



IES EXPOSURE DRAFT: RESPONSE TEMPLATE

RESPONSE TEMPLATE FOR THE ED OF THE PROPOSED REVISIONS TO IES 2, 3, AND 4 – SUSTAINABILITY

Guide for Respondents

Comments are requested by **July 24, 2024**.

This template is for providing comments on the Exposure Draft (ED) of proposed revisions to International Education Standards 2, 3, and 4 -- Sustainability, in response to the questions set out in the Explanatory Memorandum (EM) to the ED. It also allows for respondent details, demographics and other comments to be provided. Use of the template will facilitate IFAC's automated collation of the responses.

You may respond to all questions or only selected questions.

To assist our consideration of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Then below that include any detailed comments, as indicated.
- When providing comments:
 - Respond directly to the questions.
 - Provide the rationale for your answers. If you disagree with the proposals in the ED, please provide specific reasons for your disagreement and specific suggestions for changes that may be needed to the requirements, application material or appendices. If you agree with the proposals, it will be helpful for IFAC to be made aware of this view.
 - Identify the specific aspects of the ED that your response relates to, for example, by reference to sections, headings or specific paragraphs in the ED.
 - Avoid inserting tables or text boxes in the template when providing your responses to the questions because this will complicate the automated collation of the responses.
- Submit your comments, using the response template only, without a covering letter or any summary of your key issues, instead identify any key issues, as far as possible, in your responses to the questions.

The response template provides the opportunity to provide details about your organization and, should you choose to do so, any other matters not raised in specific questions that you wish to place on the public record. All responses will be considered a matter of public record and will ultimately be posted on the IFAC website.

[Use the "Submit Comment" button on the ED web page to upload the completed template.](#)

Responses to IFAC’s Request for Comments in the EM for the ED, Proposed Revisions to IES 2, 3, and 4 – Sustainability

PART A: Respondent Details and Demographic information

Your organization’s name (or your name if you are making a submission in your personal capacity)	PAN AFRICAN FEDERATION OF ACCOUNTANTS
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	ALTA PRINSLOO
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	altaP@pafa.org.za
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on the ED). Select the most appropriate option.	Africa and Middle East
	If “Other”, please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on the ED). Select the most appropriate option.	Member body and other professional organization
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	

Should you choose to do so, you may provide overall views or additional background to your submission. **Please note that this is optional.** IFAC’s preference is that you incorporate all your views in your comments to the questions (also, the last question in Part C allows for raising any other matters in relation to the ED).

Information, if any, not already included in responding to the questions in Parts B and C:

PART B: Responses to Specific Questions in the EM for the ED

For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.

1. Do you support the proposed revisions to IES 2, 3, and 4 for sustainability? If not, please explain your reasons and indicate what changes you would suggest.

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

- We support the approach taken to incorporate Sustainability in existing standards **not introducing Sustainability through standalone education standards.**
- We also support the conclusion that accountants already have some competences relevant to Sustainability.
- We support the alignment of terminology with the terminology of IAASB and IESBA.

2. Are the sustainability learning outcomes sufficient and appropriate expectations for aspiring professional accountants? If not, please explain your reasons and indicate what changes you would support.

Overall response: [Agree \(with no further comments\)](#)

Detailed comments (if any):

- 3A. Do you support the proposal to create a new competence area for assurance? If not, please explain your reason and indicate what changes you would suggest.

Overall response: [Agree \(with no further comments\)](#)

Detailed comments (if any):

- 3B. Is the level of the proposed assurance competence area and learning outcomes at foundation level appropriate for aspiring for professional accountants? If not, please explain your reason and indicate what changes you would suggest.

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

We note that the level of proficiency expected in the Audit and Financial accounting principles, disclosures and reporting competency areas is at an intermediate level in IES 2, while the new area introduced for Assurance is only at a foundation level. We are of the view that the level of the proposed assurance competence area at foundation level is a mismatch. While appropriate in the initial changes to IES 2, we propose that consideration be given over time to the proficiency level for the assurance competence area being increased to the intermediate level for aspiring professional accountants.

4. Are there any terms within the new and revised learning outcomes of IES 2, 3, and 4 which require further clarification? If so, please explain which terms and how they could be better explained or revised.

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

Define '*Systems thinking*' – We propose including a definition for “systems thinking” and that the following *definition be considered: 'A holistic approach to consider factors and interactions that could contribute to a possible outcome'*

5. Do you believe the adoption and implementation of the proposed revised IES 2, 3, and 4, including will present any challenges to your organization? If yes, what challenges do you foresee?

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

- Jurisdictions where administration and regulation of accountancy qualifications is under institutions which are not professional accountancy organizations (PAOs) may require further support with the alignment to their current education programs – For this purpose, there is a need for increased advocacy from IFAC and PAOs.
- It may take some time to build capacity in educators / academics. For this reason, there will be a need for funding for capacity building interventions for educators / academics.
- It appears that IPSAS have lagged in incorporating Sustainability. Educators may face a challenge if the IPSAS are also not updated by the effective date.

Part C: Request for General Comments

IFAC is also seeking comments on the matters set out below:

6. General comments are welcomed on all matters addressed in the proposed IES 2, 3, and 4 (See Appendices A to E). Where relevant, when making general comments, it is helpful to refer to specific paragraphs, include the reason for the comments and, where appropriate, make specific suggestions for any proposed changes to wording to fully appreciate the respondent's position. Where a respondent agrees with proposals in the exposure draft (especially those calling for a change in current practice), it is helpful to note the reason you agree.

Overall response: See comments below

Detailed comments (if any):

Appendix A: Proposed learning outcomes changes to IES 2, Initial Professional Development – Technical competence

a) Financial accounting, disclosures and reporting (Intermediate)

- (iii) **Evaluate** the appropriateness of accounting policies used to prepare financial statements

Our view is that the use of the verb “evaluate” is an advanced level verb which is in contradiction to the overall competency area being “intermediate”. We believe the verb used is appropriate, however consideration should be given to whether this means the overall competency areas is indeed at the intermediate level.

- (iii) **Evaluate** the appropriateness of accounting policies used to prepare sustainability disclosures and reports

Our view is that the use of the verb “evaluate in the context of sustainability disclosures is at too high a level for entry level / aspiring professional accountants and that this be changed to “interpret”.

Appendix B: Proposed learning outcomes changes to IES 3, Initial Professional Development – Professional Skills

a) Intellectual (Intermediate)

- (v) **Evaluate** changing facts and circumstances to solve problems, inform judgments, and reach informed conclusions.

Our view is that ‘Evaluate’ is not an appropriate action verb at the intermediary level, this verb is used at the advanced level. We recommend that it should be replaced with ‘interpret’.

b) Interpersonal and communication (Intermediate)

- ‘Apply **negotiation skills** to reach solutions and agreements’ **has been removed.**

Our view is that negotiation skills are needed at all levels of business and should be developed early enough at intermediary level. Our view is that consultative skills are distinct and cannot replace negotiation skills

Appendix C: Proposed learning outcomes changes to IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes

(b) Ethical principles (Intermediate)

‘Explain the advantages and disadvantages of rules-based and principles-based approaches to ethics’ - has been removed.

Our view is that this should be retained in the education space. The case for Africa is that not all jurisdictions have adopted the IESBA Code of Ethics, so that some are using rules based embedded in their laws. For future professional accountants to effectively advocate for moving from rules-based and adoption of principles-based they will need the knowledge of both.