



The Challengers: Ethics, Technology and the Evolving Role of the CFO

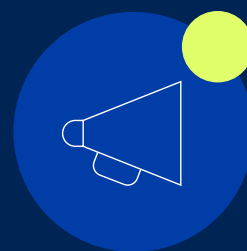
The Chief Financial Officer has long been the steward of financial integrity within an organization, the “challenger” who ensure that numbers are accurate, resources are managed prudently, and stakeholders can trust what is reported.

Today, CFOs are “challenging” themselves to go beyond what has been their traditional role. There is a growing list of responsibilities beyond finance include data governance, strategy, and environmental, social, and governance reporting. Add to this list the role of helping their organizations navigate the deployment, adoption and governance of artificial intelligence (AI), and CFOs are transitioning to a strategic partner role. A role focused on value creation, not just value protection.

New opportunities bring a growing complexity to the role of the CFO. And growing complexity brings new challenges – and new risks, including cybersecurity risks, supply chain risks and even geopolitical risks. Recent international dialogue, including the [International Ethics Standards Board for Accountants’ \(IESBA\) current global initiative on the Role of CFOs](#), has begun to examine the expanding role of CFOs and whether the existing IESBA Code remains fit-for-purpose or if CFOs require more targeted, practical guidance to navigate their new mandate.

It’s a timely, and very necessary conversation. And as the regulator of the accounting profession and steward of the CPA Code of Professional Conduct (CPA Code) in Ontario, we believe this evolving role of the CFO also raises questions that deserve serious attention here at home. While we support this forward-looking work by the IESBA, it is important to recognize the foundational rules within our CPA Code that govern these evolving responsibilities.

CFOs are being challenged to move beyond their traditional roles within their organizations, demonstrating that CPAs can apply their skillsets to new and emerging areas. However, when the CFO moves into a new area of the business, their responsibilities move with them. The principles of ethics and integrity, laid out in the [CPA Code of Professional Conduct \(CPA Code\) in Ontario](#), are applicable to the role of the CFO, no matter what form that role may take. As CFOs “challenge” themselves to take on new responsibilities, their core responsibility as the “challenger” carries an even greater weight.



Relevant rules in the CPA Code of Professional Conduct (CPA Code):

RULE 202
Integrity and due care and
Objectivity

RULE 203
Professional competence

RULE 205
False or misleading documents
and oral representations

RULE 208
Confidentiality of information



The AI Challenge: The CFO's Responsibility for Technology Governance

CFOs are becoming the organizational decision-makers when it comes to which AI tools are adopted, how data assets are governed, and how human judgment is preserved when algorithmic systems take on greater weight in financial decision-making. These are not peripheral IT questions. They are governance questions with direct implications for financial integrity, accountability, and the public interest.

The tools may be changing; however, the fundamental rules for using those tools have not. The CPA Code establishes principles and requirements that can be applied to the use of technology.

Accountability is key. While AI tools can help CFOs make material financial judgments, the professional accountability ultimately remains with the [“human in the loop/human in the lead.”](#) While the CPA Code requires the exercise of professional judgement, that judgement must be exercised within the boundaries of the explicit requirements and prohibitions set out in the Code. [There is no algorithm for ethics](#), and in an AI-augmented environment, the professional skepticism of the CFO is more critical than ever.

Consider data governance. CFOs routinely oversee decisions about how organizational data, including sensitive financial data, is handled, stored, and shared with third-party vendors. The growth of cloud-based financial systems and AI-powered analytics tools has made these relationships more complex and the risks harder to see. Without proper data governance, the consequences can extend to investors, creditors, employees, and the public.

The Ethics Challenge: The Code as a Framework

The CPA Code lays out the professional obligations of a CPA, no matter how the profession, or the role they play, may change. The duty to maintain professional competence (Rule 203) requires that Ontario CPAs possess sufficient knowledge of the AI tools they deploy, including performing due diligence on capabilities and limitations and critically validating outputs.

The obligations of integrity, due care, and objectivity (Rule 202) require that Ontario CPAs apply professional skepticism and ensure that reliance on AI does not produce biased, unverified, or misunderstood conclusions. The prohibition on associating with false or misleading documents (Rule 205) means that AI-generated errors and hallucinations must be identified and corrected before content reaches any deliverable, communication, or filing. And the duty of confidentiality (Rule 208) requires that no client or restricted data is entered into AI tools without appropriate safeguards in place.

For example, a CFO at a manufacturing company implements an AI-driven inventory and demand forecasting tool to optimize working capital and production schedules. To improve margins, the tool is designed to automatically trigger raw material orders and predict year-end inventory valuations based on shifting market trends. Applying the CPA Code, the CFO does not simply accept the AI's autonomous purchasing signals; instead, they perform due diligence to ensure the algorithm's “buy” recommendations align with the company's actual liquidity position and sales forecasts (Rules 202 and 203).

When the system suggests a significant increase in stock for a new product line, the CFO applies professional skepticism to validate that the AI isn't “hallucinating” demand based on unverified social media spikes, ensuring that the resulting inventory assets are not held in excess of realistic demand and are not overvalued on the balance sheet (Rule 205).

The CFO also verifies that the AI tool is hosted in a secure environment where proprietary production formulas and supplier pricing remain protected from public data leaks (Rule 208). By documenting the “human-in-the-loop/ human-in-the-lead” overrides and logic checks, the CFO ensures that professional accountability for the financial accuracy of the inventory report remains with them, not the automated system.

While the age of AI is creating opportunities for CFOs to “challenge” the status quo and find new untapped wellsprings of value, the role of “challenger,” guided by ethical responsibility and professional obligations, remains fundamental. As AI tools are deployed, the CFO should use the lens of the CPA Code to challenge every step of the process to ensure the public interest is always front and centre.



The Challenge For The Profession

The transformation of the CFO role is not a challenge that any single organization or body can address alone. It sits at the intersection of professional standards, regulatory oversight, strategic value creation, organizational governance, and technological change.

For CPAs serving in a CFO role, the CPA Code provides the ethical foundation to navigate expanded responsibilities, emerging risks and evolving technologies. What the broader profession, standard-setters, regulators, educators, and practitioners alike must now consider is how that foundation can be strengthened and adapted to keep pace with the speed, scale and complexity of change.

The arrival of AI and the expanding role of the CFO has demonstrated that the CPA skillset can be applied to address some of the biggest challenges facing organizations today. The ethical mindset and professional judgement of the CPA, as prescribed in the CPA Code, is just as applicable. The “CFO for all seasons” is a professional who is versatile enough to take on any new challenge, while remaining steadfast in upholding the public interest.

Have a question? Our Professional Advisory Services team is here to help, making first point of contact within 24 hours.

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