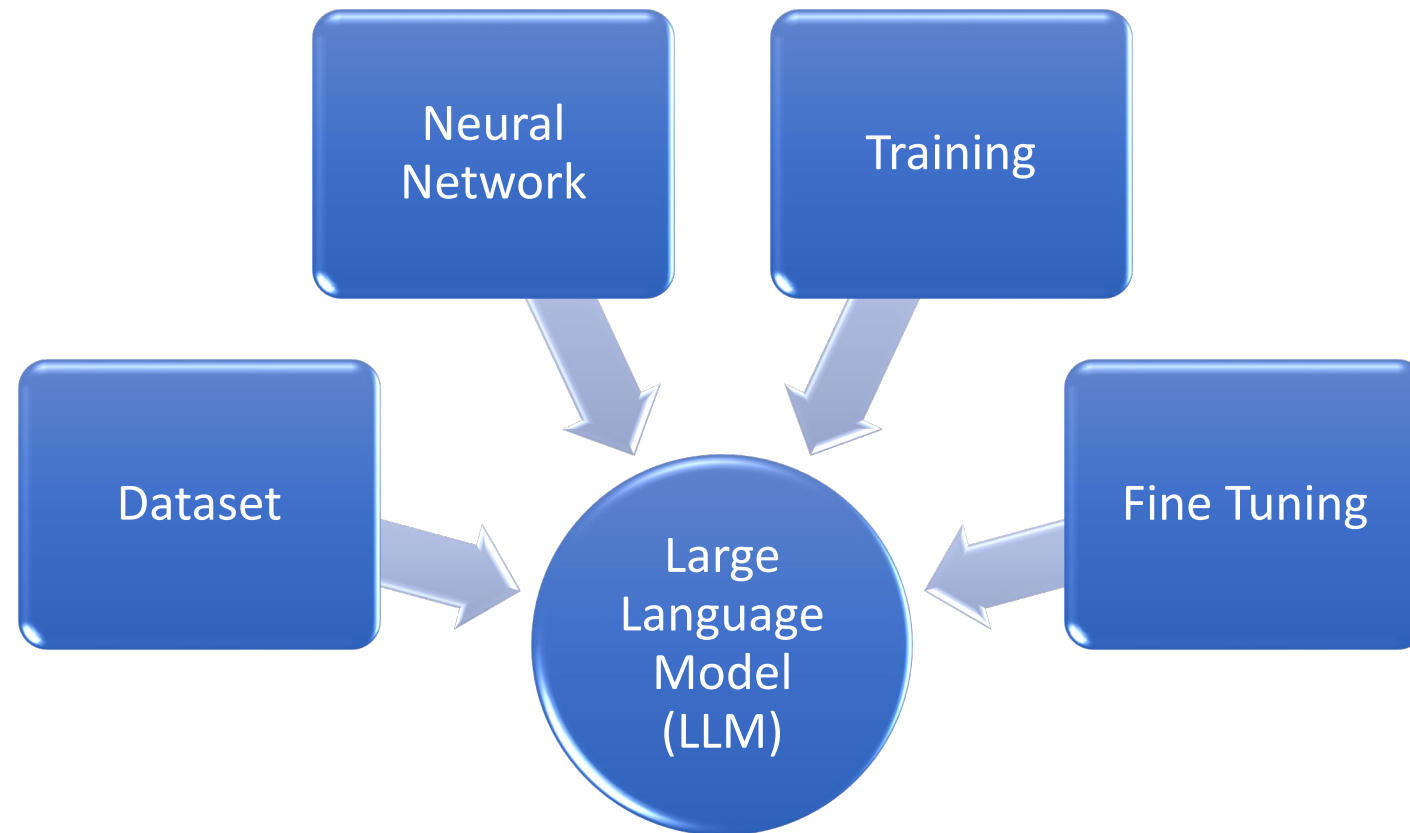
# AI TECHNOLOGY PRIMER



# The Three Levels of AI

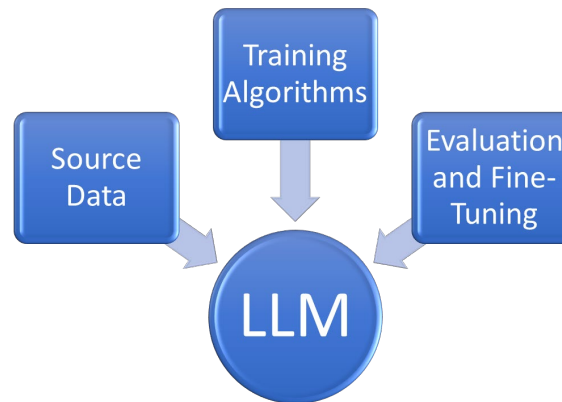
Narrow AI aka Weak AI	General AI aka Strong AI	Super AI aka Artificial Super Intelligence
<ul style="list-style-type: none"><li>• Only form of AI that exists today</li><li>• Limited to a defined task</li><li>• Chatbots</li><li>• ChatGPT</li></ul>	<ul style="list-style-type: none"><li>• AGI – Artificial General Intelligence</li><li>• Exists in theory only</li><li>• Can accomplish new tasks without human training</li><li>• Intellectually on par with humans</li><li>• Current predictions are around 2030</li></ul>	<ul style="list-style-type: none"><li>• Exists in theory only</li><li>• Think / reason / learn / make judgements</li><li>• Cognitive abilities surpassing human beings</li><li>• Understand human feelings and feel emotions</li><li>• Develop own beliefs and desires</li><li>• No consensus prediction on arrival timeline</li></ul>

# Generative AI and Large Language Models



# LLM Source Data Risks

- AI application developer determines the source of the data
- The source data will have inherent biases
- Source data may have copyright issues



# Where does ChatGPT get the LLM data?

**J You**  
where does chatgpt llm get its data from

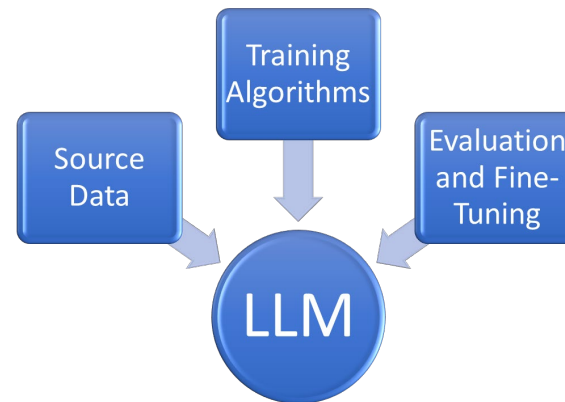
**ChatGPT**  
ChatGPT, as a large language model (LLM) developed by OpenAI, gets its data from a wide range of text-based sources. The data used for training includes:

