

**Basis for Conclusions**  
**Prepared by IFAC® Staff**  
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*International Education Standards (IESs)*

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# Revisions to IES 2, 3, and 4 – Sustainability

IES™





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# BASIS FOR CONCLUSIONS

## REVISIONS TO IES 2, 3, AND 4 – SUSTAINABILITY

The Basis for Conclusions document for *Revisions to IES 2, 3, and 4 – Sustainability* has been prepared by IFAC Staff, as part of their support to the International Panel for Accountancy Education (“the Panel” or “IPAE”). It relates to but does not form part of *International Education Standard 2 – Initial Professional Development – Technical Competence (Revised)* (“IES 2”), *International Education Standard 3 – Initial Professional Development – Professional Skills (Revised)* (“IES 3”), and *International Education Standard 4 – Initial Professional Development Professional Values, Ethics and Attitudes (Revised)* (“IES 4”).

### Background

1. Recent years have seen a significant shift in demand from both internal and external stakeholders for sustainability-related information. Voluntary frameworks, like those issued by the Sustainability Accounting Standards Board, the Task Force of Climate-related Financial Disclosures, and the Global Reporting Initiative, have seen increased use by companies and organizations around the world<sup>1</sup>. New international reporting<sup>2</sup>, assurance<sup>3</sup>, and ethical<sup>4</sup> standards have been, or are in the process of being, developed and adopted. Likewise, numerous supranational and local jurisdictional sustainability requirements are being proposed or implemented.
2. The accountancy profession will play a key role in providing high quality, sustainability-related information and services. To help aspiring professional accountants prepare to meet these new demands, the Panel initiated the Sustainability Reporting Project (“SRP”) and established a Sustainability Working Group (“SWG”) to consider whether revisions to the existing IESs for Initial Professional Development (“IPD”) were needed. The SWG undertook the following information gathering activities:
  - Stakeholder outreach engagement, including more than 70 discussions with preparers, auditors, investors, academics, sustainability professionals, regulators, and professional accountancy organizations around the world.
  - A global stakeholder survey issued in Arabic, English, French, Portuguese, and Spanish that received more than 340 responses from 80 countries.

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<sup>1</sup> As noted in IFAC’s publication: *The State of Play: Sustainability Reporting and Assurance, 2019-2022 Trends & Analysis*.

<sup>2</sup> *International Financial Reporting Standard (IFRS) S1 General Sustainability-related Disclosures* and *IFRS S2 Climate-related Disclosures* were issued in June 2023. The International Public Sector Accounting Standards Board issued its first Sustainability Reporting Standard Exposure Draft 1, *Climate-related Disclosures* in October 2024 with an aim to approve it in the second half of 2025.

<sup>3</sup> The International Auditing and Assurance Standards Board (IAASB) issued the *International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements* in November 2024.

<sup>4</sup> In December 2024, the International Ethics Standards Board for Accountants (IESBA) approved two sets of standards on sustainability reporting and assurance, *International Ethics Standards for Sustainability Assurance (including International Independence Standards (IESSA))* and *Using the Work of an External Expert*.

- An accountancy education literature review, [Educating Accountants for a Sustainable Future](#), published in partnership with the International Association for Accounting Education & Research.
3. The findings obtained from the above activities are summarized as follows:
    - A clear message from stakeholders that while much of the accountancy profession’s existing professional competences are transferable to new sustainability reporting and assurance work, there is a need to focus on sustainability in the IESs to address market demand in a number of areas. This feedback was summarized in IFAC’s publication [Equipping Professional Accountants for Sustainability: What’s New and What Hasn’t Changed](#).
    - Support from the majority of these stakeholders for a range of standard setting development activities, including revisions to the extant IESs for IPD and the development of non-authoritative guidance, to address the changing skillsets needed by professional accountants, both now and in the future.
  4. In response, the Panel took forward an IES revision project to address these issues. An [Exposure Draft](#) setting out proposed updates to IES 2, 3 and 4 was published on April 24, 2024. A consultation period was opened for three months until July 24, 2024.
  5. In total, 44 responses were received from a broad geographic range as depicted in Table 1 below.

*Table 1: Geographic range of responses*

Region	Responses
Africa and Middle East	4
Asia	7
Australasia and Oceania	2
Europe	18
International	9
Latin America and Caribbean	2
North America	2
<b>Total</b>	<b>44</b>

6. A full list of the responses can be found in Appendix B. The response letters may be accessed on the [Exposure Draft](#) webpage.
7. The Exposure Draft included five questions for respondents. Appendix C provides an overview of these questions and summarizes the responses. The SWG evaluated the response letters and discussed them in detail. They provided the Panel with a summary of the responses, including the significant issues and the SWG’s proposed approach to address them. The Panel approved their approach during its October and November 2024 meetings and endorsed the final draft of IES 2, 3 and 4, including Conforming Amendments at their January 2025 meeting. IFAC Board confirmed the consultation process followed and approved the revised IES 2, 3 and 4 in February 2025.
8. An overview of the key enhancements to the final revised IES 2, 3, and 4 is discussed in paragraphs 9-29 below. Appendix A provides a mark-up of the final revised learning outcomes and the Panel’s rationale for the revisions, including where a decision has been made to not revise extant wording. Paragraphs 31-55 provide an overview of the significant issues raised by respondents, including how

these have been addressed in the final version of the revisions to IES 2, 3 and 4. Appendix D sets out a reconciliation of the Exposure Draft proposals to the final standards.

## Overview of Enhancements for Sustainability

9. The key enhancements to IES 2, 3 and 4 aim to prepare aspiring professional accountants for the technical competences, as well as the professional skills, values, ethics and attitudes needed for sustainability-related information.
10. International sustainability-related reporting, assurance, and ethical standards have rapidly grown in importance to the accounting profession. However, readiness for adoption and implementation is variable from jurisdiction to jurisdiction, with some more mature than others.
11. The revisions have been developed to provide a balanced, global minimum baseline, which ensures aspiring professional accountants are prepared for sustainability-related standards, without unduly overloading curriculums. This aligns with the principle-based approach of the IESs which allows for IFAC member organizations to interpret the standards in their jurisdictional context. IFAC recognizes that some individual IFAC member organizations may wish to adopt (or may have already adopted) sustainability learning outcomes which go beyond these revisions. IFAC encourages these IFAC member organizations and will seek to engage with them to promote and develop good practice and supporting resources on sustainability reporting and accountancy education in the future.
12. The key enhancements are discussed in turn below. The final learning outcomes and the Panel's supporting rationale are included in Appendix A.

## Integrated approach supported with additional Explanatory Materials

13. The findings summarized in IFAC's publication, [\*Equipping Professional Accountants for Sustainability: What We Have and What We Need\*](#), demonstrated that sustainability is not a topic to be considered in isolation. Aspiring professional accountants and professional accountants alike will need to be able to connect financial and sustainability data and information and consider the impact of the global sustainability landscape on business models, value chains, and strategies, as well as on governance, risks, and opportunities.
14. The Panel concluded that drafting a new IES or competence area solely focused on sustainability would not be a suitable approach. An integrated approach was undertaken to ensure the IESs remain principles-based and allow IFAC member organizations flexibility in implementation. This will be particularly important given the significant jurisdictional variability in the adoption of new sustainability reporting, assurance and ethics standards.
15. The enhancements avoid simply adding sustainability as an add-on to learning outcomes. This mitigates the risk of narrowing learning outcomes to exclude, for example, non-financial considerations which may be relevant to a jurisdiction. Learning outcome updates also avoid adding in unnecessary adjective constructions, such as 'financial and non-financial' or 'qualitative and quantitative'. Simply stating 'data and information' or 'procedures' covers both cases and avoids adding length and complexity to the learning outcomes. Some examples include:
  - *Budgeting* – these are not specifically limited to monetary budgets, but could include for example, carbon emission budgets.

- *Sources of financing available* – these are not specifically limited to traditional forms of financing, but could also include, for example, green bonds.
  - *Risks and opportunities* – these should be specific to an entity. Adding in ‘financial and sustainability’ would inappropriately narrow risks and opportunities from the broader considerations relevant to an organization.
16. To support this integrated approach, the Explanatory Materials have been updated to provide further clarity and context, with examples in specific areas, such as IES 2 (b) *Management accounting*. These are not the only areas where sustainability and/or other relevant non-financial considerations may be applicable when designing accounting education programs. IFAC member organizations will need to apply judgment when designing their accounting education programs.

### **Clarity on proficiency levels**

17. The Explanatory Materials have also been updated to provide further clarity on the interaction between proficiency levels and the directive verbs used in learning outcomes. This is to aid IFAC member organizations when considering how to incorporate complex topics, such as scenario analysis or assurance procedures, at an appropriate level for an aspiring professional accountant.
18. Scenario analysis, which is included in the IES 2 (c) *Finance and financial management* competence area at the intermediate level, would be designed into an accounting education program at a moderate level of ambiguity, complexity and uncertainty. In contrast, assurance procedures, which are included in the IES 2 (e) *Assurance* competence area at the foundation level, would be included at a low level of ambiguity, complexity and uncertainty.

