



14 July 2011

Technical Manager  
International Accounting Education Standards Board  
International Federation of Accountants  
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CANADA

Dear Sir/ Madam

**Proposed Revised IES 4, Professional Values, Ethics, and Attitudes**

Thank you for the opportunity to comment on the proposed revisions to IES 4, *Professional Values, Ethics, and Attitudes*.

ICAEW welcomes this exposure draft, and its learning outcome approach, which progresses the IAESB's thinking. ICAEW acknowledges the central importance of the development and maintenance of appropriate values, ethics and attitude systems in accountants. Making appropriate business and personal decisions, and knowing why they are appropriate, is core to being a professional. Qualities such as professional scepticism underpin this. ICAEW believes that the best way to ensure effective professional development in these areas is to embed the learning across the curriculum, both in the examinations and in the skills/attributes components of Initial Professional Development for students and Continuing Professional Development for members. We therefore welcome point A4 in the Explanatory Materials section.

**Question 1: Is the proposed requirement for reflective activity in relation to ethics education appropriate?**

Yes. We welcome the proposed requirement for reflective activity in relation to ethics education. For several years ICAEW has incorporated the need for reflection into our ethics training for students and our CPD requirements for members. We believe reflection is self-evidently important and should be part of any robust development system that fosters continual improvement. That said, we do not believe that the IAESB should be overly-prescriptive about what constitutes formal reflective activity. It should be acknowledged, for example in A17, that written membership examinations can also require aspiring professional accountants to reflect and demonstrate their capacity to deal with ethical dilemmas – indeed the time pressure of an examination can make the weighing of factors and the decision itself more realistic.

**Question 2: Does this requirement raise implementation issues?**

Yes. We think the standard as a whole requires a sufficient (i.e. longer) period for implementation which we would see as being at least 18 months due to examination and training lead-times for professional accountancy bodies. Additionally, the requirement for formalised reflection may create additional issues

for some member bodies and we again advise that it would be appropriate for IAESB to recognise the wide range of developmental activities which may deliver the desired result.

**Question 3: Is the objective to be achieved by a member body, stated in the proposed revised IES 4, appropriate?**

Yes, we agree this is appropriate and appropriately phrased. The phrase 'demonstrates' is important as it conveys that aspiring accountants both understand why a decision is right and then translate that into action.

**Question 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, we agree they have.

**Question 5: Are there any terms within the proposed IES 4 which require further clarification? If so, please explain the nature of deficiencies.**

There are three points that we would like to make.

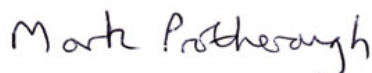
Firstly, regarding the documentation of reflection and "lessons learned" (e.g. A16 – A18), we think it would be helpful to further expand the illustrative examples, for instance making clear that web-based learning products are acceptable. We also think it is important for it to be made clear that in relation to these paragraphs, and also to A7, a member body may accredit another party to provide the learning and development activities provided they accord with the member body's criteria and IES 4. The aspiring accountant's employer would be a typical example here.

Secondly, and as mentioned in answer to question 2, we think an effective date for the standard needs to allow more time for implementation. The proposed 12 – 15 month lead time is too tight and we think at least 18 months should be allowed.

Thirdly, and regarding paragraph 19, it would be helpful to have certain acceptable assessment activities mentioned, for instance examinations.

We hope that the above points are helpful and we look forward to the finalised revised standard in due course. Please contact Jonathan Jones, Head of Policy & Strategy, on [jonathan.jones@icaew.com](mailto:jonathan.jones@icaew.com) or +44(0)1908 248 292 if you would like any further clarification or information about our views at this stage.

Yours faithfully



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