INTRODUCTION
1) The overall purpose of this paper is to present feedback on a survey undertaken in selected countries on implementation of IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes in order to guide the CAG on the way forward in promoting global implementation of the IES.

2) This paper outlines:
   (a) A brief background on the survey.
   (b) Summary of feedback received.
   (c) Conclusion and recommendations on the way forward.

BACKGROUND
3) The Implementation Support Work Group (ISWG) of the IAESB undertook an informal survey among selected PAOs in North America, Africa, Asia, Middle East and Australia on implementation experience on IES 4.

4) The specific feedback requested centred on the following:
   (a) Institution(s) responsible for implementation of IESs on Initial Professional Development, including IES 4, in their jurisdictions.
   (b) Brief on how IES 4 has been implemented, including the assessment of achievement of prescribed learning outcomes such as through examinations and/or practical experience.
   (c) Whether reference has been made to existing support material on IES 4, such as Ethics Education toolkit videos, and their usefulness where so referenced.
   (d) Any challenges in implementation of IES 4, including on assessment of achievement of learning outcomes, and any good practice examples to be shared with other IFAC member bodies.
   (e) Any other feedback of relevance to the IAESB on implementation of IESs.

5) The informal survey was undertaken on behalf of the IAESB by Board members, Technical advisors and other contact persons in participating PAOs.

6) The broad objectives of the survey were to assist the IAESB to:
   (a) Assess the value and adequacy of existing implementation guidance on IES 4.
   (b) Identify any potential good practice examples in implementation of IES 4.
   (c) Isolate any implementation challenges.
7) Feedback was received from PAOs based in Mexico, United Kingdom, Kenya, Uganda, Tanzania, Rwanda, Burundi, South Africa, Sri Lanka, Australia, Japan, South Korea and Lebanon.

8) Additional input and comment was received from IFAC through Joseph Bryson, Director, Quality and Development (overseeing the Member Compliance Program).

SUMMARY OF FEEDBACK RECEIVED

9) The feedback received is summarised as follows:

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<th>Response requested</th>
<th>Summary of feedback received</th>
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| (a) Institution(s) responsible for implementation of IESs on Initial Professional Development, including IES 4. | - IES 4 and other IESs on IPD mainly implemented jointly by PAOs, training institutions/universities (education) and employers/practitioners (practical experience).
- In one jurisdiction, for example, the PAO through its accreditation requirements draws up its competency framework that each of the universities must meet to be accredited by the PAO. The competence framework incorporates the IESs requirements. The PAO also sets standard setting examinations, these are written during the practical training period towards qualification as a professional accountant. These examinations incorporate the requirements of IES 4. |
| (b) Brief on how IES 4 has been implemented, including the assessment of achievement of prescribed learning outcomes such as through examinations and/or practical experience. | Professional values, ethics and attitudes (PVEA) are integrated in the qualifications through either one or a combination of the following:
(1) **Examinations**: PVEA are examined as distinct papers (such as Ethics and Governance) or examined in content within various relevant papers, or a combination of the two.
   - The IES 4 learning outcomes, in terms of professional scepticism and professional judgement, ethical principles and commitment to the public interest, are incorporated among various subject modular learning outcomes.
   - Among the learning tools/approaches used to complement training include study guides, knowledge checks (multiple choice questions), ask the expert forum, find a study group, business simulations (fictional case studies), case studies (real life), video resources and interactive learning tasks (students receive feedback on their actions to help them understand what is correct and what is not).
   - As an example, one PAO has captured the ethical behaviour descriptors in three levels, as follows:
     ✓ Competent; considers the impact on the individual, organisation, profession and community when taking action; abides by a code of professional conduct/ethics; respects confidentiality.
     ✓ Proficient; identifies and acts appropriately on ethical issues; provides guidance on staff on ethical conduct; consistently demonstrates professional integrity on a range of issues.
     ✓ Expert: understands the rights and responsibilities of corporations and social and ethical foundations of business; Guides the business on ethical |
matters including values and considerations for decision making; Role models professional integrity; Holds others accountable for demonstrating ethical behaviour.

- It is noteworthy that some PAOs have incorporated additional learning outcomes on values, ethics and attitudes to those prescribed by IAESB.

(2) **Practical work experience:** Students may be required to discuss and demonstrate ethics and professional scepticism with an allocated supervisor in regular intervals, such as six months as part of a longer and defined pre-qualification practical experience period, usually between three and five years.

- The student may need to log their discussion on an online training file.
- Some PAOs have developed a series of practising ethics webinars and podcasts for students.
- The competencies for PVEA during practical experience are in some jurisdictions classified as “leading self” and incorporate delivering results, emotional judgements, adaptive mindset, critical thinking, problem solving and innovation, ethical behaviour, influencing others and diversity awareness.

- Work place assessment may include:
  ✓ Assessing any competencies claimed that are self written.
  ✓ Assessing the alignment of role claims with competencies claimed.
  ✓ Confirming claims of employment and detail of roles with employers.
  ✓ Confirming with the member the validity of their sign off experience.

(3) **Online ethics assessment:** An online learning programme based on a PAO’s or the IESBA’s Code of Ethics may be included primarily to ensure that students understand the ethical framework, are able to identify ethical principles relating to a scenario and advise on appropriate ways of addressing an ethical threat.

Some PAOs also provide a confidential ethics helpline for students.