1. **Books:** A diverse collection of books, covering a wide range of topics and genres.
2. **Websites:** Content from various websites, which can include articles, blogs, and other forms of online text.
3. **News Articles:** Information from news sources provides insights into current events, historical context, and journalistic perspectives.
4. **Educational Materials:** Texts from educational resources help in understanding academic and technical subjects.
5. **General Literature:** This can include fiction and non-fiction literature, contributing to the model's understanding of language, storytelling, and cultural contexts.

It's important to note that the training data is pre-processed to remove sensitive and inappropriate content to the best extent possible. Additionally, the model doesn't have real-time access to the internet or external databases; it generates responses based on the knowledge it acquired during its last training update, which was as of April 2023 in my case. This means that while ChatGPT can provide information on a vast array of topics, its knowledge is static and does not include events or developments that occurred after its last update.

# LLM Training Algorithm Risks

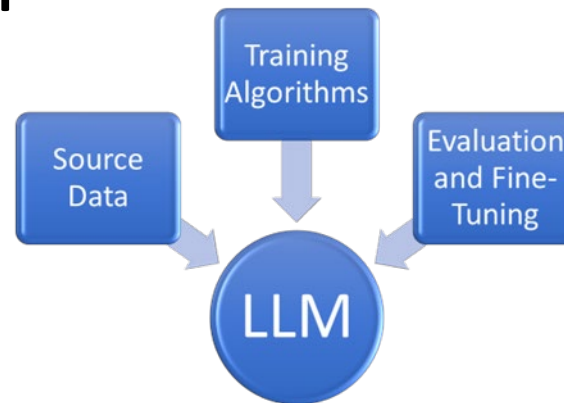
- AI application developer defines the algorithms that train the data
- Different weightings can be assigned to different classifications of data to embed biases