### **Enhanced technical concepts**

19. Sustainability-related reporting, assurance, and ethics will require both aspiring professional accountants and professional accountants to understand new technical concepts or interpret existing concepts in a sustainability context. The enhancements aim to ensure aspiring professional accountants are prepared for this through updated learning outcomes addressing:
- *Connected information* – IFRS S1 includes a concept of ‘connected information’. Connected information enables users to understand the connections between information, for example between sustainability-related risks and opportunities, and the connections across different disclosures in general purpose financial reports. Learning outcomes IES 2 (a) *Financial accounting and reporting* (iv) and (e) *Assurance* (viii) have been added to reflect the importance of connectivity in reporting and assurance. The IES 2 Explanatory Material has also been revised to provide a definition of connected information.
  - *Metrics and targets* – Management accountants will play a key role in measuring and monitoring the sustainability-related metrics and targets that organizations set. Learning outcome IES 2 (b) *Management accounting* (i) has been revised to reflect the importance of metrics and targets.
  - *Value chains* – Reporting on the value chains is growing in importance to organizations. Professional accountants will play a role in both monitoring, measuring, reporting and assuring this information. To prepare aspiring professional accountants for this, the concept of value chains has been included in learning outcomes IES 2 (b) *Management accounting* (ii), (j) *Business and organizational context* (ii), and (l) *Business strategy and management* (iii).

- *Scenario analysis* – Scenario analyses help organizations to understand the resilience of their strategy and business model. Professional accountants are increasingly being asked to prepare and provide input into these scenario analyses. IES 2 (c) *Finance and financial management* (iii) has been updated to reflect this new skill for aspiring professional accountants.

### **New assurance competence area at foundation level**

20. Demand for sustainability assurance engagements is increasing, both to meet regulatory requirements, as well as address investor needs. A new competence area focused on assurance at a foundation level of proficiency has been added to ensure aspiring professional accountants are prepared for the future.
21. The underlying subject matter and level of assurance can vary for different assurance engagements. Given the jurisdictional variation, the new assurance competence area does not include learning outcomes mandating any specific subject matter. This allows IFAC member organizations the flexibility to adapt learning outcomes to meet their local needs.
22. The learning outcomes within the assurance competence area are set at a foundation level of proficiency. As audit is one form of assurance engagement, the assurance competence area learning outcomes broadly mirror the audit learning outcomes. However, the directive verbs used in the assurance competence area align to the foundation proficiency level. In addition, the new assurance competence area has two additional learning outcomes. These are necessary for understanding general concepts for assurance and include explaining differences between reasonable and limited assurance, and how connected information affects assurance engagements. These learning outcomes will ensure that accountants develop a foundational understanding of assurance fundamentals, which can be used to develop higher proficiency in other forms of assurance, including sustainability-related engagements and audits or reviews of historical financial information.

### **Business acumen focus**

23. Information gathering highlighted the important role that professional accountants will play in supporting management decision-making through the provision of high-quality sustainability related data and information. To address this, both aspiring professional accountants and professional accountants will need to develop strong business acumen, including the understanding of how the global sustainability landscape impacts business models, including value chains, and the overall organizational strategy.
24. To prepare aspiring professional accountants, business acumen related updates have been made to the IES 2 competence areas (b) *Management accounting*, (c) *Finance and financial management*, (j) *Business and organizational context*, and (l) *Business strategy and management*. This includes updating learning outcome (c) *Finance and financial management* (v) to include evaluation of capital investment decisions.

### **Enabling behavioral competences**

25. To address the demands of sustainability-related reporting, assurance and ethics, both aspiring professional accountants and professional accountants will need to develop enabling behavioral competences. To address this at IPD level, enhancements have been made across IES 2, 3, and 4 that emphasize concepts such as:

- *Collaboration and communication* – updates to learning outcomes emphasize the need to collaborate and work within or with multi-disciplinary teams, including experts and others.
  - *Informed decisions* – throughout IES 2, 3 and 4, updates have been made to highlight the importance of seeking out reliable data and information from a wide range of external sources and perspectives, and critically evaluating this information when making decisions.
  - *Intellectual curiosity and adaptability* – in the face of a rapidly changing environment, there is a need to be agile and committed to continuing professional development and learning.
26. Updates for new behaviors and professional skills were given careful consideration, noting that learning outcomes must be capable of being assessed. For example, a learning outcome asking for a professional accountant ‘to be adaptable’ cannot easily be assessed on face. Learning outcomes have been updated to integrate these concepts in an assessable way, for example, learning outcome IES 3 (c) *Personal* (v) has been updated to ‘Demonstrate intellectual curiosity to emerging ideas and practices’ to provide a meaningful way to demonstrate and assess adaptability, without specifically using the term adaptable.

### Changes from the Exposure Draft

27. The final revised learning outcomes are presented in Appendix A with the Panel’s rationale for revisions, including where a decision has been made to not revise the extant wording. The table below presents a high-level overview of the key enhancements in the final revised standards compared to the previously published Exposure Draft.

Exposure Draft proposals	Final revised standards
Learning outcomes were updated using an integrated approach, embedding relevant sustainability reporting and assurance standards and concepts into learning outcomes.	Learning outcomes were updated using an integrated approach, embedding relevant sustainability reporting and assurance standards and concepts into learning outcomes. Following feedback from stakeholders, the IFRS concept of ‘connected information’ has also been added to learning outcomes for financial accounting and reporting, as well as assurance. This approach has been augmented with the addition of new Explanatory Materials, which provide IFAC member organizations further context when interpreting learning outcomes.
Updates to provide a global baseline of accountancy education, with the ability for individual IFAC member organizations to adopt learning outcomes that go beyond the proposals.	Updates to provide a global baseline of accountancy education, with the ability for individual IFAC member organizations to adopt learning outcomes that go beyond the revisions.
New assurance competence area set at foundation level.	New assurance competence area set at foundation level. The assurance competence area now comes before the audit competence area to better reflect the relationship between assurance and audit. The assurance competence area allows IFAC member organizations the flexibility of determining the subject matter(s) most relevant to assurance

	<p>in their jurisdictions. The learning outcomes broadly mirror audit using lower-level directive verbs. This enables aspiring professional accountants to develop higher levels of proficiency in different forms of assurance, such as assurance of sustainability-related disclosures or audits of financial statements.</p> <p>Additional clarity has been provided in the Explanatory Materials to support IFAC member organizations on interpreting learning outcomes in the context of proficiency levels.</p>
Business acumen and behavioral competencies updated for sustainability reporting considerations.	<p>Business acumen and behavioral competencies updated for sustainability-related considerations.</p> <p>Following feedback from stakeholders, the learning outcomes no longer make reference to a 'systems-thinking approach' but maintain the objective of aspiring professional accountants developing competence in connecting data and information. This clarifies the language while maintaining the relevant principles of systems thinking.</p>
'Well-reasoned conclusions' updated to 'informed conclusions' throughout IES 2, 3 and 4.	<p>Following feedback from stakeholders on the importance of retaining 'well-reasoned conclusions,' learning outcomes now refer to 'informed decisions' while retaining references to 'well-reasoned conclusions'.</p>
Where appropriate, language and terminology modernized to increase the longevity of the updates.	<p>Where appropriate, language and terminology modernized to increase the longevity of the revisions.</p> <p>Further revisions were made to address stakeholder suggestions for improving the clarity of the IESs throughout.</p>

**Changes to Glossary and Conforming Amendments**

- 28. No changes have been made to the Glossary. Although a number of Glossary additions had initially been proposed in the Exposure Draft, when evaluating and debating the feedback received, the Panel determined including non-education specific terms in the Glossary would not be consistent with IES drafting conventions. Two definitions from IFRS have been included in IES 2 Explanatory Material; for definitions of other terms, IFAC member organizations should refer to relevant sustainability-related reporting, assurance, and ethics standards.
- 29. A conforming amendment has been made to the Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants (“the Framework”). This updates the quoted example from IES 2 (a) *Financial accounting and reporting* included in the Framework for consistency with the revised IES 2 language. Consistent with conforming amendments for IES 6, the Framework has also been updated to remove and replace references to the former International Accountancy Education Standards Board (IAESB) with updated references to IFAC and/or the Panel where relevant.

## Effective Date

30. The changes will be effective from July 1<sup>st</sup>, 2026. Earlier adoption is permitted and encouraged.

## Significant Issues and Panel Response

### Balance of the overall enhancements

#### *Summary of feedback*

31. The majority of responses (33) indicated they felt the learning outcomes were sufficient and appropriate. However, six responses indicated they had reservations in response to Question 2 (refer to Appendix C for further detail). These were split between those who felt the proposals should be more explicit when referencing sustainability (3), those who felt the proposals went too far (2), and those who disagreed but on a more limited basis (1). Furthermore, (1) response noted they did not agree or disagree with the sufficiency and appropriateness, as they felt sustainability concepts should be more explicitly referenced.
32. In addition to these comments, a number of responses received included specific drafting language suggestions to add in words like 'sustainability,' 'non-financial,' and 'qualitative' to certain learning outcomes, suggesting that they felt the proposals could benefit from further explicit reference to sustainability. There was also a drafting comment raised about reference to sustainability assurance however, which contradicted these views, noting that specifying sustainability assurance in learning outcomes could be interpreted as narrowing the scope and excluding other forms of assurance from this competence area.

