



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)	Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Council Member Liliana Smargiassi
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	international@commercialisti.it
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.	Europe
	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).	<p>The <i>Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC)</i> is a public entity acting under the supervision of the Italian Ministry of Justice, established and regulated by the delegated decree n. 139 of 28 June 2005. CNDCEC has 21 members appointed among registered professionals and has the Institutional representation of the accounting/auditing profession, both at national and international level.</p> <p>Among CNDCEC's main functions: relationship with the public institutions and administrations; provide opinion on relevant draft laws and regulations; adopt and update of the Professional Code of conduct; disciplinary function at territorial and national level; oversight and coordination of local professional bodies, 132 all over the country; enactment of professional regulations; participation to the national and international standard-setting process involving accounting, auditing, independence, business valuations; approval of ethics code and other professional regulation, assessment and approval of the</p>

	CPD programs and courses designed by the local bodies; maintenance of the national professional roll of Dottori Commercialisti and Esperti Contabili.
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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):

CNDCEC agrees with the IES 2, 3 and 4 revision proposals included in Exposure Draft dated April 24, 2024.

*Regarding the Italian contest, it is worth highlighting that access to accounting profession is established and regulated by the law. In a collaborative perspective, CNDCEC is often (**O "COULD BE"**) called by government and regulators to provide insights and advice about the contents, subjects and procedures related to the achievement of university degree required to access the accounting profession, and next steps (e.g.: training period) prior to the State examination to achieve the qualification of professional accountant. This is an essential condition that characterizes the Italian profession (as well as other accounting profession worldwide), in order to guarantee an adequate and high level of the quality of the professional activities and the safeguard of public interest.*

Some of these requirements and provisions are also items of IFAC IES 2, 3, 4 and 6 revision proposals.

In addition, see comments under Questions 3A and 3B.

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 comments below](#)

Detailed comments (if any):

CNDCEC agrees with the need to implement the assurance activity with diversified contents other than the ones related to auditing of the financial statements. Therefore, CNDCEC supports the creation of the a well-defined competence area for the assurance engagements. CNDCEC also agrees with the identification of the main learning outcomes, which are based upon the language in IES 2(e) Audit (i), (ii), (iii), and (v).

It is important to highlight that the main competences and skills required to perform a sustainability assurance engagement (on the three areas of Environmental, Social and governance aspects of the Reporting) are based on the competences gained through knowledge and experience in the assurance and audit of financial information. Cost accounting is indeed the linkage between reporting and strategic planning and an essential process for determining the budget, for the distribution of resources, and for protecting and consolidating the business' going concern.

The auditing and accounting competences are essential to the interpretation of the economic phenomena underlying the determination of quantitative data and representing a decisive factor in the evaluation of impact and financial materiality.

In a corporate reporting perspective, the connection and consistency between financial information on sustainability and related control activities is particularly important for users of sustainability information. The auditor's competence would also support to ensure the connectivity between, and consistency of, financial and sustainability information.

Therefore, the assessment of the coherence between financial and sustainability issues cannot evidently be separated from a background which encompasses a significant competence in subjects such as corporate finance and audit. In brief, knowledge and monitoring of issues related to the adequacy of control systems and risk management are necessary conditions to carry out effective assurance tasks. These competences typically constitute the distinctive features of the auditor's activities.

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):

See comments under Question 3A.

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):

When IESs refer to the application of different accounting, and/or non-financial, and/or sustainability and/or auditing standards and/or guidelines, it may be useful to indicate several examples (other than IFRS), specifically when these standards have to be mandatory adopted at a jurisdictional supranational level (e.g.: ESRS).

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):

See detailed comment at Question 1.

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: [No response](#)

Detailed comments (if any):