

Response to Request for Comments on Exposure Draft: Proposed Revised IES 4, Professional Values, Ethics, and Attitudes

General Comments

In the Background paragraph of the Explanatory Memorandum there are two comments which I consider appropriate to contextualise my submission:

1. The statement is made that “the current [...] IES4 prescribes the professional values, ethics, and attitudes that professional accountants should acquire during the education program leading to qualification”. This statement (reworded in paragraph 1 of the proposed revised IES 4) appears to support the position that values, ethics and attitudes can indeed be developed and should be developed. I am in complete agreement with the statement and glad that this unambiguous position is taken. To my mind there is (and for some time has been) no place in the debate for whether values, ethics, and attitudes should be included in the learning and development of professional accountants (both during IPD and CPD). The debate should now be focussed on issues of methodology i.e. how values, ethics, and attitudes are acquired.
2. The Background paragraph indicates that the IESs should be revised with the aim to “[clarify] issues resulting from [...] experience gained from implementation of Standards”. My comments are framed from my experience gained as professional accountant who has extensive experience in as ethics educator as well as involvement in the practical experience component of the IPD as assessor and moderator on behalf of my professional body.

Based on my reading of the Significant Issues paragraph of the Explanatory Memorandum I believe the intention of the proposed revised IES 4 is to ensure behavioural competence i.e. changing behaviour in order to reflect professional values, ethics, and attitudes. The “values, ethics, and attitudes to be **acquired** by professional accountants through learning and development” (paragraph 1 of the proposed revised IES 4) are therefore meant to bring about a change in behaviour so that “aspiring professional accountants [**demonstrate**] professional values, ethics, and attitudes” (paragraph 6 of the proposed revised IES 4).

I am concerned that the Requirements of proposed revised IES 4 will be interpreted by member bodies in such a manner that ensures cognitive competence, but not necessarily behavioural competence. The majority of learning outcomes detailed in Paragraph 10 of the proposed revised IES 4 requires “the ability to explanation” or “compare”. An aspiring professional accountant could be assessed as competent in such outcomes relying solely on cognitive competence and with the complete absence of behavioural competence. In other words: knowing the right (professional/ethical) thing to do does not mean that the right thing will be done which becomes glaringly evident when a student is found cheating on their ethics exam. The last two learning outcomes in paragraph 10 requires “the ability to apply the fundamental principles” and “the IAESB Code”, but this does not alleviate my concern that member bodies will focus on assessing cognitive competence.

A final comment regarding paragraph 10 is that it seems to focus on a utilitarian theory of ethics (“compare consequences of unethical behaviour”). While students generally find utilitarian views of ethics the easiest to understand it leaves them the poorer for not being challenged by other ethical theories (e.g. deontology, virtue, care etc.). The challenging thinking and critical views of philosophy are valuable intellectual skills for the continued learning and development.

Further paragraphs where cognitive competence could be interpreted by member bodies as being sufficient are paragraph 9 (“an understanding of (a) ethical concepts, (b) theories...”) and paragraph A.6 (“knowledge and understanding of ethical concepts and theories...”). Paragraph A8 does “encourage member bodies to distinguish between (a) education aspiring professional accountants **about** professional values, ethics, and attitudes...” (emphasis added) but contrasts this with “an appropriate environment for ethical behaviour”. It would be a terrible reflection on the profession if this is interpreted to mean that an aspiring accountant’s unethical behaviour would be excused if, despite him having the knowledge of the right thing to do, he found himself in an environment not appropriate for ethical behaviour.

I support paragraph A14’s explanation to “use participative approaches that can enhance the learning of professional values, ethics, and attitudes” but would like to see paragraph A15 be worded more strongly i.e. “a variety of approaches **should** be used to enhance the learning experience” (bold is recommended change). To the same effect I would like to see paragraph A19 be more strongly worded i.e. “Differing measurement approaches **should** be employed...” (bold is recommended change). I believe this would be laying the foundation for ensuring behavioural competence. My experience has taught that there are many more approaches to enhance the learning experience in ethics, but at present this would only be anecdotal.

Specific Comments

1. Is the proposed requirement for reflective activity in relation to ethics education appropriate? I believe the change from requiring periods of reflection to reflective activity is an appropriate one which reflects the IAESB’s move from an input-based approach. I do not agree with the statement (in the Significant Issues paragraph) that “examples of reflective activity [are provided]”. Paragraph A17 list examples of “evidence of reflective activity”. If my comment demonstrates a misunderstanding of what is meant by “reflective activity” I think it emphasises that there should be concern about “translation issues” (Significant Issues paragraph”).
2. Does this requirement raise implementation issues? I again believe that there is a risk of member bodies interpreting this in a limited manner, as I have communicated as part of my general comments.

Yours faithfully,

Korien Sander CA(SA) M.Phil (Ethics)
Senior lecturer: Unit for Professional Ethics
Nelson Mandela Metropolitan University (Port Elizabeth, South Africa)
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