# LLM Evaluation and Fine-tuning Risks

- AI application developer defines the parameters of the “guard rails” to exclude/prevent inappropriate data
- AI developer defines “acceptable use” policies for user prompts



# REVIEW OF THE CPA PROFESSIONAL ETHICS FRAMEWORK



# Key Principles of Professional Conduct

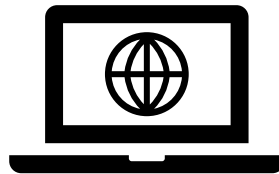
- Act in the public interest
- Integrity
- Objectivity and Independence
- Due care



# Additional Regulatory Entities to Consider

- State Board of Accountancy
- SEC (Securities and Exchange Commission)
- PCAOB (Public Company Accounting Oversight Board)
- DOL (Department of Labor)
- GAO (Government Accountability Office)
- Federal, state and local taxing authorities

# White House Executive Order on AI



ChatGPT generated executive summary

The screenshot shows the top portion of the White House website. At the top left, the name 'Jean-Pierre' is visible. In the center is the White House logo. To the right are the links 'Administration' and 'Priorities'. Below this is the date 'OCTOBER 30, 2023'. The main title of the executive order is 'Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence'. Below the title is a breadcrumb trail: 'BRIEFING ROOM' and 'PRESIDENTIAL ACTIONS'.

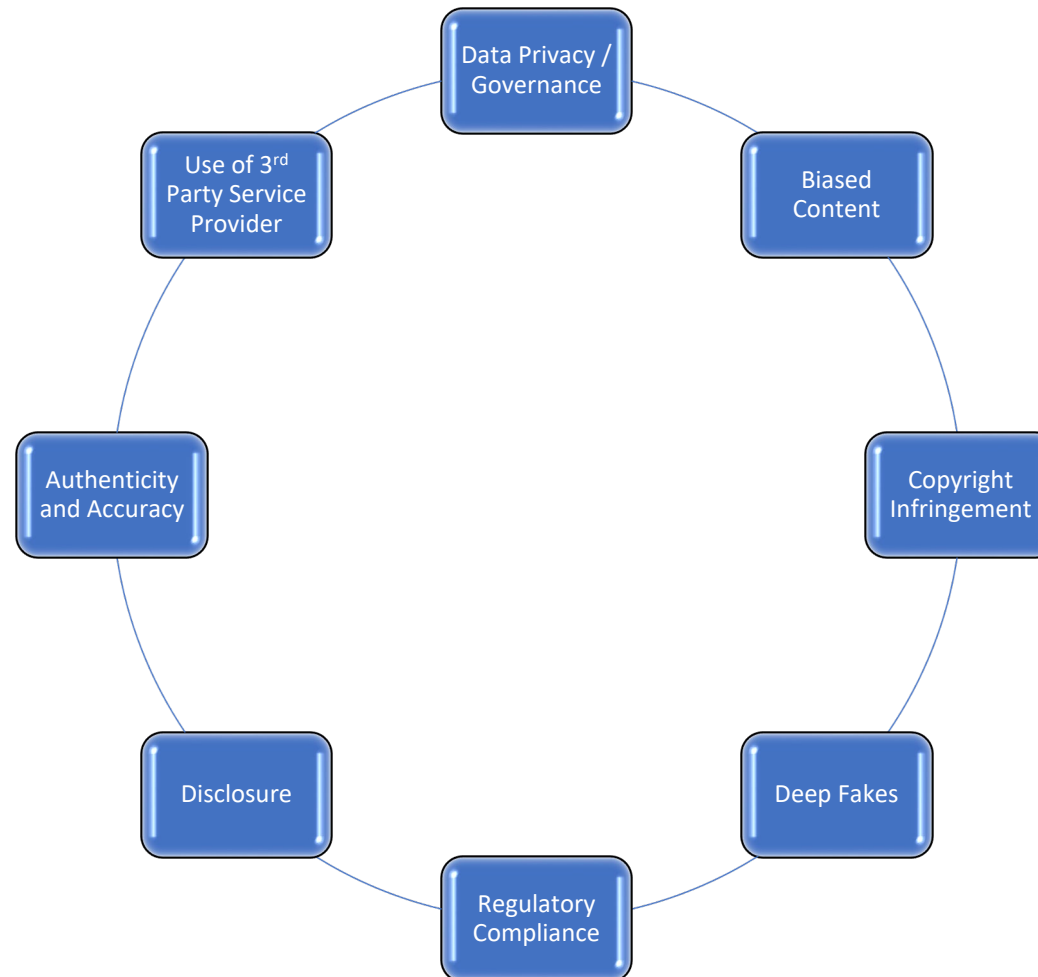
By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

