



THE ASSOCIATION
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Comments on the Proposed Redrafted International Education Standard IES 4, Professional Values, Ethics, and Attitudes

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Company number 00264086. The AIA is a Recognised Qualifying Body for company auditors in the UK.

Introduction

These comments are submitted by the Association of International Accountants (AIA). AIA is a Recognised Qualifying Body in the UK for statutory auditors and the following comments are based upon the consultation questions for regulators, including audit oversight bodies.

About AIA

The Association of International Accountants (AIA) was founded in the UK in 1928 as a professional accountancy body and from conception has promoted the concept of 'international accounting' to create a global network of accountants in over 85 countries worldwide.

AIA is recognised by the UK Government as a Recognised Qualifying Body for statutory auditors under the Companies Act 2006, across the European Union under the Mutual Recognition of Professional Qualifications directive and as a Prescribed Body under the Companies (Auditing and Accounting) Act 2003 in the Republic of Ireland. AIA also has supervisory status for its members in the UK under the Money Laundering Regulations 2007.

AIA promotes and supports the advancement of the accountancy profession both in the UK and internationally. The AIA exams are based on International Financial Reporting and International Auditing Standards and are complimented by a range of variant papers applicable to local tax and company law in key jurisdictions together with an optional paper in Islamic Accounting.

AIA members are fully professionally qualified to undertake accountancy employment in the public and private sectors.

AIA Comments on the Proposed Redrafted International Education Standard IES 4, Professional Values, Ethics, and Attitudes

Questions

1. Is the proposed requirement for reflective activity in relation to ethics education appropriate?

AIA agrees that ongoing personal reflection is pivotal to developing and maintaining ethical awareness and professional integrity; it therefore fully supports the proposed creation of a personal development portfolio and record of learning as suggested in A17 as a means of encouraging and developing this.

2. Does this requirement raise implementation issues

AIA believes that formalising reflective activity through the incorporation of professional guidance and support of the student by a qualified and experienced colleague in a practical context is an essential aspect of pre-qualification education. The encouragement of this form of engagement with day to day issues is also essential to post-qualification CPD.

AIA also supports the proposed study and examination of ethics theory and concepts at an early stage in the pre-qualification education program as this will provide the student with the tools necessary to reflect on ethical issues during their academic education and practical training.

Transforming reflective activity into a formal examinable topic within a practical context however, has the potential to create a number of implementation and assessment issues in areas such as design, the availability of resources and the equivalency of member bodies' assessment frameworks.

AIA has particular reservation regarding the validity of this area of assessment given the number of variables that need to be taken into consideration, for example, in monitoring the quality of guidance provided, the appropriateness of a particular real life scenario, access to situations where the more complex aspects of ethical decision making are required, responsibility for the final assessment, the student's ability to appeal, disparity in the availability of member bodies' resources.

3. Is the objective to be achieved by a member body stated in the proposed revised IES4 appropriate?

AIA considers the objective to be appropriate and supports IFAC's new clarity drafting conventions; however, given the weight afforded to context and the inescapable personal, interpretive nature of any ethical consideration, we feel that the term 'prepare' needs further clarification. AIA would suggest the following alternative, 'the objective is to equip aspiring professional accountants with the necessary concepts and sufficient experience of the application of these to be able to demonstrate the professional values, ethics and attitudes required of a professional accountant at all times'.

4. Have the criteria identified by the IAESB for determining whether a requirement should be specified been applied appropriately and consistently such that the resulting requirements promote consistency in implementation by member bodies?

Yes.

5. Are there any terms within the proposed IES4 which require further clarification? If so please explain the nature of the difficulties.

Explanatory material A5 states

In setting the learning and development for aspiring professional accountants, IFAC member bodies, educators, and other stakeholders are advised to consider how to integrate the IESBA Code with local regulations and requirements. (Ref: Para. 8)

It may be useful for IAESB to define more precisely what they mean by 'integrate' and the affect this may have on any assessment.