



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)	Institute of Singapore Chartered Accountants (ISCA)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Melissa Wu Head, CA Education and Learning
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Judy Chen Associate Director, CA Education and Learning
E-mail address(es) of contact(s)	melissa.wu@isca.org.sg judy.chen@isca.org.sg
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.	Asia Pacific
	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.	Member body and other professional organization
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	<p>The Institute of Singapore Chartered Accountants (ISCA) is the national accountancy body of Singapore. ISCA’s vision is to be a world-class accountancy body of trusted professionals, contributing towards an innovative and sustainable economy. There are over 36,000 ISCA members making their stride in businesses across industries in Singapore and around the world. ISCA members can be found in over 40 countries and members based out of Singapore are supported through 12 overseas chapters in 10 countries.</p> <p>Established in 1963, ISCA is an advocate of the interests of the profession. Complementing its global mindset with Asian insights, ISCA leverages its regional expertise, knowledge, and networks with diverse stakeholders to</p>

	<p>contribute towards the advancement of the accountancy profession.</p> <p>ISCA administers the Singapore CA Qualification and is the Designated Entity to confer the Chartered Accountant of Singapore – CA (Singapore) – designation. ISCA is a member of Chartered Accountants Worldwide, a global family that brings together the members of leading institutes to create a community of over 1.8 million Chartered Accountants and students in more than 190 countries.</p>
--	---

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):

Appendix A: Proposed learning outcomes changes to IES 2, Initial Professional Development – Technical Competence

Noting the attempts to align the terminology in the revisions to IES 2, IES 3, and IES 4 with IFRS S1 and S2, we recommend that the following learning outcome be edited to focus on the application of sustainability principles (e.g., materiality, relevance) in the areas of financial reporting and management accounting.

(a) Financial accounting, disclosure and reporting (Intermediate)

(iv) "Evaluate the appropriateness of policies used to prepare sustainability disclosures and reports **and apply relevant sustainability principles to financial reporting and management accounting practices, ensuring that disclosures are comprehensive, transparent, and tailored to stakeholder needs.**"

(g) Governance, risk management, and internal control

The change to 'external reporting' may slight the importance of internal reporting. To emphasise on external reporting, suggest changing to "**financial reporting, especially external reporting**".

(l) Business strategy and management

The inclusion of a systems-thinking approach reflects feedback, emphasising the importance of considering interrelations and interdependencies in strategic decision-making. This broader perspective encourages thorough analysis of complex business situations.

We recommend including the definition of the 'Systems-thinking approach' in the glossary in IES 2 to improve clarity.

Appendix B: Proposed learning outcomes changes to IES 3, Initial Professional Development – Professional Skills

The proposed changes align well with modern professional practices. For the **Intellectual** domain, changing from "well-reasoned conclusions" to "informed conclusions" highlights the need to seek out external sources and perspectives, promoting teamwork and systems-thinking for better decision-making. In the **Interpersonal and Communication** domain, the updates stress the importance of clear communication, teamwork, and collaboration, essential for innovation and problem-solving in today's diverse work environments. The **Personal** domain revision emphasizes the need for aspiring accountants to stay

curious, open to new ideas, and actively engage with emerging practices and changing professional landscapes, supporting continuous learning and adaptability.

Appendix C: Proposed learning outcomes changes to IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes

(a) Professional scepticism and professional judgment

These proposed revisions are well supported by the rationales stated. However, the statements lack clarity, especially on how they relate to sustainability; we suggest improving the clarity to make the revisions become more relatable and demonstrate the practical application of the principles outlined in the standards.

(b) Ethical principles

For (i) and (ii), consider whether it would be necessary to limit the scope to “**professional responsibilities**” to those of professional accountants.

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):

The sustainability learning outcomes are generally adequate, covering key areas such as environmental, social, and governance issues. They provide clear guidance on applying these principles in practical scenarios like financial reporting and risk management and using case studies and examples helps make the concepts more understandable.

We believe the learning outcomes should incorporate some flexibility to adapt to future changes in sustainability standards. Emphasizing core principles and critical thinking will help accountants stay current with new developments. Additionally, integrating these outcomes with other areas of the accounting curriculum could enhance their relevance and practical application.

- 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):

We agree with the proposed revision to split up audit and assurance into two separate competence areas. This reflects feedback on the growing importance of sustainability assurance engagements while maintaining audit as the primary focus of the competence area's learning outcomes.

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 proposed assurance competence area and learning outcomes at the foundation level is a good start, but we need to be mindful that they will not fully prepare aspiring professional accountants for the complex demands of the field. While setting a basic standard ensures that all accountants have a fundamental understanding, the growing importance of sustainability and other assurance services may require a more advanced approach.

The current foundation level might not cover all the necessary skills and knowledge required for emerging assurance areas, such as sustainability assurance. To address this, we recommend ensuring that the competence area and learning outcomes at the foundation level emphasize a broad understanding of assurance principles and their application across various contexts.

This approach would help aspiring professional accountants develop a strong foundational knowledge that can be adapted to emerging needs in the profession to ensure that aspiring accountants are equipped to handle diverse assurance tasks and uphold high-quality standards as the field evolves.

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: [Agree, with comments below](#)

Detailed comments (if any):

Some terms within the new and revised learning outcomes of IES 2, 3, and 4 could require further clarification. For example, “**sustainability principles**” should be clearly defined, including key concepts like materiality and relevance and how they apply to various assurance engagements. Additionally, the term “**systems-thinking approach**” should be explained in detail, showing how it involves looking at the bigger picture in decision-making. Adding these definitions to a glossary would help.

Other terms that need clarification include “**external reporting**” which should specify its coverage of financial statements and sustainability disclosures, and “informed conclusions,” which should be defined as conclusions based on a thorough evaluation of evidence and diverse perspectives. Lastly, “**professional scepticism**” should be better explained in the context of sustainability assurance, illustrating how to apply it while balancing judgment and ethical considerations. These clarifications will help ensure the terms are clearly understood and effectively used by aspiring professional accountants.

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):

The adoption and implementation of the revised IES 2, 3, and 4 require the new learning outcomes to be integrated into existing programs, including updates to curriculum and training materials, which will require additional resources and effort. Ensuring that both current and future professionals receive effective training on the revised standards will be crucial, potentially impacting training schedules, content updates, and the professional examinations administration process.

Additionally, updating the Continuing Professional Development (CPD) programs to reflect these changes will be essential. This will involve continuously developing new CPD courses, workshops, and materials to keep professionals up to date with the latest standards.

Balancing these updates with ongoing operations and other initiatives will be vital to ensure a smooth transition and the continued effectiveness of the Singapore CA Qualification and CPD offerings.

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):

We endorse the proposed revisions to IES on sustainability, which stemmed from a thorough process of gathering feedback and insights. Within the profession, assessment serves as a critical pillar for evaluating the competences of aspiring professional accountants. The proposed additions of principles such as authenticity, integrity, accessibility, and inclusion align with the modern world and workplace, ensuring that aspiring professional accountants are adequately prepared for the complexities of their diverse roles within the organizations in which they work.