

# Sustainability Reporting and Accountancy Education

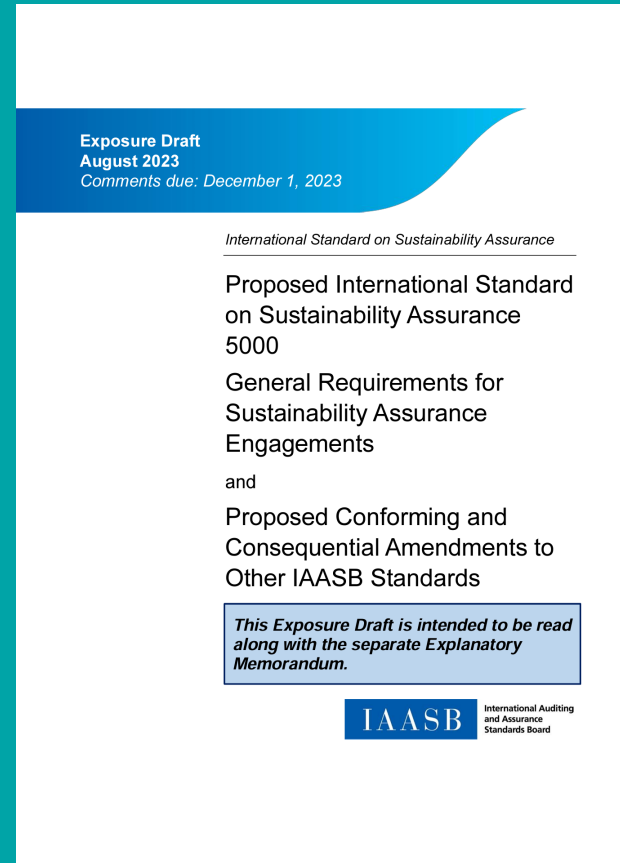
Proposed revisions to the International  
Education Standards (IESs)

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# Growing demand for sustainability-related information



What competence in sustainability reporting and assurance is needed by every professional accountant?

# Sustainability Reporting Project: Information Gathering

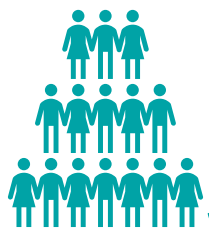
## Stakeholder outreach

SSBs

IFAC Advisory  
Groups

>70

Stakeholder  
engagements



Preparers, Auditors,  
Investors, Regulators,  
PAOs, Academics,  
Sustainability Experts.

## Literature review

- ☐ Competencies
- ☐ Education strategies
- ☐ Challenges



SRP and  
Educators



Academic  
Professional  
Firms



Leverage AI

## Global survey

Issued in four languages

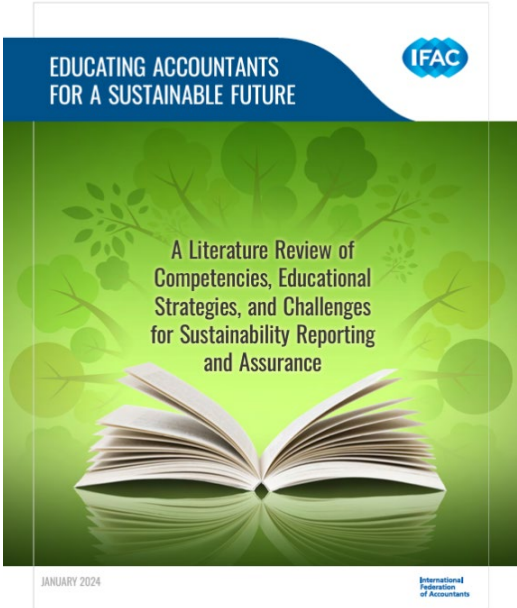
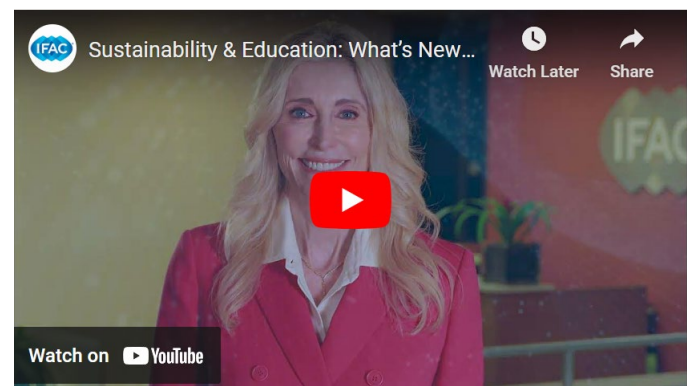


300+  
responses

78  
countries

Competency  
framework  
mapping

# Sustainability Reporting Project: Completed and Planned Output



IES™

EXPOSURE DRAFT

Final IES Revisions  
- Nov. 2024 -

Next steps

- ❑ Thought Leadership & Guidance
- ❑ Consideration of IES 8 – Audit Engagement Partners

How do the IESs need to change to  
reflect “what’s new”?

