



16 October 2012

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Dear Sir/Madam

**Exposure Draft: Proposed International Education Standard (IES) 4 *Initial Professional Development – Professional Values, Ethics and Standards***

CPA Australia welcomes the opportunity to comment on the proposed IES 4. CPA Australia is one of the world's largest professional accounting bodies, with a membership of more than 139,000 finance, accounting and business professionals and leaders in 114 countries. Our vision is for CPA Australia to be the global professional accountancy designation for strategic business leaders. We support the overall purpose of the revision of this standard.

**Responses to Specific Questions**

1. The IAESB recognises the importance of a consistent approach across IES's, and is proposing to adopt a tabular format for requirements relating to learning outcomes which is applied consistently across IES's 2, 3, 4 and 8. This tabular format is set out in paragraph 11, Table A of the proposed IES 4 Exposure Draft (June 2012).

*Question 1: Do you agree with the tabular format for learning outcomes?*

CPA Australia agrees with the tabular format for learning outcomes. This format provides clarity in understanding the relationship between competence areas and learning outcomes, and provides a structured approach that can assist member bodies in their adoption and implementation.

*Question 2: Do you agree with the competence areas identified for ethics education?*

CPA Australia agrees with the competence areas identified for ethics education but we also suggest that the competence area of ethical decision making should be included. Ethical decision making is an important competence and understanding the factors that affect it, the significance of moral awareness and the biases and heuristics that may interfere with ethical decisions and behaviours are essential in promoting ethical behaviour.

*Question 3: Do you agree with the minimum levels of proficiency as identified for each competence area?*

CPA Australia agrees that the intermediate level is the appropriate minimum proficiency for each competence area.

*Question 4: Do you agree that the learning outcomes related to professional scepticism and professional judgement identified are appropriate for ethics education?*

CPA Australia believes the learning outcomes identified for professional scepticism and professional judgement is appropriate.

2. Appendix 1 of the proposed IES 4 Exposure Draft (June 2012) provides a description for each of the four classifications of proficiency to help IFAC member bodies set learning outcomes for professional accounting education programs. Examples of indicative verbs under each level of proficiency are also included to assist those who wish to develop additional learning outcomes. Appendix 1 is common to the proposed IES 2, 3, 4 and 8, which also focus on learning outcomes, so the descriptions provided focus beyond technical competence, relating to all aspects of professional competence.

*Question 5: Does Appendix 1 of the proposed IES 4 Exposure Draft (June 2012) provide adequate clarification to assist in the interpretation of the learning outcomes that are listed in Paragraph 11 of the proposed IES 4 Exposure Draft (June 2012)? If not, what changes do you suggest?*

CPA Australia believes the descriptions provided in Appendix 1 provide a suitable level of clarification to enable interpretation of the learning outcomes in Paragraph 11.

3. The proposed IES 4 Exposure Draft (June 2012) has also been redrafted according to the guidelines provided in the IAESB Drafting Conventions, and in order to provide a high level of consistency across the IESs which address the learning outcomes for aspiring professional accountants.

*Question 6: Are there any terms within the proposed IES 4 Exposure Draft (June 2012) which require further clarification? If so, please explain the nature of the deficiencies.*

All terms in the proposed standard are clearly defined.

*Question 7: Do you anticipate any impact or implications for your organisation, or organisations with which you are familiar, in implementing the new requirements included in this proposed IES 4 Exposure Draft (June 2012)?*

CPA Australia does not anticipate any negative impacts related to implementation of the proposed IES 4 Exposure Draft (June 2012).

If you require further information about our submission please contact Eva Tsahuridu.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alex Malley', with a stylized flourish at the end.

Alex Malley FCPA  
Chief Executive Officer

cc: E Tsahuridu