



IES EXPOSURE DRAFT: RESPONSE TEMPLATE

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)	Teaching Commission of the Association of Public Accountants in Mexico City
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Noemí Vásquez Quevedo
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	nvasquez@tec.mx
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.	North America
	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.	Academic or Academic body
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	Association of Public Accountants in Mexico City is part of the Mexican Institute of Public Accountants, which is a member of IFAC.

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):

In general, we support the proposed revisions to the IES 2, 3, and 4 standards regarding sustainability, as we consider them necessary to respond to the growing demand for sustainability information and assurance, and to modernize accounting education. However, we would like to offer some specific observations and suggestions:

1.- Integration into Existing Structures:

We suggest that sustainability aspects be integrated into existing educational structures rather than creating new separate areas. Specifically, in the case of assurance, we believe this area is already sufficiently covered by auditing. Integrating sustainability into the current frameworks would facilitate its implementation in the Mexican context and maintain coherence with existing educational and professional frameworks.

2.- Expansion of Learning Outcomes (IES 2):

We recommend further expanding the learning outcomes in IES 2 to include more explicit references to specific sustainability frameworks, such as the Task Force on Climate-related Financial Disclosures (TCFD). This would better prepare aspiring professional accountants to handle current sustainability challenges and requirements. Although it may seem contradictory, a balance of all existing sustainability regulations should be considered, as there is not enough time in the curriculum to cover each one in depth.

3.- Communication Skills and Practical Scenarios (IES 3):

In IES 3, we suggest improving the focus on communication skills by including more practical scenarios and case studies that reflect real sustainability challenges. This will allow students to develop practical and applicable competencies in the field of sustainability.

4.- Understanding Conscious Business:

We consider it essential for professional accountants to understand the concept of conscious business and make decisions accordingly. The inclusion of these principles in accounting education will contribute to the formation of more ethical and responsible professionals.

5.- Effective Date:

We propose that the effective date of the changes be set before July 2026, as other significant changes in the field of sustainability could occur during this time. An earlier implementation would ensure that professional accountants are prepared to meet current and future challenges in a timely manner.

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 comments below](#)

Detailed comments (if any):

In general, we consider the proposed sustainability learning outcomes to be sufficient and appropriate for the expectations of aspiring professional accountants. However, there are areas that could be strengthened to ensure comprehensive and relevant training:

1.- Importance and Modernization of the Topic:

We are pleased that sustainability is considered within the learning outcomes. This recognition is crucial as currently few subjects address this topic. The proposed learning outcomes are a good starting point, but they should be continuously updated and strengthened to reflect the evolving and increasing importance of sustainability.

2.- Strengthening Learning Outcomes:

We propose placing greater emphasis on the analysis of risks and opportunities related to sustainability. Additionally, it is essential for students to understand industry-specific regulatory frameworks and develop skills for measuring and managing social and environmental impact.

3.- Local Regulations and Mexican Context:

It would be valuable to include learning outcomes related to local sustainability regulations, particularly in the Mexican context. This would ensure that future accountants are prepared to apply their knowledge within the local legal and regulatory framework.

4.- Application of Assurance Principles:

The learning outcomes should also focus on how existing assurance principles apply to sustainability topics. This will enable aspiring accountants to understand and effectively apply assurance concepts in sustainability reporting.

5.- Technology and Data Analysis:

Recomendamos incluir resultados de aprendizaje más detallados relacionados con el uso de tecnología y análisis de datos en la elaboración de informes de sostenibilidad. La capacidad de utilizar herramientas tecnológicas avanzadas es crucial para la recopilación, análisis y presentación de datos de sostenibilidad.

6.- Ethical Considerations:

It is important to introduce specific learning outcomes related to ethical considerations in sustainability, such as managing conflicts of interest and avoiding greenwashing. These ethical aspects are fundamental to maintaining the integrity and credibility of sustainability reports.

