



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) | The Accountants Association in Poland |
| Name(s) of contact(s) for this submission (or leave blank if the same as above) | <p>Dr hab. prof. UEK Joanna Krasodomska (the principal author of the response) Comments made by: prof. dr hab. Anna Karmańska, dr hab. prof. UŁ Radosław Ignatowski, prof. dr hab. Wanda Skoczylas, prof. dr hab. Anna Szychta, prof. dr hab. Gertruda K. Świdorska, dr hab. Prof. UEP Andrzej Niemiec, dr Przemysław Mućko, dr Katarzyna Kobiela-Pionnier</p> |
| E-mail address(es) of contact(s) | <p>joanna.krasodomska@uek.krakow.pl sekretariat@skwp.pl</p> |
| 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. | Europe |
| | 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 Accountants Association in Poland stands as the exclusive professional organization in Poland uniting individuals engaged in the accounting profession and related fields. With a network of 25 autonomous regional branches, the Accountants Association in Poland operates as a voluntary membership organization. Its members include both individuals (ordinary members) and companies (supporting members). Established in 1907, the Accountants Association in Poland is dedicated to advancing education in accounting and upholding a high standard of professional competence and ethical conduct among its members. Since 1989, the Accountants Association in Poland has held the status of an ordinary member within IFAC.</p> |

This response's authors are the Committee for International Collaboration and the Scientific Council of the Accountants Association in Poland members.

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):

Entities form one of the key groups of actors taking part in managing resources that can help achieve sustainable development. Therefore, it is natural to expect that accountants, who are crucial participants in business operations and their reporting, must also play (and already play) a role in this process. Accounting professionals of tomorrow, but also current accountants, are expected to be working in multi-disciplinary teams to advance the prospects not only of the business itself but also of the public and the planet's interests. This reasoning places accountants as important actors when it comes to the efforts undertaken toward sustainability.

Education in sustainability and the development of collaboration skills are crucial for accountants to increase their role in building sustainable organizations. However, there seems to be a gap existing between what has been identified as the best educational practice in this regard and what is currently being taught around the world. Therefore, the Accountants Association in Poland strongly supports the IFAC decision to revise IESs to cover also sustainability-related issues and believes that the inclusion of sustainability education in the accounting course syllabus will stimulate change in the values held by future (and current) accountants leading to the greater business and social rank of the accounting and accountants in society.

The Accountants Association in Poland supports the proposed revisions to the IES 2, 3, and 4 and agrees that sustainability should be integrated throughout the existing IESs. As IFAC rightly notes, sustainability is not a topic to be considered in isolation. However, this approach does present additional challenges, which are discussed in more detail in response to question 5.

The Association believes that the proposed changes to IES 2, 3 and 4 should also be adequately addressed in the current IES 7, Continuing Professional Development (2014). That is why this response refers not only to the future accountants, but also current 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 \(with no further comments\)](#)

Detailed comments (if any):

The Accountants Association in Poland proposes the following addition to the paragraph: (b) (ii) „Apply appropriate technology and techniques to support management decision making, including product, variance analysis, inventory management, and budgeting and forecasting, and value chain analysis **that takes into account environmental and social factors.**”

The statement highlighted above emphasizes that for sustainable development to be truly effective, it is essential to integrate environmental and social factors into management accounting practices. This integration ensures that the financial and strategic decision-making processes within organizations consider the broader impact on the environment, society, and governance structures, thereby promoting long-term sustainability.

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 assurance of sustainability reports is crucial to provide stakeholders with confidence that the information presented is accurate, complete, and trustworthy, in the same way as it has been practiced for a long time with respect to the audit of financial statements. While both sustainability reporting assurance and financial audits aim to enhance the reliability of the information provided, they differ significantly in their focus, standards, objectives, and outcomes.

