

## CIPFA response to IAESB consultation on the IES 4 Exposure Draft

### Introduction

The Chartered Institute of Public Finance and Accountancy (CIPFA) welcomes the redrafting of International Education Standard 4, Professional Values, Ethics and Attitudes.

It is noted that there have been few, if any, substantive changes in this redrafting, and that the main objective has been to improve clarity.

### Requests for specific comments

Question	Comment
Question 1: Is the proposed requirement for reflective activity in relation to ethics education appropriate?	CIPFA regards reflective activity as an essential part of Initial Professional Development (IPD), and it is appropriate to include a requirement for reflective activity in relation to ethical dilemmas.
Question 2: Does this requirement raise implementation issues?	Potentially, there are difficulties in verifying the reflective activity, but this applies to a number of aspects of IPD. The role of an independent person, such as the employer of the aspiring professional accountant, is important in providing verification.
Question 3: Is the objective to be achieved by a member body, stated in the revised IES4, appropriate?	Yes.
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.
Question 5: Are there any terms within the proposed IES 4 which require further clarification? If so, please explain the nature of the deficiencies.	Although the composite term 'professional values, ethics and attitudes' is defined in the IAESB Glossary of Terms, and this is referenced in A2 within the standard, it may be more helpful to include the full definition within the standard. As this term is fundamental to the standard, and makes up its title, it is crucial that the meaning of the term is evident.

## **Further comments**

### *Explanatory Materials, A4*

An important issue is that professional values, ethics and attitudes may be included within an education programme both as a separate topic and also as a key feature of other subject areas (eg the role of an accountant). It is noted that this is highlighted in A4 within the Explanatory Materials of the standard.

### *Explanatory Materials, A4*

This paragraph refers to the need to consider how to integrate the IESBA Code with local regulations and requirements. CIPFA agree with this point, and would suggest that this may be taken further to include integrating the Code with the environment in which their members typically work. CIPFA has produced a guide for members to address this issue: *'Ethics and You – A Guide to the CIPFA Standard of Professional Practice on Ethics'*  
[http://www.cipfa.org.uk/conduct/download/Ethics\\_and\\_you\\_SOPP\\_Feb2011.pdf](http://www.cipfa.org.uk/conduct/download/Ethics_and_you_SOPP_Feb2011.pdf)

As well as containing reference to UK legislation, the guide contains a foreword which highlights and interprets ethical issues with particular reference to the public services context in which most CIPFA members work.