#### *Panel Response*

33. Noting that the majority of responses were in support of the approach taken, the Panel discussed whether the approach to integrate sustainability, rather than 'add on' sustainability should be altered. On reflection, due to the need to maintain the principles-based approach of the IESs, as well as a desire to avoid inappropriately narrowing learning outcomes, the Panel determined it would not be appropriate to change the integrated approach taken.
34. However, to respond to the concerns raised on sustainability being made more explicit in the IESs, the Panel determined it would be appropriate to review the learning outcomes in further detail and consider whether further references should be made to sustainability topics, either in the learning outcomes themselves, or the Explanatory Materials.
35. While the Panel discussed the full set of competence areas across IES 2, 3, and 4, significant consideration was given to learning outcomes on financial accounting and reporting, management accounting, finance and financial management, governance, risks management and internal control, business and organizational context, and business strategy. A number of changes, such as the addition of learning outcomes of connected information, as well as the Explanatory Material additions across IES 2, 3, and 4, were made to address concerns that sustainability concepts needed to be made more explicit.
36. In many cases, the Panel concluded to not add in specific words like 'sustainability', 'qualitative' or 'non-financial' as they would inappropriately narrow the learning outcome. Some examples include:

- *Budgeting* – these are not specifically limited to monetary budgets, but could include for example, carbon emission budgets.
  - *Sources of financing available* – these are not specifically limited to traditional forms of financing, but could also include, for example, green bonds.
  - *Risks and opportunities* – these should be specific to an entity. Adding in ‘sustainability’ would inappropriately narrow risks and opportunities away from the broader considerations relevant to an organization.
37. The Panel also reflected on comments received on competence areas, such as taxation, which were not amended but could have sustainability implications. The Panel maintained its view the extant learning outcomes are sufficiently broad enough to include sustainability considerations. For example, preparing direct and indirect tax calculations would include any relevant sustainability-related tax rules and/or reliefs available in a jurisdiction.

### **Assurance and audit competence areas**

#### *Summary of feedback*

38. The majority of responses supported the creation of a new assurance competence area at the foundation level. However, feedback indicated a need for further clarity on the relationship between the assurance and audit competence areas (including on proficiency level and directive verbs used) and the potential need for updates in the future.
39. Concern was also noted that reference to sustainability explicitly could narrow the competence area and result in the exclusion of other non-audit assurance engagements. Of those who either disagreed or were uncertain, there were also concerns raised about potential inefficiencies and curriculum overload.

#### *Panel Response*

40. The Panel spent a significant amount of time evaluating, debating and reflecting on these views. This included seeking additional input from the AED Forum at its September 2024 meeting.
41. Feedback gathered from this session indicated support for clarifying the relationship between assurance and audit through two full sets of learning outcomes which mirrored each other, but used differentiated directive verbs. Assurance, as the general concept was moved before audit to improve the flow of IES 2. Additional assurance specific learning outcomes, addressing differences between limited and reasonable assurance and the impact of connected information, were added to ensure the assurance learning outcomes provide a foundational understanding of assurance fundamentals, which can be used to develop higher levels of proficiency in other forms of assurance, such as the audit of financial statements and assurance of sustainability-related information.
42. The Panel believes the two separate competence areas illustrate that audit is a form of assurance and that assurance encompasses many different subject matters, including sustainability-related information. The Panel will monitor whether the foundation proficiency level remains appropriate for the assurance competence area.

### **Clarity of terminology**

#### *Summary of feedback*

43. A number of responses identified new terms which they noted may require further clarification. The most frequently identified terms were:
- *Systems thinking* – responses specifically asked what was meant by systems thinking and how or if this term differs from integrated thinking.
  - *Value chains* – responses requested additional clarity or specificity beyond referring to the reporting framework.
  - *Scenario analysis* – responses noted concerns about the level of complexity that could be included.
  - *Sustainability disclosures and sustainability reports* – responses requested clarity over the consistency of use throughout IES 2.
  - *Metrics and targets* – responses queried what types of metrics and targets were included within this.
  - *Intellectual curiosity* – responses requested clarity in the context of terms used in the ISAs, including inquiring mind and professional skepticism.

#### *Panel Response*

44. Although a number of Glossary additions had initially been proposed in the Exposure Draft, when evaluating and debating the feedback received, the Panel determined including non-education specific terms in the Glossary would not be consistent with IES drafting conventions. IES 2 Explanatory Materials have been expanded to include further explanation of value chains, scenario analysis, and metrics and targets. Sustainability disclosures and reports are discussed below in paragraphs 46-47.
45. Systems-thinking was included in the Exposure Draft under IES 2 (I) *Business Strategy and Management* (iii). The Panel discussed the confusion raised by reference to a ‘systems-thinking approach’. This suggested a specific, defined approach, which was not the intention of the Panel. Rather the Panel intended this learning outcome to cover a broad, connected analysis of how an organization’s business model, value chain and strategy interact and are impacted by internal and external factors. To address the confusion, the Panel determined it would be appropriate to remove reference to systems thinking and instead describe its attributes within the learning outcome.

### **Title, terminology and learning outcomes consistency in IES 2 (a) finance accounting and reporting**

#### *Summary of feedback*

46. The Exposure Draft initially proposed updating the title of this competence area to ‘Financial accounting, disclosure and reporting’. However, feedback from stakeholders noted concern with the clarity of this change, as well as potential inconsistencies between how terms such as disclosure and reports were used throughout the proposed updates to the learning outcomes. A number of responses also expressed that clarity was needed when using sustainability disclosures, sustainability reports, as well as other disclosures and reports. In particular, responses requested clarity on the terms used in the proposed IES 2 (a) *Financial accounting and reporting* (iv), (v), and (vi).

#### *Panel Response*

47. To address the comments received, the Panel has reverted to the extant competence area title and updated the learning outcomes to utilize the IFRS defined term 'general purpose financial reports'. General purpose financial reports include both the financial statements and sustainability related-financial disclosures. To aid user understanding, the Explanatory Materials have been updated to include this definition as well.

### **Connectivity of information**

#### *Summary of feedback*

48. Feedback was received noting a potential gap in the learning outcomes on connecting information across types of reporting. In particular, the feedback noted that although reporting had been extended to include both financial statements and sustainability-related financial disclosures, no learning outcomes specifically focused on connections both within an organization's sustainability-related financial disclosures, and between an organization's sustainability-related financial disclosures and their financial statements.

#### *Panel Response*

49. To address this, the Panel determined it would be appropriate to utilize the IFRS S1 concept of 'connected information', within the IES 2 learning outcomes. 'Connected information' highlights that general purpose financial reports should enable a user to understand the connections between the items the information relates to and the connections between the disclosures provided by the organization. Accordingly, two new learning outcomes were drafted to reflect this feedback:
- a. (a) *Financial accounting and reporting* (iv): Evaluate connected information when preparing general purpose financial reports.
  - b. (e) *Assurance* (viii): Explain how connected information affects assurance engagements.
50. To aid user understanding, the Explanatory Materials have also been updated to include the IFRS S1 description of connected information.

### **Clarity on proficiency levels**

#### *Summary of feedback*

51. A number of responses noted the need to consider the balance of learning outcomes, directive verbs and proficiency levels. For example, the proposed addition of scenario analysis could be read as a requirement beyond the competence of an aspiring professional accountant.

#### *Panel Response*

52. The addition of scenario analysis to IES 2 is intended to build an aspiring professional accountant's technical competence at an appropriate intermediate proficiency level. In line with the IES proficiency levels, an intermediate proficiency would imply a moderate level of ambiguity, complexity, and uncertainty in how scenario analysis is taught. The Panel decided to update the Explanatory Materials in IES 2 and specifically reference scenario analysis to increase the clarity on proficiency levels.

### **Governance**

#### *Summary of feedback*

53. Two responses noted concerns about the governance processes for updating the IESs, now that the IAESB no longer exists. In particular, their responses noted their view that the process would benefit

from greater outreach, transparency and external involvement. One respondent also noted that as the Public Interest Oversight Board no longer oversees updates to the IESs, it is unclear if elements such as the public interest have been considered effectively at the development of these changes and at what stage. These concerns were raised consistently across their responses to both the IES 6 Exposure Draft and the SRP Exposure Draft, which were released concurrently.

*Panel Response*

54. The Panel views the governance and due process of IES revisions as critical to ensuring high-quality, IESs that support the public interest. The Panel acknowledges the IES revision process could be more transparent to the public. To provide an overview of the IES revision process, the IES Revision Process and IFAC Board Standards Revision Criteria is available on IFAC's Accountancy Education [page](#). The Panel's Terms of Reference and its approach to serving the public interest have also been [published](#). The Panel will continue to explore other ways to increase the transparency of the revision process.
55. IFAC and the Panel are committed to transparency for its IES standard revisions. Project pages for both [IES 6](#) and the [SRP revisions to IES 2, 3 and 4](#), have been maintained throughout their project lives to date. These include publication of Project Proposals, publications drafted from the results of Information Gathering, Exposure Drafts and Response Letters, as well as final IESs and Basis of Conclusion documentation. Project pages will be maintained for all future IES revision projects that the Panel undertakes on the Current Projects [page](#).

## APPENDIX A: FINAL LEARNING OUTCOME CHANGES AND PANEL RATIONALE

The below table provides an overview of the final revised learning outcomes for IES 2, 3, and 4, including the Panel's rationale for the update. Where no update has been made, the Panel has also provided commentary on this.

Final Revised IES 2	Panel rationale for change
<b>(a) Financial accounting and reporting (Intermediate)</b>	
(i) Apply accounting principles to transactions and other events <u>and conditions based on facts and circumstances.</u>	Language update for consistency with international standards.
(ii) Apply International Financial Reporting Standards (IFRSs) <sup>2</sup> or other relevant standards to transactions and other events <u>and conditions based on facts and circumstances.</u>  <sup>2</sup> <u>IFRSs include IFRS Accounting Standards issued by the International Accounting Standards Board, as well as IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board.</u>	Footnote added to provide clarity that IFRSs include IFRS Accounting Standards issued by the International Accounting Standards Board, as well as IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board. These include IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).  Minor language update for consistency with (i) above.
(iii) Evaluate the appropriateness of <u>accounting</u> policies used to prepare <u>general purpose</u> financial <u>reports statements.</u>	Learning outcome updated to refer to general purpose financial reports.  General purpose financial reports include both financial statements and sustainability-related financial disclosures. This definition has also been added to the Explanatory Material.
<u>(iv) Evaluate connected information when preparing general purpose financial reports.</u>	This new learning outcome reflects feedback on the importance of connecting information for users of general purpose financial reports.  A related learning outcome has been also added to assurance.
(iv) Prepare <u>general purpose</u> financial <u>reports statements,</u> including consolidated financial statements, in accordance with IFRSs or other relevant standards.	Updated for consistency with change noted in learning outcome (iii) above.