Given the rising importance of assurance and the specifics involved, the Accountants Association in Poland supports the proposal to create a new competence area for assurance. After all, certain aspects of business information attestation necessitate that professional accountants possess specialized knowledge or seek assistance from experts. For instance, valuers are needed to verify real estate market valuations, and actuaries are required to evaluate the credibility of provisions for employee benefit

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 Accountants Association in Poland suggests considering to add to the proposed learning outcomes: "Explain the difference between limited and reasonable 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: [Agree, with comments below](#)

Detailed comments (if any):

The Accountants Association in Poland suggests defining the value chain rather than referencing other frameworks.

In the glossary value chain is defined as follows "The value chain is a reporting concept that is defined, described or otherwise specified in the applicable sustainability reporting framework". The proposal also states that "Value chain has been added to the glossary as a conforming amendment. The definition proposed aligns with the proposals from IESBA for the International Ethics Standards for Sustainability Assurance". While the Accountants Association in Poland acknowledges that, it shares the view that providing a definition that is actual definition would benefit the users of IESs.

If the value chain is considered an element of the business model, it should be referred to as such consistently in the IESs. Currently, the proposal uses both "business model, including value chain" and "business model, value chain (...)." The second phrasing suggests that these are separate disclosure elements, which can cause confusion. Consistency is essential to accurately reflect that the value chain is considered to be a part of the business model disclosure.

The Accountants Association in Poland believes that it is essential to standardize the terminology used for naming components in the presentation of business entities' achievements and suggests that it may be beneficial to add "sustainability disclosures" and "sustainability reports" to the glossary.

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):

As mentioned above the Accountants Association in Poland supports the IFAC's proposal to integrate sustainability into existing courses rather than create an area focused solely on sustainability issues. However, at least at the beginning, this approach might pose more challenges than the latter.

Implementation of the revised IESs and as a result including sustainability topics in every accounting course might present several challenges to the Accountants Association in Poland:

- Integrating sustainability content into each course could overwhelm the existing curriculum. Accounting programs such as financial reporting, auditing, taxation, and managerial accounting are already dense with essential topics. Incorporating sustainability into every course may result in

superficial coverage of both existing and new material, potentially diluting the overall quality of education.

- For the Accountants Association in Poland, an urgent challenge will be to ensure conditions in which every educator is able to expand their knowledge to effectively teach sustainability topics. Many accounting educators may not have a background in sustainability, necessitating additional training and professional development. This requirement could strain resources and time, particularly for educators who are already managing heavy teaching loads. What is more, some educators might resist changing well-established curricula to incorporate new topics. Adjusting courses to include sustainability might be met with reluctance, especially if there is uncertainty about the importance or relevance of these topics compared to accounting issues traditionally perceived as crucial, like taxes or consolidation.
- Providing comprehensive textbooks and teaching materials that integrate sustainability into all areas of accounting is also a particular challenge for the Accountants Association in Poland. Developing high-quality, relevant resources would take time and effort. Without adequate materials, educators might struggle to provide thorough and accurate instruction on sustainability topics, which might increase their reluctance and contribute to lowering the quality of education.

Addressing these challenges would require careful planning, resource allocation, and support for educators to ensure that sustainability topics are effectively integrated into accounting courses.

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 Accountants Association in Poland would like to use the opportunity to share some additional comments.

The document uses a few times the term „non-financial”. The Accountants Association in Poland notes, that there is a general agreement that this term is not adequate and should no longer be used to describe sustainability or ESG-related information.

According to the CSRD:” Many stakeholders consider the term ‘non-financial’ to be inaccurate, in particular because it implies that the information in question has no financial relevance. Increasingly, however, such information does have financial relevance. Many organisations, initiatives and practitioners in the field of sustainability reporting refer to ‘sustainability information’. It is therefore preferable to use the term ‘sustainability information’ in place of ‘non-financial information”.

The Accountants Association in Poland supports the above view presented in the CSRD and suggests replacing the term „non-financial” with „sustainability” in the final version of IESs.