- In one jurisdiction where the PAO works with accredited universities:
  - The universities incorporate the requirements of IES 4 in their written examinations. Some universities also have case studies in collaboration with some of the audit firms. These case studies also assess the requirements of IES 4. The PAO provides guidance to the universities in this regard.
  - The PAO also incorporates the requirements of IES 4 in the following:
    ✓ Written examinations during the practical training period. The PAO also has rules and policies with regards to the minimum and maximum ethics coverage on their examination.
    ✓ These are also included as part of the
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| (c) Whether reference has been made to existing support material issued by the IAESB on IES 4, such as Ethics Education toolkit videos, and their usefulness where so referenced. | Access to the implementation support material issued by the IAESB has been low. Some PAOs including from the developed economies were unaware of the existence of such material. One PAO noted that one of the reasons for the limited usage was copyright issues, and proposed that IAESB could provide clearer guidelines on the use of its supporting material to the PAOs or the rest of the community. Various alternative reference and support material on PVEA exist from other independent standard setting boards, IFAC and the PAOs themselves. Some PAOs have developed own and comprehensive support material including Ethics FAQs, webcasts in addition to providing a link to IESBA and IAESB support material. Some PAOs were willing to share their Guides with the IAESB. |
| (d) Any challenges in implementation of IES 4, including on assessment of achievement of learning outcomes, and any good practice examples to be shared with other IFAC member bodies. | Integrating ethics as a mind-set and approach to becoming a high quality qualified accountant as opposed to considering it as a technical module. One PAO noted that its candidates come from a diverse cultural background, and at times, their religion and belief dominate their ethical thinking, “instead of using a westernised ethical framework”. Hence the challenge was how to teach a consistent ethical decision framework while allowing candidates some room for religious reflection. It was also noted that in some countries where ethical standards are yet to be fully developed, some candidates commented that they found it difficult to connect a PAO’s teaching material with real life applications. The PAO addressed the challenge by investing heavily in developing digital artifacts (include business simulation with ethical dilemmas and ethical case studies) to supplement the study guides. It was observed by a PAO that candidates might face different challenges while engaging with a distance learning program, even when supported by the additional learning resources. Topics relating to ethics, public interest, professional judgement, can be taught more effectively in a mentoring environment or face to face learning. One PAO opined that the traditional domain of professional scepticism is still bound to audit and assurance, although the view that it should be expanded to a whole spectrum of accounting services is gaining momentum. This was also echoed by another PAO thus “How to make IES 4 requirements broader than just audit as others tend to incorporate this only in the audit module”. Universities generally cannot expose their students to real life issues and therefore issues of IES 4 tend to be theoretical. |
| (e) Any other feedback of relevance to the IAESB on implementation of IESs | IESs were implemented in compliance with SMO2: International Education Standards for Professional Accountants and other pronouncements by IAESB. Rationale for IESs: Implementation of IESs reduces international differences. |
- Provides international benchmarks.
- Increases the competency of the global accountancy profession.
- Contributes to the strengthening of the public trust.

COMMENTS FROM JOSEPH BRYSON – DIRECTOR, QUALITY AND DEVELOPMENT, IFAC (Oversees the Member Compliance Program)

(a) Global uptake of IESs was good, though support was still required in a number of jurisdictions.

(b) Implementation of IESs particularly on IPD involved multiple players with PAOs playing a lesser role in most jurisdictions. In some jurisdictions such as in Latin America and North America, universities played a greater role in IPD.

(c) Good practice examples on implementation of output based approach on CPD should also be considered.

(d) The survey on IES 4 was able to address a wider scope than that covered by IFAC under the Members Compliance Program.

(e) The feedback received from the survey was in agreement with information collected by IFAC from other jurisdictions as part of SMO returns.

(f) Need to work with regional organisations considering the diverse culture and religious backgrounds and their influence on ethics.

(g) Feedback received could also be shared with IESBA.

(h) A webinar with IFAC portfolio managers under the Members Compliance Program should be explored in January 2019 to further share relevant feedback on implementation of IESs.

CONCLUSION AND RECOMMENDATIONS ON THE WAY FORWARD

(a) There is general appreciation of the value of IESs across various jurisdictions and a demonstrated commitment towards full implementation of the standards. The level of adoption is however different from one jurisdiction to another.

(b) The existing support material on implementation of IES 4 is inadequate. In particular, there is a gap on good practice examples on implementation of IES 4 including assessment of demonstration of achievement of learning outcomes. In addition, the support material titled “Approaches to the Development and Maintenance of Professional Values, Ethics and Attitudes in Accounting Education Programs (2006)” is misaligned with the extant IES 4 (need to update literature review and findings and evaluate whether “good practices” provided remain relevant in the current L&D environment).

(c) Need for enhanced awareness on existing support material and development of additional support material ideally using interactive media such as videos and webinars and incorporating some good practice examples from select PAOs.

(d) Need for a review of the adequacy and comprehensiveness of existing learning outcomes under IES 4, and the standard as a whole in view of the recent developments such as the release of the new Code of Ethics by IESBA and feedback received from this survey.

(e) Need for greater engagement with other stakeholders involved in implementation of IESs including universities.

(f) The domain of professional scepticism should be extended beyond audit.

(g) The conditions on the usage of existing support material, including any copyright issues, should be clarified to users.

(h) The engagement with other standards setting boards, including the IESBA, should be enhanced in order to address emerging issues and challenges which are cross-cutting.

Prepared by Isaac Njuguna, Task force Chair, and task force members (October 2018)
(i) Follow up with PAOs that have expressed a willingness to share some good practice examples.

(j) Need for further survey on how various PAOs have incorporated ethics in CPD practices

(k) The project to be considered for takeover under the new model of education standards setting.

Action Requested:

1. Do you have any comments of the conduct of the survey and the findings?

2. Do you agree with the recommendations and the way forward based on the survey findings? If not, what are your suggestions for improvement?

3. Do you have any additional recommendations on the survey project?