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):

The opinions of the members of the Teaching Committee on the proposal to create a new area of competence for assurance in IES 2, 3, and 4 are varied, but in general, we support the proposal with some recommendations for improvement:

1.- Strengthening the Existing Area of Assurance:

Instead of creating a new area of competence, some members suggest strengthening the existing area of assurance (more related to auditing) with specific sustainability content. This would avoid the fragmentation of knowledge and better align with current regulations. Additionally, it would be more efficient for implementation in the Mexican context, where integration into existing frameworks could facilitate the adoption and application of these contents.

2.- Creation of a New Area of Competence:

Other members support the proposal to create a new area of competence for assurance, considering that the initial level is appropriate as it provides a solid foundation upon which additional specialized knowledge can be built. Specialization in sustainability assurance is seen as a growing need in the accounting field and can offer significant advantages for future professionals.

3.- Considerations on Specialization:

It is important to ensure that specialization in assurance does not exclude other essential knowledge areas for an accounting professional. For example, a professional specializing in finance might overlook the fiscal aspects and their effects, which could be detrimental. Training must be comprehensive and balanced to ensure that accountants can address all relevant aspects of their profession.

4.- Cross-Curricular Inclusion of Sustainability:

It is not enough to create a new area of competence for assurance. It is essential that the inclusion of sustainability topics is horizontal and cross-curricular in all subjects studied by an accountant. Sustainability must be a theme present throughout the curriculum, ensuring that all accountants, regardless of their specialization, have solid and applicable knowledge in this area.

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):

The opinions of the members of the Teaching Committee on the level of the new area of competence in assurance and the proposed learning outcomes are generally favorable, with some recommendations for improvement:

1.- Professional Experiences:

It is appropriate, but it is essential for students to seek professional experiences to complement their theoretical training. Professional practice is crucial to effectively develop competencies in assurance.

2.- Progressive Approach in the Mexican Context:

In the Mexican context, a progressive approach that starts at a fundamental or basic level and advances to an intermediate level would be beneficial. This will ensure a smooth and effective transition in acquiring knowledge and skills in sustainability assurance.

3.- Assurance of Non-Financial Information:

It is crucial that the new area of competence in assurance includes specific learning outcomes related to the assurance of non-financial information. This is essential for a comprehensive and robust sustainability report.

4.- Practical Examples and Case Studies:

We consider it important to include practical examples and case studies to enhance the understanding and application of assurance principles in sustainability contexts. These didactic resources will help students apply their knowledge in real and diverse situations.

5.- Cross-Curricular Integration of Sustainability:

As mentioned in the previous response, it is important that sustainability is not seen as an isolated topic, but rather integrated cross-curricularly into all subjects and study areas of accounting. Sustainability should be a criterion considered in all activities and professional developments of accountants.

6.- Measurement of Learning Outcomes:

Learning outcomes should be measured objectively according to the professional profile of accounting students. It is important that these outcomes reflect the competencies and skills necessary for effective professional performance in the field of sustainability assurance.

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: [Click to select from dropdown menu](#)

Detailed comments (if any):

In general, the terms within the new and revised learning outcomes of the IES 2, 3, and 4 standards are clear, but some could benefit from further clarification to ensure consistent understanding and application. Below, we detail specific observations and suggestions:

1.- Systems Thinking:

Clarification Needed: Define "systems thinking" more explicitly to ensure consistent understanding and application. This term is essential in the context of sustainability as it involves considering how different components of a system interact with each other and how changes in one part of the system can affect other parts.

Suggestion: Include practical examples and specific applications in accounting to illustrate this concept.

2.- Scenario Analysis:

Clarification Needed: Explain in detail what is meant by "scenario analysis" in the context of sustainability. This term involves evaluating possible future events or conditions and their impact on current decisions.

Suggestion: Provide guides and methodologies for conducting effective scenario analysis in accounting practice.

3.- Value Chain:

Clarification Needed: Define "value chain" in terms of sustainability, explaining how each link in the chain can impact the overall sustainability of an organization.

Suggestion: Offer case studies that demonstrate how companies can manage and improve sustainability throughout their value chain.