# IESs: Global Baseline for Accountancy Education

Authoritative for IFAC Member Organizations

ASPIRING  
PROFESSIONAL  
ACCOUNTANT



IES 1:  
Entry to a  
Program

INITIAL PROFESSIONAL DEVELOPMENT



IES 2:  
Technical  
Competence



IES 3:  
Professional Skills



IES 4:  
Professional Values,  
Ethics & Attitudes

LEARNING OUTCOMES



IES 5:  
Practical  
Experience



IES 6:  
Assessment

PROFESSIONAL  
ACCOUNTANT



IES 7:  
Continuing  
Professional  
Development



IES 8:  
Audit Engagement  
Partner

LEARNING  
OUTCOMES



# Competence Areas and Learning Outcomes

## IES 2

### ☐ (a) *Financial accounting and reporting*

*Level of Proficiency: Intermediate*

- (i) Apply accounting principles to transactions and other events.
- (ii) Apply International Financial Reporting Standards (IFRS) or other relevant standards to transactions and other events.
- (iii) Evaluate the appropriateness of accounting policies used to prepare financial statements.
- (iv) Prepare financial statements, including consolidated financial statements, in accordance with IFRS or other relevant standards.
- (v) Interpret financial statements and related disclosures.
- (vi) Interpret reports that include non-financial data and information.

### ⊕ (b) *Management accounting*

*Level of Proficiency: Intermediate*

### ⊕ (c) *Finance and financial management*

*Level of Proficiency: Intermediate*

### ⊕ (d) *Taxation*

*Level of Proficiency: Intermediate*

### ⊕ (e) *Audit and assurance*

## IES 4

### ☐ (a) *Professional skepticism and professional judgment*

*Level of Proficiency: Intermediate*

- (i) Apply an inquiring mind when collecting and assessing data and information.
- (ii) Apply techniques to reduce bias when solving problems, informing judgments, making decisions and reaching well-reasoned conclusions.
- (iii) Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.

### ⊕ (b) *Ethical principles*

*Level of Proficiency: Intermediate*

### ⊕ (c) *Commitment to the public interest*

*Level of Proficiency: Intermediate*



# Examples of IES learning outcomes

IES 2

- (iv) Prepare financial statements, including consolidated financial statements, in accordance with IFRS or other relevant standards.

IES 4

- (ii) Apply techniques to reduce bias when solving problems, informing judgments, making decisions and reaching well-reasoned conclusions.

# What's being proposed for the IESs?

# Overall Approach

## Initial Professional Development

- Changes to IESs 2, 3, 4
- CPD needs to be addressed through guidance and other resources



## Integrated

- Incorporating 'What's new' across competence areas and learning outcomes



## Global baseline

- What's the appropriate minimum education standard?  
Alignment to ISSB, IAASB and IESBA



# Integrating sustainability into...



BUSINESS  
ACUMEN



BEHAVIORAL



DATA &  
INFORMATION



REPORTING



ASSURANCE

**Ethics as the foundation for all professional activities**

# Business acumen



- Strategy and decision-making
- Systems-thinking
- Considering alternatives

# Behavioral



- Collaboration and communication
- Multi-disciplinary teams
- Informed conclusions
- Intellectual curiosity and adaptability

# Data and information



- Metrics and targets
- Value chains
- Scenario analysis



# Reporting



- Sustainability policies
- Preparing and interpreting sustainability disclosures and reports

# Assurance



- New competence area
- Foundation level
- Sustainability assurance focus

# Ethics as the foundation



- Bias
- Ethics in communications
- Working with others and external experts

# Overview of the changes



## Business acumen

Strategy and decision-making  
Systems-thinking  
Considering alternatives



## Behavioral

Collaboration and communication  
Multi-disciplinary teams  
Informed conclusions  
Intellectual curiosity and adaptability



## Data & information

Metrics and targets  
Value chains  
Scenario analysis



## Reporting

Sustainability policies  
Preparing and interpreting sustainability disclosures and reports



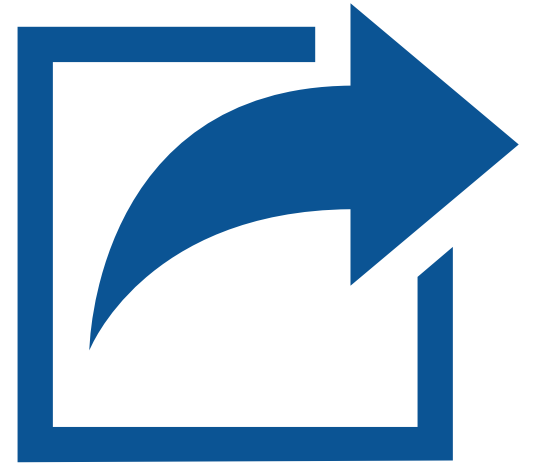
## Assurance

New competence area  
Foundation level  
Sustainability assurance focus

## Ethics as the foundation for all professional activities

Bias, communications, work of others and external experts

# Next Steps and Capacity Building



# IES Revision Process



PROJECT  
PROPOSAL



INFORMATION  
GATHERING



PANEL DECISION  
TO REVISE



DRAFTING OF  
EXPOSURE DRAFT



ISSUING OF  
EXPOSURE DRAFT

**Due Process Overseen by the IFAC Board**  
**Led by the International Panel on Accountancy**  
**Education & IFAC Staff**

# Next steps



COMMENT PERIOD  
OPEN UNTIL  
JULY 24, 2024



REVIEW COMMENT  
LETTERS AND UPDATE  
REVISIONS



IFAC BOARD –  
NOVEMBER 2024



PROPOSED EFFECTIVE  
DATE: JULY 1, 2026



# Capacity Building

Preparers

Assurance  
providers

Educators

Future  
accountants

Non-  
accountant  
experts

Regulators

# A Multi-Stakeholder Approach to Education



Alignment between education and emerging practice is key

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