

IAESB REQUEST FOR COMMENT: IES 4

INTRODUCTION

We refer to the IAESB request for comment issued in July 2012 for which comment is due 11 October 2012.

QUESTION 1. DO YOU AGREE WITH THE TABULAR FORMAT ADOPTED FOR LEARNING OUTCOMES?

Agreed – the tabular format is not only appropriate but also easy to read and understand.

QUESTION 2. DO YOU AGREE WITH THE COMPETENCE AREAS IDENTIFIED FOR ETHICS EDUCATION?

No, SAICA does not agree with the taxonomy used in Table A, paragraph 11, for the following reasons:

1. In our view "Ethical principles" should be divided into two competence areas, namely "The theory of ethics" and the "Application of ethical principles".
2. The order in which competence areas are presented in the table should, in our view, be re-arranged as follows:
 - a. The theory of ethics
 - b. Application of ethical principles
 - c. Professional scepticism and professional judgement
 - d. Commitment to the public interest.

We believe that this is the order in which these competence areas ought to be addressed in the professional accounting education programme.

QUESTION 3. DO YOU AGREE WITH THE MINIMUM LEVELS OF PROFICIENCY AS IDENTIFIED FOR EACH COMPETENCE AREA?

No, SAICA does not agree with the minimum levels of proficiency as listed.

We are of the view the following minimum levels of proficiency would be more appropriate:

Competence Area	Current Minimum level of proficiency	Proposed Minimum level of proficiency
a. The theory of ethics	Intermediate	Foundation
b. Application of ethical principles		Foundation
c. Professional scepticism and professional judgement	Intermediate	Advanced
d. Commitment to the public interest.	Intermediate	

Appropriate indicative verbs should be allocated to the learning outcomes.

QUESTION 4. DO YOU AGREE THAT THE LEARNING OUTCOMES RELATED TO PROFESSIONAL SCEPTICISM AND PROFESSIONAL JUDGEMENT IDENTIFIED ARE APPROPRIATE FOR ETHICS EDUCATION?

Yes, SAICA does agree, but refer to our comments above relating to indicative verbs.

QUESTIONS 5: DOES APPENDIX 1 OF THE PROPOSED IES 4 EXPOSURE DRAFT (JUNE 2012) PROVIDE ADEQUATE CLARIFICATION TO ASSIST IN THE INTERPRETATION OF THE LEARNING OUTCOMES THAT ARE LISTED IN PARAGRAPH 11 OF THE PROPOSED IES 4 EXPOSURE DRAFT (JUNE 2012)? IF NOT, WHAT CHANGES DO YOU SUGGEST?

Yes, SAICA agrees.

QUESTION 6. ARE THERE ANY TERMS WITHIN THE PROPOSED IES 4 EXPOSURE DRAFT (JUNE 2012) WHICH REQUIRE FURTHER CLARIFICATION? IF SO, PLEASE EXPLAIN THE NATURE OF THE DEFICIENCIES?

SAICA is of the view that the term "professional knowledge" should be defined, refer for example to the definition of "technical competence" on page 10.

QUESTION 7. DO YOU ANTICIPATE ANY IMPACT OR IMPLICATIONS FOR YOUR ORGANIZATION, OR ORGANIZATIONS WITH WHICH YOU ARE FAMILIAR, IN IMPLEMENTING THE NEW REQUIREMENTS INCLUDED IN THIS PROPOSED IES 4 EXPOSURE DRAFT (JUNE 2012)?

No, SAICA believes that we would comply with the requirements of the proposed standard.