4.- Informed Conclusions vs. Well-Founded Conclusions:

Clarification Needed: Clarify the distinction between "informed conclusions" and "well-founded conclusions" to avoid confusion. Both are important for the decision-making process, but they can be interpreted differently without a clear definition.

Suggestion: Provide examples and criteria that help differentiate and correctly apply these terms in professional practice.

5.- Alignment with Accounting Terminology:

Clarification Needed: It is important that the terms used align with the predominant technical terminology in our profession to maintain coherence and facilitate understanding.

Suggestion: Ensure that the new and revised terms are consistent with other regulatory and normative frameworks used in accounting.

In conclusion, while the wording of the standards provides a solid foundation, further clarification of the mentioned terms is recommended to ensure effective understanding and application by future accounting professionals.

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):

Yes, the adoption and implementation of the proposed revisions to the IES 2, 3, and 4 standards will present several challenges for our organization, especially as an educational institution. The key points are outlined below:

1.- Teacher Training:

It will be a challenge to ensure that teachers study and thoroughly understand the new sustainability topics in order to adequately teach them to students.

2.- Program and Curriculum Design:

Designing new programs and incorporating these thematic contents transversally in universities will present a significant challenge. It is necessary to develop curricula that integrate sustainability into all subjects.

3.- Educational Resources in Spanish:

Creating and updating educational resources in Spanish will be essential to facilitate the teaching and learning of these new contents.

4.- Gradual Implementation and Pilots:

We suggest a gradual implementation, starting with pilot programs to test and adjust the new contents before full adoption. This will allow for a smoother and more manageable transition.

5.- Collaboration and Support Network:

Promoting collaboration among universities, professional organizations, and companies will be key to sharing best practices and resources. Creating a support network can facilitate the adoption of the new standards.

6.- Awareness and Organizational Culture:

It is crucial to work both in companies and academia to incorporate changes from the organizational and academic culture. Promoting awareness of the importance of sustainability and its integration into all areas of the accounting profession is fundamental.

7.- Updated Teaching Staff:

Having updated teaching staff and adjusting the curriculum time are significant challenges. It is essential to ensure that teachers are well-prepared to teach the new sustainability content.

8.- Implementation Date:

The proposed effective date of July 1, 2026 seems reasonable. However, it is recommended to provide comprehensive training and resources for teachers to facilitate the transition. A phased implementation plan will allow educational institutions enough time to adapt.

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: [See comments below](#)

Detailed comments (if any):

The feedback received from the members of the Teaching Committee reflects a recognition of both the challenges and opportunities presented by the proposed revisions to the IES 2, 3, and 4 standards regarding sustainability. The following comments have been integrated, and a general final comment is offered.

1.- Great Challenge and Opportunity:

It is recognized that the adoption and implementation of these revisions represent a great challenge, but also a significant opportunity to differentiate accounting professionals and institutions that proactively address the topic.

2.- Significant and Necessary Progress:

In general, the proposed revisions to IES 2, 3, and 4 are seen as significant and necessary progress in the professional education of accountants. These changes will better equip future professionals to address the complex sustainability challenges facing the global economy.

3.- Development of Supplementary Materials and Resources:

It is essential to consider the development of supplementary materials and resources, such as webinars and workshops, to support the implementation of the updated standards. Additionally, developing specific materials for teachers is crucial to ensure effective and quality teaching.

Final Comment:

In conclusion, the adoption of the proposed revisions to the IES 2, 3, and 4 standards is seen as a crucial opportunity to advance the training of professional accountants, preparing them to face sustainability challenges. While the implementation of these changes will present challenges, especially in terms of teacher training and curriculum updates, it also offers an opportunity to elevate the level of accounting education and highlight professionals and institutions committed to sustainability.

We recommend that the IFAC consider providing additional support through the development of educational materials and resources, as well as fostering collaboration between universities, professional organizations, and companies. A gradual and well-planned implementation, supported by a network of resources and best practices, will facilitate a successful and effective transition.

We are enthusiastic about the opportunities these revisions will bring to our profession, and we are committed to diligently working to integrate these changes into our educational programs.

Sincerely,

Members of the Teaching Committee