Final Revised IES 2	Panel rationale for change
(vi) Interpret <u>general purpose</u> financial <u>reports statements</u> .	Updated for consistency with change noted in learning outcome (iii) above.
<del>(vi) Interpret reports that include non-financial data and information.</del>	Learning outcome removed to reflect stakeholder feedback that this learning outcome overlapped with the amendment to (vi) above and should be removed.
<b>(b) Management accounting (Intermediate)</b>	
(i) Prepare data and information to support management decision making, <u>on topics</u> including <u>setting metrics and targets</u> , planning and budgeting, cost management, quality control, performance measurement, and comparative analysis.	<p>The addition of ‘setting metrics and targets’ reflects the feedback on new ways to measure data, including sustainability metrics, and financial and performance metrics. This language also aligns with IFRS S1 and S2 terminology.</p> <p>Additional minor update removing ‘on topics’ for language consistency with (ii) below.</p>
(ii) Apply <u>appropriate technology and</u> techniques to support management decision making, including product costing, variance analysis, inventory management, <u>and</u> budgeting and forecasting, <u>and value chain analysis</u> .	<p>Addition of technology reflects feedback on importance of it for analysis of new types of data.</p> <p>Value chain analysis was added to reflect feedback on the importance of sustainability considerations in management accounting and strategic decision making.</p>
(iii) Apply <u>appropriate technology and</u> <u>quantitative</u> techniques to analyze cost behavior and the drivers of costs.	<p>Minor update to update to ‘appropriate technology and techniques’ for consistency of language with (ii) above.</p> <p>Reference to quantitative has been removed to ensure this learning outcome covers a broad range of appropriate techniques, both quantitative and qualitative in nature.</p>
(iv) Analyze data and information to <u>consider alternatives and enable support</u> management <u>to make informed decisions making</u> .	Reflects feedback on the need to incorporate sustainability considerations in management accounting and strategic decision making. Considering alternatives brings in non-financial considerations for decision making. Inclusion of informed decisions is for consistency with other changes made throughout IES 2, 3, and 4.
(v) Evaluate the performance of <u>an organization and its products and</u> business segments, <u>products, and services against metrics and targets</u> .	<p>The performance of an organization was added to reflect that sustainability metrics are likely to be measured at this level, rather than at business segment level.</p> <p>Services have been added to the learning outcome, so the focus is no longer solely on products.</p> <p>The addition of ‘metrics and targets’ reflects the feedback on new ways to measure data, including sustainability metrics, as well financial and</p>

Final Revised IES 2	Panel rationale for change
	performance metrics. This language also aligns with IFRS S1 and S2 terminology.
<b>(c) Finance and financial management (Intermediate)</b>	
(i) Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.	<i>This learning outcome was discussed by the Panel; no sustainability specific changes were proposed. Sources of finance would include green finance. The Panel felt it would not be appropriate to call out green financing specifically, as it would narrow the learning outcome.</i>
(ii) Analyze an organization’s cash flow and working capital requirements.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(iii) Analyze the current and <u>anticipated future financial performance and</u> position of an organization, using techniques including ratio analysis, trend analysis, <u>and</u> cash flow analysis, <u>and scenario analysis</u> .	Terminology has been updated to align to terminology in IFRS S1 and S2.  'Scenario analysis' was added to reflect feedback on its increased importance to support management decision making.
(iv) Evaluate the appropriateness of the components used to calculate an organization’s cost of capital.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(v) <u>Evaluate capital investment decisions using Apply</u> capital budgeting techniques <u>in the evaluation of capital investment decisions</u> .	Reflects feedback on the importance of factoring in sustainability considerations as part of a capital investment decision making, alongside financial and other non-financial considerations.  Language has also been added to the Explanatory Material to provide guidance to users on this learning outcome.
(vi) Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
<b>(d) Taxation (Intermediate)</b>	<i>No changes are suggested to the learning outcomes for taxation. Relevant sustainability aspects of taxation are viewed as being included in understanding national tax calculations, tax planning and in non-complex international transactions.</i>
(i) Explain national taxation compliance and filing requirements.	<i>As above</i>
(ii) Prepare direct and indirect tax calculations for individuals and organizations.	<i>As above</i>

Final Revised IES 2	Panel rationale for change
(iii) Analyze the taxation issues associated with non- complex international transactions.	As above
(iv) Explain the differences between tax planning, tax avoidance, and tax evasion.	As above
<b><u>(e) Assurance</u></b> <b><u>(Foundation)</u></b>	A new competence area has been created to separate out assurance the audit competence area. This has been set at foundation level.  Refer to paragraphs [20-22] for further information.
<b><u>(i) Explain the objectives, elements<sup>1</sup>, and phases of assurance engagements.</u></b>  1 The <i>International Framework of Assurance Engagements</i> sets out five elements common to all assurance engagements: a three-party relationship; an underlying subject matter; criteria; evidence; and an assurance report	Learning outcome aims to provide an understanding of the general concepts of assurance engagements.  Mirrors audit learning outcome (i) below.
<b><u>(ii) Explain international standards on assurance<sup>2</sup> or other relevant assurance standards, and laws and regulations applicable to an assurance engagement.</u></b>  2 International standards on assurance are those standards issued by the International Auditing and Assurance Standards Board included in the <i>International Framework for Assurance Engagements</i> .	Added so that aspiring professional accountants develop an understanding of the international standards of assurance.  Mirrors audit learning outcome (ii) below but utilizes a lower-level directive verb.
<b><u>(iii) Explain the differences in the planning, performance and reporting phases of limited and reasonable assurance engagements.</u></b>	Added so that aspiring professional accountants develop an understanding of the levels of assurance.
<b><u>(iv) Explain the concept of material misstatement and its effect on an assurance engagement.</u></b>	Added so that aspiring professional accountants develop an understanding of materiality in the context of an assurance engagement.  Mirrors audit learning outcome (iii) below but utilizes a lower-level directive verb.
<b><u>(v) Apply appropriate assurance procedures and automated tools and techniques.</u></b>	Added so that aspiring professional accountants are able to apply assurance procedures and automated tools and techniques.  Mirrors audit learning outcome (iv) below however, is at a foundation level of proficiency compared to audit. Accordingly, this learning outcome should be

Final Revised IES 2	Panel rationale for change
	interpreted in the context of a work environment with a low level of ambiguity, complexity and uncertainty.
<p><u>(vi) Identify relevant and reliable evidence to form judgments, make informed decisions, and reach well-reasoned conclusions.</u></p>	<p>Added so that aspiring professional accountants are able to identify relevant and reliable evidence.</p> <p>Mirrors audit learning outcome (v) below however, is at a foundation level of proficiency compared to audit. Accordingly, this learning outcome should be interpreted in the context of a work environment with a low level of ambiguity, complexity and uncertainty.</p>
<p><u>(vii) Explain how contradictory assurance evidence may affect judgments, decisions, and conclusions.</u></p>	<p>Added so that aspiring professional accountants are able to understand the impact of contradictory assurance evidence on an assurance engagement.</p> <p>Mirrors audit learning outcome (vi) below however, is at a foundation level of proficiency compared to audit. Accordingly, this learning outcome should be interpreted in the context of a work environment with a low level of ambiguity, complexity and uncertainty.</p>
<p><u>(viii) Explain how connected information affects assurance engagements.</u></p>	<p>Added so that aspiring professional accountants are able to understand how information connects and how this impacts assurance engagements.</p> <p>This relates to the financial accounting and reporting learning outcome (iv) noted above.</p>
<p><u>(ix) Explain whether sufficient appropriate evidence for assurance procedures has been obtained and documented.</u></p>	<p>Added so that aspiring professional accountants are able to understand whether sufficient appropriate evidence for assurance procedures has been obtained and documented.</p> <p>Mirrors audit learning outcome (vii) below however, is at a foundation level of proficiency compared to audit. Accordingly, this learning outcome should be interpreted in the context of a work environment with a low level of ambiguity, complexity and uncertainty.</p>
<p><b>(f) Audit and assurance (Intermediate)</b></p>	<p>Audit and assurance have been split into two separate competence areas. This reflects feedback on the growing importance of sustainability assurance engagements, while maintaining audit as the primary focus of the competence area's learning outcomes.</p>
<p>(i) <u>Explain Describe</u> the objectives, elements<sup>5</sup>, and phases of <u>involved in performing an audit engagements of financial statements.</u></p> <p><u>5: The International Framework of Assurance Engagements sets out five elements common to all assurance engagements, including audits: a three-party</u></p>	<p>Language updated for consistency with assurance learning outcome (i) above.</p>

