

## CIPFA response to IAESB consultation on the IES 4 Exposure Draft

### Introduction

The Chartered Institute of Public Finance and Accountancy (CIPFA) welcomes the re-exposure of International Education Standard 4, Professional Values, Ethics and Attitudes in the light of comments received from IFAC members and others in 2011.

The points that CIPFA made in its response to the initial ED in July 2011 have largely been reflected in the text of the new ED, in particular the improved content defining the term 'professional values, ethics and attitudes'

### Requests for specific comments

Question	Comment
Question 1 – Do you agree with the tabular format adopted for learning outcomes?	Yes. This makes it much easier to confirm that our professional qualification syllabuses meet the minimum requirements in this area.
Question 2: Do you agree with the competence areas identified for ethics education?	Yes, although there is a slight inconsistency between the second item in Table A and the heading before Explanatory Material paragraphs A 24-37.
Question 3: Do you agree with the minimum levels of proficiency as identified for each competence area?	Yes. The intermediate level, based on the descriptions in the appendix, appears to be appropriate for aspiring professional accountants to reach by the end of their pre-qualification education and training.
Question 4: Do you agree that the learning outcomes related to professional scepticism and professional judgement identified are appropriate for ethics education?	Yes
Question 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?.	It would be useful to have some indication of the relevance of 'advanced' and 'mastery' levels in this context – ie are these to be expected within a set period post-qualification, or only on reaching certain levels of responsibility within an organisation (such as 'chief financial officer')?

<p>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.</p>	<p>No.</p>
<p>Question 7: Do you anticipate any impact or implications for your organisation, or organisations with which you are familiar, in implementing this proposed IES 4 Exposure Draft (June 2012)?</p>	<p>The content of the ED includes a number of points that are extremely pertinent to the review of CIPFA's Professional Qualification syllabuses and the specification of our Practical Experience Portfolio. In both cases, the requirements set out in the ED will be incorporated in the new syllabuses and guidance documents to be published in January 2013.</p> <p>These amendments to syllabuses and guidance documents will have an impact on our stakeholders, particularly students and their employers, but we would see that as being a necessary result of the need to continually improve the ethics (and related) content of CIPFA's education programme.</p>

## Further comments

### *Explanatory Materials, A30-34*

It is very helpful to have this definition of 'reflective activity' and associated guidance. We would regard this as being of particular importance in the practical experience requirements placed on aspiring professional accountants and in preparing them generally for CPD on qualification. As mentioned in our previous response to the IES 4 ED consultation, CIPFA has produced a guide for members to address this issue: '*Ethics and You – A Guide to the CIPFA Standard of Professional Practice on Ethics*' [http://www.cipfa.org.uk/conduct/download/Ethics\\_and\\_you\\_SOPP\\_Feb2011.pdf](http://www.cipfa.org.uk/conduct/download/Ethics_and_you_SOPP_Feb2011.pdf). This is something we encourage CIPFA students to refer to as they plan, execute and report on specific learning activities in the workplace.

### *Explanatory Materials, A35-38*

Paragraph A35 of the IES 4 ED makes reference to IES 6, in which principles that apply to the design of assessment activities used to assess professional values, ethics and attitudes are provided. However, IES 6 does not contain any *specific* guidance on how professional values, ethics and attitudes should be assessed as distinct from the guidance *generally* on assessment.

Paragraph A 36 of the IES 4 ED refers to the use of 'written assessments and workplace assessments', but does not provide any guidance on how these can be designed effectively. As paragraph A38 points out, the workplace assessment of the development of professional values, ethics and attitudes may need to be different to assessment within the formal education environment.

It would therefore be helpful to have more specific guidance in the IES 4 ED (and possibly in any revised IES 6) on how professional values, ethics and attitudes should be assessed. This is likely to need a progressive approach, with the testing of knowledge of the main principles at an early stage through to application in complex scenarios as part of the assessment of professional competence at the later stages of the education programme.