Section 1. Purpose. Artificial intelligence (AI) holds extraordinary potential for both promise and peril. Responsible AI use has the potential to help solve urgent challenges while making our world more prosperous, productive, innovative, and secure. At the same time, irresponsible use could exacerbate societal harms such as fraud, discrimination, bias, and disinformation; displace and disempower workers; stifle competition; and pose risks to national security. Harnessing AI for good and realizing its myriad benefits requires mitigating its substantial risks. This endeavor demands a society-wide effort that includes government, the private sector, academia, and civil society.

# AI ETHICAL CONSIDERATIONS FOR CPAS



# AI Ethical Challenges and Risks for CPAs & CFOS



# GUIDELINES FOR USING AI ETHICALLY





# A Guide for Using AI Ethically



# Build on the Basics

- Do not enter personally identifiable information into an AI app
- Do not enter any confidential information that can be linked to an individual or entity
- Control access to your AI app
- Be on the lookout for bias and hallucinations
- Independently verify facts and figures

# OpenAI Privacy and Usage Policy

- [OpenAI Privacy Policy](#)
- [OpenAI Usage Policy](#)

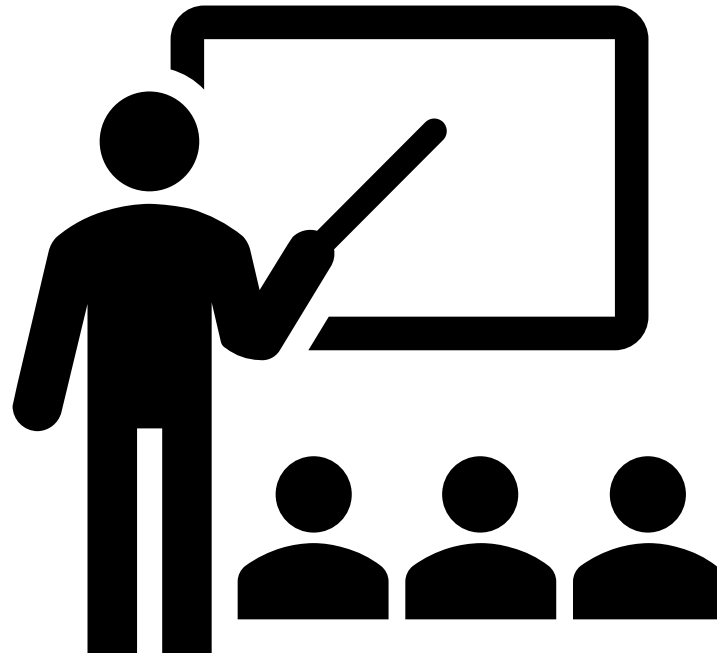


Sample ChatGPT usage policy for an accounting practice or small business

# Additional Resources

- [Sample AI Usage policy from Microsoft Copilot](#)
- [Sample AI usage policy from workable.com](#)
- [CPA.com generative AI resource center](#)
- [Every company needs a corporate AI policy](#)

# WRAP-UP



# In Summary

- There are many ethical considerations when it comes to using AI technology
- Specific standards and regulations are currently limited
- Use the AICPA professional code of conduct as a guide
- Develop an AI usage policy for your organization
- Educate your staff on the risks of AI
- Stay tuned to regulatory developments and accounting standards

# Questions ?



# Thank you!!!