Final Revised IES 2	Panel rationale for change
<p><del>relationship; an underlying subject matter; criteria; evidence; and an assurance report.</del></p>	
<p>(ii) Apply International Standards on Auditing (ISAs) or other relevant auditing standards, and laws, and regulations applicable to an audit of financial statements.</p>	<p>Minor language update for consistency with assurance learning outcome (ii) above.</p>
<p>(iii) Assess the risks of material misstatement in the financial statements and consider the <del>effect-impact</del> on the audit strategy.</p>	<p>Minor language update for consistency with assurance learning outcome (iv) above.</p>
<p>(iv) Apply <del>appropriate audit procedures, quantitative methods and automated tools and techniques that are used in audit engagements.</del></p>	<p>Reflects feedback on the importance of technology and aligns with IAASB terminology.</p> <p>Reference to quantitative has been removed to ensure this learning outcome covers a broad range of appropriate procedures, both quantitative and qualitative in nature.</p>
<p>(v) Identify relevant <del>and reliable</del> audit evidence, <del>including contradictory evidence,</del> to <del>in</del>form judgments, make <del>informed</del> decisions, and reach well-reasoned conclusions.</p>	<p>Addition of reliable aims to align with international standards.</p> <p>The proposed change in language to add 'informed' decisions has been made throughout IES 2, 3, and 4.</p> <p>An informed decision implies a greater focus on an individual seeking out reliable external sources and perspectives, and critically evaluating this information against their own knowledge.</p> <p>Contradictory evidence has been separated from this learning outcome into (vi) below to improve the clarity of this learning outcome.</p>
<p><del>(vi) Explain how contradictory audit evidence may affect judgments, decisions, and conclusions.</del></p>	<p>Contradictory evidence has been separated from learning outcome (v) to improve the clarity.</p>
<p>(vii) <del>Evaluate</del> <del>Conclude</del> whether sufficient and appropriate audit evidence has been obtained <del>and documented.</del></p>	<p>Evaluate has been replaced with conclude to provide IFAC member organizations with an appropriate directive verb used within education taxonomies. This will provide improved clarity on the level of learning expected.</p> <p>Documentation has been added to reflect international standards.</p>
<p><del>(vii) Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.</del></p>	<p>Removed as no longer relevant to audit only competence area. Refer to assurance learning outcome (i) above.</p>

Final Revised IES 2	Panel rationale for change
<b>(g) Governance, risk management and internal control (Intermediate)</b>	
(i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and the role of stakeholders in governance, disclosure, and transparency requirements.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(ii) Analyze the components of an organization's governance framework.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(iii) Analyze an organization's risks and opportunities using a risk management framework.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(iv) Analyze the components of internal control related to <u>external financial</u> reporting.	Financial changed to external to emphasize broader reporting.
(v) Analyze the adequacy of systems, processes and controls for collecting, generating, storing, accessing, using, <del>or</del> sharing, <u>or reporting</u> data and information.	Amended to add reporting as a focus.
<b>(h) Business laws and regulations (Intermediate)</b>	
(i) Explain the laws and regulations that govern the different forms of legal entities.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(ii) Explain the laws and regulations applicable to the <u>context environment</u> in which professional accountants operate.	<u>Minor language update for consistency with change below in business and organizational context competence area (j) below.</u>
(iii) Apply data protection and privacy regulations when collecting, generating, storing, accessing, using, <del>or</del> sharing, <u>or reporting</u> data and information.	Amended to add reporting as a focus and to align with above (g)(v).
<b>(i) Information and communications technologies (Intermediate)</b>	<i>The learning outcomes in this technical competence area were viewed as covering relevant sustainability issues implicitly. No amendments are proposed to this competence area.</i>
(i) Explain the impact of Information and Communications Technologies (ICT)	As above

Final Revised IES 2	Panel rationale for change
developments on an organization's environment and business model.	
(ii) Explain how ICT supports data analysis and decision making.	<i>As above</i>
(iii) Explain how ICT supports the identification, reporting, and management of risk in an organization.	<i>As above</i>
(iv) Use ICT to analyze data and information.	<i>As above</i>
(v) Use ICT to enhance the efficiency and effectiveness of communication.	<i>As above</i>
(vi) Apply ICT to enhance the efficiency and effectiveness of an organization's systems.	<i>As above</i>
(vii) Analyze the adequacy of ICT processes and controls.	<i>As above</i>
(viii) Identify improvements to ICT processes and controls.	<i>As above</i>
<b>(j) Business and organizational <u>context environment</u> (Intermediate)</b>	Title updated for consistency in change in learning outcome (i) below. This aims to improve clarity.
Describe the <u>context environment</u> in which an organization operates, including the primary <u>political</u> , economic, <u>sociocultural</u> , <u>technological</u> , <u>environmental</u> , legal, <u>and</u> regulatory, <u>political</u> , <u>technological</u> , <u>social</u> , <u>and</u> <u>cultural</u> aspects.	Environment has been changed to context to improve clarity and prevent potential confusion in terms.  Environmental has been added to explicitly consider environmental considerations, which are a key aspect of sustainability. This list has been updated to reflect the order and terminology of 'PESTEL' models frequently used in education. Regulation, has been retained for clarity.
<u>(ii) Analyze an organization's business model, including its value chain.</u>	New learning outcome proposed to reflect feedback about the importance of being able to analyze business models and value chains. Language aligns with language in IFRS S1 and S2.
(iii) Analyze aspects of the global environment that affect international trade and finance.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(iv) Identify the features of globalization, including the role of <u>multinationals organizations</u> and emerging markets.	<u>Minor language update to address clarity concern.</u>

Final Revised IES 2	Panel rationale for change
<b>(k) Economics (Foundation)</b>	<i>Competence area is taught only to the foundation level, therefore the Panel did not view it as appropriate to add an additional sustainability learning outcome. No amendments were made to this competence area.</i>
(i) Describe the fundamental principles of microeconomics and macroeconomics.	As above
(ii) Describe the effect of changes in macroeconomic indicators on business activity.	As above
(iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.	As above
<b>(l) Business strategy and management (Intermediate)</b>	
(i) Explain the various ways that organizations may be designed and structured.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(ii) Explain the purpose and importance of different types of functional and operational areas within organizations.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(iii) Analyze the external and internal factors that <u>may influence affect an organization's business model, including its value chain, and its business strategy of an organization.</u>	Reflects feedback on the importance of analyzing the impact of sustainability factors (whether external or internal) on business models and strategy of an organization. It also builds on the initial understanding of value chains described under "Business and organizational environment" above.  Language aligns with IFRS S1 and S2.
(iv) Explain the processes that may be used to develop and implement the strategy of an organization.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(v) Explain how theories of organizational behavior may be used to enhance the performance of <u>the an</u> individual, team, and <u>the an</u> organization.	<u>Minor language change to improve consistency of language across learning outcomes.</u>

Final Revised IES 3	Panel explanation for change
<b>(a) Intellectual (Intermediate)</b>	

Final Revised IES 3	Panel explanation for change
(i) Evaluate data and information from a variety of sources and perspectives through research, <u>collaboration</u> , integration, and analysis.	Update reflects feedback about the importance of working with a wider range of disciplines, including specialists.
(iii) Identify when it is appropriate to consult with <u>experts</u> <u>specialists</u> .	Learning objective proposed to be moved from (iii) to (ii) to cascade learning objectives more logically.  Language updated to experts for consistency with international standards.
(iii) Apply critical thinking skills to solve problems, <u>inform</u> judgments, make <u>informed</u> decisions, and reach well-reasoned conclusions.	Learning objective proposed to be moved from (ii) to (iii) to cascade learning objectives more logically.  The proposed change in language to add 'informed' decisions has been made throughout IES 2, 3, and 4.  An informed decision implies a greater focus on an individual seeking out reliable external sources and perspectives, and critically evaluating this information against their own knowledge.
(iv) Recommend solutions to unstructured, multi-faceted problems.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(v) <u>Evaluate Respond effectively to changing facts and circumstances or new information</u> to solve problems, <u>inform</u> judgments, make <u>informed</u> decisions, and reach well-reasoned conclusions.	These proposals reflect feedback about the importance of intellectual agility.  The proposed change in language to add 'informed' decisions has been made throughout IES 2, 3, and 4.  An informed decision implies a greater focus on an individual seeking out reliable external sources and perspectives, and critically evaluating this information against their own knowledge.
<b>(b) Interpersonal and communication (Intermediate)</b>	
(i) Demonstrate <u>effective communication</u> , collaboration, <u>and</u> cooperation, <u>including when working with or within multi-disciplinary teams. and teamwork when working towards organizational goals.</u>	Language updated to emphasize communication and collaboration when working with and within multi-disciplinary teams.  It reflects feedback about the increased importance of communication and collaboration. Language was also updated to improve clarity of the learning outcome by removing teamwork and working towards organizational goals, which are already implied in the learning outcome language.

Final Revised IES 3	Panel explanation for change
(ii) Communicate clearly and concisely <del>with different audiences when presenting, discussing, and reporting in formal and informal situations.</del>	Language proposed to be updated to emphasize two-way communication with a wide range of audiences. It reflects feedback about the increased importance of communication.
(iii) <del>Apply key concepts of diversity, equity, and inclusion in communication, considering and respecting</del> <u>Demonstrate awareness of cultural and language and contextual differences in all communication.</u>	Diversity, equity, and inclusion (DEI) is particularly relevant to sustainability. This language reflects the broader understanding of the importance of DEI, while referencing the need for a local, contextual application.
(iv) Apply active listening and effective <del>questioning interviewing</del> techniques.	This language change broadens the learning outcome to include for example, prompting for artificial intelligence which aligns with feedback on the importance of technology in sustainability reporting and assurance.
(v) Apply negotiation skills to reach solutions and agreements.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(vi) Apply consultative skills to minimize or resolve conflict, solve problems, and maximize opportunities.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(vii) Present <u>informed views and</u> ideas <del>and to</del> influence others to provide support and commitment.	Language updated to 'informed views' consistently with reference to informed decisions above.
<b>(c) Personal (Intermediate)</b>	
(i) Demonstrate a commitment to lifelong learning.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(ii) Set high personal standards of performance and monitor through reflective activity and feedback from others.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(iii) Manage time and resources to achieve professional commitments.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(iv) Anticipate challenges and plan potential solutions.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(v) <del>Demonstrate</del> <u>Apply intellectual curiosity an open mind to emerging ideas and practices new opportunities.</u>	Reflects feedback on the importance of aspiring professional accountants to be adaptable, and open to new ideas.

