



## 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)	Association of Chartered Certified Accountants (ACCA)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Ann Lamb – Director of Professional Qualifications
Name(s) of contact(s) for this submission (or leave blank if the same as above)	-
E-mail address(es) of contact(s)	ann.lamb@accaglobal.com
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.	<a href="#">Global</a>
	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.	<a href="#">Member body and other professional organization</a>
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	-

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):**

ACCA welcomes the proposed revisions to embed sustainability throughout IES 2-4. We recognise that the area of sustainability is developing at pace and would suggest that consideration should be given to how the requirements for IES2, 3 and 4 remain relevant and updated on a timely basis.

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 updates to the learning outcomes to reflect sustainability are timely, however, as noted in our response to Question 1, consideration needs to be given to the process to keep the learning outcomes relevant and up to date for future developments.

One observation we would make is that the standards as written still focus on the role of the accountant being largely in sustainability reporting and assurance. It is only in the skills required section of the IES that some reference to the broader role is made, and that is only via the lens of the IFRS S1 thematic for disclosure of strategy, governance, risk management, metrics and targets.

We would suggest that the standards should ideally support the attractiveness of the profession by encompassing the many sustainability-related opportunities that are increasingly becoming part of a professional accountant's role. These are not restricted to assurance and reporting and include areas such as strategy, finance, risk management etc.

- 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 are supportive of the approach taken at this time to separate Assurance from Audit. We recognise that Sustainability assurance is a developing area, and the proposed assurance competence area requirements establish a baseline. However, consideration needs to be given to how the IESs will be updated as the area of sustainability assurance develops.

The IESBA are expanding their remit to non-accountants and several jurisdictions around the globe have or are considering the role of non-accountants undertaking sustainability assurance work, for example Europe via the CSRD. Therefore, further consideration may be given to the authority of education standards to cover non- accountants doing assurance.

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):**

As noted above, the proposed assurance competence area and related learning outcomes establish a baseline. Although due to the rapid change in this area, this may need to be reconsidered in the coming years.

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:** [Neither agree/disagree, but see comments below](#)

**Detailed comments (if any):**

Within IES2, learning outcome b(ii) uses the term 'appropriate technology and techniques' while e(iv) uses 'automated tools and technology'. Perhaps the same terminology could be used for both.

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 syllabus of the ACCA Qualification is updated annually, in line with changes in global legislation, regulation, best practice and the external environment in which professional accountants operate. Changes relating to sustainability have been and will continue to be incorporated within the ACCA Qualification without presenting any implementation challenges.

## 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):**

### IES 2

The following additional comments are provided on IES2:

- The use of systems thinking is at odds with the integrated/interconnected thinking approach taken in reporting, assurance standards and ethics code. Systems thinking excludes the value derived from open innovation and design thinking which are explored in ACCA's [Integrative thinking: the guide to becoming a value-adding CFO](#). The combination of all three models support the understanding and development of solutions for sustainability related work which typically present complex multi-dimensional problems to all involved, not just professional accountants. The integrative thinking approach is also central in navigating the ethical dilemmas that may result, which are explored in our [Ethical dilemmas in an era of sustainability reporting](#).
- In learning outcome j(ii), given the research about the importance of the value chain in sustainability, the verb 'describe' appears low in level. Consideration could be given to replacing with another verb such as 'analyse'.

### IES3

The following points are noted on specific revisions proposed for the learning outcomes of IES 3:

- The nature of learning outcome a(v) has been changed in the change of verb from "Respond effectively to" to "Evaluate".
- The changes to learning outcome b(ii) appear to have narrowed rather than widened the audiences as intended.
- Consideration could be given to changing the verb in learning outcome c(v) to 'demonstrate' rather than 'apply'.