Final Revised IES 3	Panel explanation for change
(vi) Identify the potential impact of personal and organizational bias.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
<b>d) Organizational (Intermediate)</b>	No updates were proposed to this competence area as the extant learning outcomes were viewed as covering relevant sustainability issues implicitly.
(i) Undertake assignments in accordance with established practices to meet prescribed deadlines.	<i>As above</i>
(ii) Review own work and that of others to determine whether it complies with <del>the</del> <u>an</u> organization's quality standards.	Minor language update for language consistency across learning outcomes.
(iii) Apply people management skills to motivate and develop others.	<i>As above</i>
(iv) Apply delegation skills to deliver assignments.	<i>As above</i>
(v) Apply leadership skills to influence others to work towards organizational goals.	<i>As above</i>

Final Revised IES 4	Rationale for change
(a) Professional skepticism and professional judgment (Intermediate)	
(i) Apply an inquiring mind when collecting and assessing data and information.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
(ii) Apply techniques to reduce bias when solving problems, <del>in</del> forming judgments, making <u>informed</u> decisions, and reaching well-reasoned conclusions, <u>and communicating with a range of stakeholders</u> .	<p>The proposed change in language to add 'informed' decisions has been made throughout IES 2, 3, and 4.</p> <p>An informed decision implies a greater focus on an individual seeking out reliable external sources and perspectives, and critically evaluating this information against their own knowledge.</p> <p>The addition of 'and communicating with stakeholders' reflects feedback about the risks of 'greenwashing' in sustainability reporting. A professional accountant should always endeavor to reduce bias in communications, whether in formal reporting (e.g., sustainability disclosures) or other communication mediums.</p>

Final Revised IES 4	Rationale for change
(iii) Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.	<i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i>
<b>(b) Ethical principles (Intermediate)</b>	
(i) Explain the <u>nature of ethics</u> <u>importance of relevant ethical requirements to all professional activities</u> .	<p>The concepts in the IESBA Code (or local equivalent) are already essential to implementing the learning outcomes in IES 4.</p> <p>This proposal elevates the importance of relevant ethical requirements, like the IESBA Code (or local equivalent) which aligns with feedback about the growing importance of ethical behavior for sustainability engagements.</p> <p>Referring to relevant ethical requirements ensures that any IESBA Code (or local equivalent) updates are assumed in the learning outcomes.</p>
<p>(iiv) Apply <del>the</del> relevant ethical requirements to <u>all professional activities behavior in compliance with standards</u><sup>3</sup>.</p> <p><del>3- Standards include auditing standards, accounting standards, and other standards related to the work being performed by the professional accountant.</del></p>	<p>Extant (vi) has been moved up as it reflects a more appropriate sequencing of learning outcomes. Language has been updated for consistency with IESBA Code terminology.</p> <p>Footnote removed as this is no longer relevant due to updated language.</p>
<p><del>(ii) Explain the advantages and disadvantages of rules-based and principles-based approaches to ethics.</del></p>	<p>This learning outcome was viewed as no longer relevant, given the principles-based approach of the IESBA Code and general global movement away from rules-based codes.</p>
<p>(iiiv) Apply fundamental principles of ethics when collecting, generating, storing, accessing, using, <del>or</del> <u>sharing, or reporting</u> data and information.</p>	<p>Extant (v) has been moved up as it reflects a more appropriate sequencing of learning outcomes. Language has been updated for consistency with IESBA Code terminology.</p> <p>This update emphasizes the importance of ethics when reporting, which aligns with feedback on greenwashing risks. Other consistent language changes have been made throughout IES 2 and 3.</p>
(ivii) Identify threats to compliance with the fundamental principles of ethics.	<p><i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i></p> <p>Renumbered to reflect updated sequence of learning outcomes.</p>

Final Revised IES 4	Rationale for change
(iv) Evaluate the significance of threats to compliance with the fundamental principles of ethics and respond appropriately.	<p><i>The Panel debated and considered potential revisions to this learning outcome and concluded that a sustainability specific revision is not needed.</i></p> <p>Renumbered to reflect updated sequence of learning outcomes.</p>
<b>(c) Commitment to the public interest (Intermediate)</b>	<p><i>No updates were proposed to this competence area as the extant learning outcomes were viewed as covering relevant sustainability issues implicitly.</i></p>
(i) Explain the role and importance of ethics within the profession and in relation to the concept of social responsibility.	As above
(ii) Explain the role and importance of ethics in relation to business and good governance.	As above
(iii) Analyze the interrelationship of ethics and law, including the relationship between laws, regulations, and the public interest.	As above
(iv) Analyze the consequences of unethical behavior to the individual, the profession, and the public.	As above

## APPENDIX B: LIST OF RESPONDENTS TO IES SUSTAINABILITY EXPOSURE DRAFT

Abbreviation	Full Name of Organization
AAP	Accountants Association in Poland
AIC	Asociación Interamericana de Contabilidad
ACCA	Association of Chartered Certified Accountants
AIA	Association of International Accountants
AICPA & CIMA	Association of International Certified Professional Accountants
Baker Tilly	Baker Tilly
BDO	BDO International
BAFA - CDAF & AE SIG	British Accounting and Finance Association -- Committee of Departments of Accounting and Finance and Accounting Education Special Interest Group
CAA	Chartered Accountants Academy
CA ANZ	Chartered Accountants Australia and New Zealand
CPA Canada	Chartered Professional Accountants Canada
CNDCEC	Consiglio Nazionale Dottori Commercialisti e degli Esperti contabili
CPA Australia	CPA Australia
Deloitte	Deloitte Touche Tohmatsu Limited
EY	Ernst & Young Global Limited
FAR	FAR AB
Feshchenko, Evgeniya	Feshchenko, Evgeniya, Member, World Bank PULSAR Education Community of Practice
FRC	Financial Reporting Council
FN FMB	First Nations Financial Management Board
Gjika, Linda	Gjika, Linda, Member, World Bank PULSAR Education Community of Practice
GAA	Global Accounting Alliance
HKICPA	Hong Kong Institute of Certified Public Accountants
IAMI	Indonesian Institute of Management Accountant
ICAEW	Institute of Chartered Accountants in England and Wales
CA Ireland	Institute of Chartered Accountants Ireland
ICAI	Institute of Chartered Accountants of India
CA SL	Institute of Chartered Accountants of Sri Lanka
ISCA	Institute of Singapore Chartered Accountants
IESBA	International Ethics Standards Board for Accountants
JICPA	Japanese Institute of Certified Public Accountants
Mnatsakanyan, Hayk	Mnatsakanyan, Hayk, Armenian State University of Economics, Member, World Bank PULSAR Education Community of Practice
PAFA	Pan African Federation of Accountants

<b>Abbreviation</b>	<b>Full Name of Organization</b>
PwC	PricewaterhouseCoopers International Limited
PAEE	Professional Accountancy Education Europe
PAABZ	Public Accountants and Auditors Board Zimbabwe
RC & A CAs	Rakesh Choudhary and Associates CAs
NBA	Royal Netherlands Institute of Chartered Accountants
SCAAK	Society of Certified Accountants and Auditors of Kosovo
SAICA	South African Institute of Chartered Accountants
Tchumburidze, Lavrenti	Tchumburidze, Lavrenti, Georgian Federation of Professional Accountants and Auditors, and Member, World Bank PULSAR Education Community of Practice
TC APA MC	Teaching Commission of the Association of Public Accountants in Mexico City
UB	University of Birmingham
WPK	Wirtschaftsprüferkammer
Zubilevych, Svitlana	Zubilevych, Svitlana, Member, World Bank PULSAR Education Community of Practice

## APPENDIX C: OVERVIEW OF EXPOSURE DRAFT QUESTION RESPONSES

### Background

1. The *Proposed Revisions to IES 2, 3, and 4 - Sustainability Exposure Draft* sought to gather views from external parties on five specific questions. These included their views on the revisions, including to the learning outcomes, the proposed new competence area for assurance, including its proficiency level, and the terms used in the proposals. In addition, to aid with the Panel and IFAC's work on adoption and implementation, respondents were asked for their views on potential challenges for the future. A sixth question requested any general comments respondents had.
2. This document summarizes the responses to each question. All response letters may be accessed via this [link](#).
3. The SWG evaluated all response letters and discussed the feedback received over a series of meetings held from August to December 2024. The feedback detailed below focuses on comments suggesting changes, rather than the supportive comments. For the avoidance of doubt, the SWG reflected on these positive, supportive comments as well as they discussed potential updates.

### Question 1: Do you support the proposed revisions to IES 2, 3, and 4 for sustainability?

4. The majority of responses were supportive of the SRP proposals. Of the 44 responses, 37 (84%) positively indicated support for the proposals. Of these 19 were unqualified, with only supportive comments. The remaining 18 provided feedback which included:
  - A need to consider potential challenges and risk of curriculum overload. (AAP, NBA, WPK)
  - A need to also consider whether the current IES 7, Continuing Professional Development adequately covers sustainability. (AAP)
  - Feedback that the revision could be further strengthened. Suggestions included focus on definitions, advocacy, specificity of learning outcomes, mandatory core sustainability competencies, a separate sustainability competence for IES 2, enhancing IES 3 and 4 on sustainability. (AIA)
  - Consideration of how to operationalize the changes, including timeline needs. (BAFA - CDAF & AE SIG)
  - View that while sustainability should be integrated into technical competences, care should be taken to ensure that the sustainability concepts should not become disjoined from the concept of sustainability as a whole. (CA ANZ)
  - Highlighting that access to the accounting profession in Italy is established and regulated by the law, not the professional accountancy organization. (CNDCEC)
  - Raised points of clarity on terminology used in IES 2 competence area (a) Financial accounting and reporting. (AICPA & CIMA, EY, PwC)
  - Highlighted 'a systems-thinking approach' as requiring further clarification (EY, ISCA). Suggestion to use integrated thinking rather than systems-thinking. (SAICA)
  - Noted questions on the relationship between assurance and audit and requested clarity on the international standards on assurance included. (EY)

- Proposed a new learning outcome on communication, collaboration and cooperation with experts, as well as adding teaming-related behaviors and guidance on questioning techniques. (EY)
  - Suggested additions to learning outcomes in IES 2 and 3, including reference to international instruments, governmental aspects, consultation, rightsholders, culturally appropriate, and cultural curiosity. (FN FMB)
  - Suggested a glossary of terms would be helpful. (FRC)
  - A request to add reference to social cost and social return to IES 2 (c) Finance and Financial Management (iv). (ICAI)
  - Noted the importance of capacity building in the sustainability space. (IESBA)
  - A request to improve the clarity of how learning outcomes on professional skepticism and professional judgment relate to sustainability. (ISCA)
  - Concern that splitting assurance and audit will create inefficiency and additional study load. (NBA)
  - A recommendation to add more explicit references to sustainability frameworks. (TC APA MC)
  - Request for adding practical scenarios and case studies, specifically on communication. (TC APA MC)
  - Flagged specific drafting suggestions, including proposed updated language for learning outcomes. (AICPA & CIMA, Deloitte, EY, ISCA)
  - Suggestion that the effective date be set before July 2026. (TC APA MC)
5. No responses indicated that they disagreed with the proposals.
6. Three responses (CPA Australia, CPA Canada, and FAR) indicated that they neither agreed nor disagreed with the proposals. Their responses have been summarized as:
- Noted concern with the approach being taken and advocated for a two-phased approach to the review of the standards, including a dedicated standalone review of the requirements of sustainability-related reporting, disclosures, audit and assurance and an overlay of the totality of the requirements of sustainability. Alternatively, they suggested a post-implementation review to be conducted alongside PAOs. (CPA Australia)
  - Requested more specific references to IFRS Sustainability Disclosure Standards, as well as adding in additional sustainability concepts and terminology, including materiality assessments (and the impact on disclosure decisions), engaging with specific expertise, sustainability risks and opportunities and their impact, governance and internal controls on sustainability information, and compliance with sustainability standards. (CPA Canada)
  - Concern that the proposals were too far reaching, and a request that sustainability be integrated on a more high-level, principle-based requirement basis. (FAR)
7. Four response letters did not provide an explicit response to question 1. These are summarized as:
- Two responses (CA SL, RC & A CAs) provided detailed mark-up of the learning outcomes.
  - One letter (GAA) while supportive of including sustainability in IES 2, 3, and 4, as well as introducing an assurance competence area, noted caution on how it is integrated, including how

the learning outcomes are balanced and proficiency levels set. GAA called for monitoring of implementation, as well as noted terms requiring clarification (specifically systems thinking). They also noted concerns for timeframes for implementing change and a need to work with PAOs.

- One letter (PAEE) while supporting the need to integrate sustainability raised concerns on the governance and oversight of the proposals, as well as the terminology and skill levels.

**Question 2: Are the sustainability learning outcomes sufficient and appropriate expectations for aspiring professional accountants?**

8. The majority of responses felt the sustainability learning outcomes were sufficient and appropriate expectations for aspiring professional accountants. In total, 33 (75%) indicated that the learning outcomes were sufficient and appropriate. Of these, 15 were unqualified, with only supportive comments. The remaining 18 supportive responses provided feedback including:

- Noted consideration needs to be given for how to keep learning outcomes relevant and up to date for future developments (ACCA, AIC, TC APA MC). CA Ireland noted rapid changes to the topic are expected and will have an impact on how teaching is informed. Likewise, ISCA noted learning outcomes should incorporate flexibility to adapt to future changes. PAABZ suggested that due to the early stage of adoption and/or implementation stakeholder engagement should be undertaken to identify any deficiencies. SAICA noted that new learning outcomes in the future should only be added if others are removed.
- Suggested sustainability should be made more explicit in learning outcomes. (BAFA - CDAF & AE SIG). A similar comment was noted about the lack of adjustments to tax and economics competence areas for sustainability (FRC), and sustainability risks and opportunities, local regulations, assurance, and ethics (TC APA MC). Likewise, UB flagged finance and financial management, governance, risk and management and internal control, as well as business and organizational environment where sustainability could be more explicit.
- Noted a gap on connectivity between financial and sustainability reporting, and suggested wording to add connectivity into technical competences and professional skills. (Deloitte)
- Observed that the proposals focused largely on reporting and assurance, however, there will impacts on broader roles, for example, in relation to strategy, governance, risk management, metrics and targets, noted in IFRS S1. Including these in the standards could contribute to addressing attractiveness of the profession issues. (ACCA)
- Noted the importance of sustainability in management accounting practices and integration in financial and strategic decision-making processes. (AAP)
- Raised questions about the clarity of proficiency levels and directive verbs (BAFA - CDAF & AE SIG). Related to this, IAMI noted concern about the level of complexity of scenario analysis.
- Recommended references to 'ambiguity' and 'uncertainty' in learning outcomes. (BAFA - CDAF & AE SIG)
- Requested further emphasis on reliance on subject matter experts, how they are engaged with when making judgments, as well as communicating with them. (CA ANZ)
- Request for sector specific additions. (CAA)

- Queried specific terms such as:
    - ‘Appropriate technology’ (BAFA - CDAF & AE SIG)
    - Reporting vs disclosures (PwC)
    - Strategic factors (PwC)
  - Request to reinstate learning outcome IES 3 (b) (v) on negotiation. (PwC)
  - Request to add in concepts of social responsibility and stewardship. (UB)
  - Flagged specific drafting suggestions, including proposed updated language for learning outcomes. (AAP, Deloitte, PwC, UB)
  - Requested IFC re-examine the broader set of learning outcomes on a more regular cadence. (BDO)
  - Requested IFAC produce further guidance for CPD. (BDO)
  - Noted practical considerations about integrating into courses (IAMI) and on how PAOs can collaborate on enhancing sustainability education. (ICAI)
9. Six respondents (AIA, AICPA & CIMA, CPA Australia, FAR, NBA and PAEE) stated they had reservations on the learning outcomes. These comments included:
- A request to enhance learning outcomes by making sustainability more explicit in IES 2, creating a new competence area in IES 2 on sustainability for accountants, enhancing IES 4 for sustainability awareness and ethical considerations, and adding sustainability-adapted professional skills to IES 3. (AIA)
  - Provided detailed comments on learning outcomes, including suggestions to add references to internalities and externalities, green finance, and sustainability-related risks and opportunities on an organization’s cost of capital. (AICPA & CIMA)
  - Noted issues of clarity in the title of the IES 2 (a) competence area, how ISSB is referenced and consistency between learning outcomes in IES 2 (a) on sustainability. They also flagged significant concern on the changes in management accounting, which they noted will be critical in the future. Requested a dedicated learning outcome on this, as well as concern with use of the IESBA definition for value chains. (CPA Australia)
  - Noted concern about the level of the proposals and suggested they be revised to be more high-level and principal based. (FAR)
  - Stated that the learning outcomes were sufficient except for a limited number of drafting improvement suggestions to IES 2 and 3. Also suggested two learning outcomes on assurance (mirroring the audit conclusion learning outcome), as well as one on diversity, equity and inclusion, and the impact on decision-making. (NBA)
  - Flagged a concern about terminology divergence from international auditing and assurance standards and the directive verbs used in learning outcomes. Also noted a concern with the proficiency level of sustainability related learning outcomes and questioned whether these would be attainable for PAOs. (PAEE)
10. One response (CPA Canada) noted they neither agreed nor disagreed, but provided comments indicating support as sustainability issues are inherently interdisciplinary. They provided specific suggestions on enhancing explicit reference to sustainability on financial accounting and reporting,

management accounting, finance and financial management, assurance, business laws and regulations, business and organizational environment, business strategy and management, interpersonal and communication, ethical principles, and commitment to the public interest. They also requested further clarity on the level of complexity of scenario analysis, the definition of 'strategic factors', differences between reasonable and limited types of assurance, the scope of assurance engagements, linking value-chain analysis to material impact, and highlighting indigenous cultures.

11. Four responses (CA SL, GAA, IESBA, and RC & A CAs) did not provide an explicit response to this question. Refer to GAA's comments noted in response to Q1.

**Question 3: Do you support the proposal to create of a new competence area for assurance? Is the level of the proposed assurance competence area and learning outcomes at foundation level, appropriate for aspiring professional accountants?**

*New competence area for assurance*

12. The majority of responses supported creating a new competence area for assurance. In total, 35 (80%) supported this. Of those in support, 21 responses were unqualified, with only supportive comments. The remaining 14 supportive responses provided feedback including:
- Consideration needs to be given for how sustainability assurance develops in the future (ACCA). Likewise, noted the need to monitor on an ongoing basis due to the ongoing developments of ISSA 5000 and jurisdictional application (GAA). Proposed that consideration be given longer term on the proficiency level. (PAFA)
  - Flagged that IESBA had expanded its remit to non-accountants, and that several jurisdictions were likewise considering non-accountants providing sustainability assurance, so future consideration would be needed about the authority over non-accountants and the IESs in the future. (ACCA)
  - Noted the creation needs to be undertaken in a way to limit confusion and provide clarity on interdependence of learning outcomes. Also suggested drafting for explicit learning outcomes on sustainability assurance. (AIA)
  - Highlighted the importance of sustainability, ethics and technology as transversal knowledge within an accountant's education over their career. (AIC)
  - Welcomed the creation of the new competence area but questioned the verbs used. (BAFA - CDAF & AE SIG)
  - Flagged concerns about the effect on the talent pool. (Baker Tilly)
  - Flagged a need for clarity on the relationship between audit and assurance, including why some audit learning outcomes were excluded from assurance or why verbs differed. (BDO)
  - Concern that making assurance sustainability focused would put it at risk for not being future proof as attention moves to other areas. (CA ANZ)
  - Noted the importance of auditors being able to ensure the connectivity between, and consistency of financial and sustainability information. (CNDCEC)
  - Noted clarity needed on what types of engagements are included in assurance vs audit. Also include omitted audit learning outcomes (iv) and (vi) in assurance. (Deloitte)

- Noted clarity needed on points raised in response to Q1 on the relationship between assurance and audit. (EY)
  - Did not support the proposed assurance learning outcomes (ii-iv) but did support assurance being separated from audit. (FAR)
  - Noted it was important to ensure that specialization in assurance would not exclude other essential knowledge areas and that it should be horizontal and cross-curricular in all subjects. (TC APA MC)
13. Four responses (CPA Australia, ICAEW, NBA, and PAABZ) disagreed with creating a new competence area for assurance. They noted the following reasons:
- CPA Australia noted concerns that the proposed proficiency level at foundation would be inappropriate and inconsistent with reporting learning outcomes. They also felt that creating a separate competence area could introduce redundancy, as well as be inconsistent with the approach to integrate sustainability. They also noted concerns of reduced flexibility and resource allocation requirements.
  - ICAEW stated they felt it would create confusion and create additional work and educational burden.
  - NBA felt the focus in audit should be shifted to assurance, rather than split out as a separate competence area. Splitting them out would result in the similarities being disregarded and result in inefficiencies and an unnecessary additional study load.
  - PAABZ noted they did not see merit in a new competence area, and that the key competences are to understand how to audit the sustainability framework applied by the reporting entity.
14. Three responses (Hayk Mnatsakanya, IAMI and PwC) neither agreed nor disagreed with creating a new competence area for assurance. They noted the following reasons:
- Hayk Mnatsakanya noted further study on the advantages and disadvantages was needed.
  - IAMI noted new universities had programs with significant sustainability assurance courses, as financial audit was the primary focus.
  - PwC noted they could see benefits in splitting out it, however there may be overlap which could benefit it leaving them together. They stated they had no preference on the approach. If the Board were to split them however, they recommended to not include sustainability explicitly. This would make the learning outcome less relevant to other subject matters and potentially require further amendment overtime to address other types of non-audit assurance engagements.
15. Two responses (PAEE and RC & A CAs) did not provide a response on whether they supported creating a new competence area for assurance.

*Level of proficiency for assurance competence area*

16. The majority of responses supported assurance being included at a foundation level of proficiency. In total, 30 (68%) supported this view. Of these, 13 responses were unqualified, with only supportive comments. The remaining 17 supportive responses provided feedback. Of these 8 (ACCA, AIC, CA ANZ, FRC, CA Ireland, SAICA, TC APA MC, and PAFA) noted that while they supported the proficiency level being set at foundation as a start, this may need to evolve over time. Other comments included:

- Suggestion that a specific learning outcome be added to address differences between limited and reasonable assurance. (AAP, CPA Canada)
  - A need for clarity on the differences between audit and assurance learning outcomes (BDO, CPA Canada). EY also flagged the need for clarity on the relationship between assurance and audit, as well as the standards covered by each competence area.
  - Noted that clarity on how the 'sources and perspectives' noted in professional skepticism learning outcomes would impact on assurance. (BDO)
  - Noted that the level would provide flexibility for jurisdictions to be at a higher level if desired. (CA ANZ)
  - Suggested that technology be added to the assurance learning outcomes. (CAA)
  - Reemphasized their point on connectivity of information noted above. (CNDCEC)
  - Suggested it may be appropriate to add a fourth level to the proficiency levels. (ICA India)
  - While noting it was a good start, it may not be fully preparing professional accountants for the complex demands of the field. Therefore, they recommend ensuring that the competence areas and learning outcomes are broad. (ISCA)
  - Flagged a lack of clarity on whether or not reviews of historical financial information should be included in audit or in assurance. They feel that should be at intermediate level with audit. (JICPA)
  - While not supportive of separating assurance into a new competence area, the PAABZ were supportive of assurance at a foundation level.
  - Noted concern with the breadth of international standards on assurance and emphasized that this needs to be clarified in the learning outcomes. They also noted that stating the learning outcomes may be read as the learning outcomes only applying to sustainability information. (SAICA)
17. Eight responses disagreed with the proficiency level being set at foundation level. They noted the following reasons:
- Sustainability assurance is increasing in importance and that this in-depth coverage would better prepare aspiring accountants for the complexities in their careers. (AIA)
  - Concern that it suggests the skill level required for assurance is lower than audit. They also noted that the lack of referent to quantitative methods in assurance would be misleading. (Baker Tilly)
  - The approach would be inconsistent with the level required in other competence areas, such as financial accounting and reporting, management accounting and finance and financial management, all of which are at an intermediate level. (CPA Australia). Deloitte and PwC likewise raised similar concerns and noted the need to meet regulatory and investor demands. NBA also noted expectations for European reporting requiring intermediate level, noting that if foundation was retained there should be explanation of the need for significant number of hours of training to require an intermediate level.
  - FAR disagreed and referred to their response above.
  - ICAEW disagreed and referred to their response above.

18. Two responses (BAFA - CDAF & AE SIG and IAMI) neither agreed nor disagreed with creating a new competence area for assurance. They noted the following reasons:
- BAFA - CDAF & AE SIG noted they questioned whether it should be at foundation level, and urged IFAC to consider whether it was more appropriate to revise the learning outcomes to place it at an intermediate level.
  - IAMI noted the difficulty in inserting a new course that would address this in an undergraduate program.
19. Four responses (CA SL, GAA, PAEE and RC & A CAs) did not provide a response on whether they supported assurance at a foundation level.

**Question 4: Are there any terms within the new and revised learning outcomes of IES 2, 3, and 4 which require further clarification?**

20. Of the 44 responses, 27 (61%) flagged new terms as requiring further clarification, while 13 (30%) did not flag any terminology concerns. The remaining 4 (9%) did not respond to this question.
21. Frequently mentioned terms included:
- Systems thinking (AIA, CA ANZ, CPA Canada, GAA, HKICPA, IAMI, ISCA, NBA, PAFA, PwC, SAICA, TC APA MC)
  - Value chains (AAP, CPA Australia, CPA Canada, Deloitte, EY, IESBA, TC APA MC)
  - Scenario analysis (AIA, CPA Canada, ICA Ireland, TC APA MC,)
  - Sustainability disclosures (AAP, AIA, AIC)
  - Sustainability reports (AAP, AIC, PwC)
  - Metrics and targets (AIC, CA Sri Lanka, IAMI)
  - Intellectual curiosity (AIC, CA ANZ)

**Question 5: Do you believe that the adoption and implementation, including the proposed effective date, of the proposed revised IES 2, 3, and 4 will present any challenges to your organization?**

22. Of the 44 responses, 22 (50%) noted that challenges would be expected in implementing the proposals, while the remaining responses either did not note any challenges (18 responses - 41%) or did not respond (4 responses – 9%) to this question. Where challenges were flagged, these included:
- Concerns about curriculum overload (AAP, PAEE, SAICA) and significant re-learning across the accounting profession. (GAA)
  - A need to build sustainability-related expertise in the educator community. (AAP, AIC, Hayk Mnatsakanya, IAMI, Linda Gjika, PAFA, TC APA MC, UB)
  - Practical aspects such as time, resources and costs of updating curriculum and materials for new learning outcomes. (AAP, AIC, CPA Australia, ICAI, ISCA, PAEE, SCAAK, Svitlana Zubilevych, TC APA MC)
  - Limited relevance of sustainability to all of their members. (FAR)

- Interpretation of the challenges / need for guidance to support. (Hayk Mnatsakanya, ICAI, PAEE)
- Local jurisdictional conditions limiting PAO control over IPD. (CNDCEC, PAFA)
- Potentially challenging to implement in all jurisdictions internationally. (CPA Australia, Deloitte, PAEE)
- Potential challenges with meeting the adoption date. (CPA Canada, GAA, HKICPA) and suggestion for a phased or flexible approach (CA ANZ, IAMI, TC APA MC)
- Need to implement changes alongside other significant changes in standards (not only IES, but also changes to standards for reporting, assurance and ethics). (HKICPA, IAMI, PAFA)

**Question 6: General comments**

23. General comments were provided by 26 responses. These comments are summarized below:

- Providing further supportive comments about the proposed changes. (AIA, AIC, CPA Australia, FRC, IESBA, ISCA, Linda Gjika, SAICA, SCAAK, Svitlana Zubilevych)
- Reiteration of support for the importance of sustainability in the IESs. (AIA, AIC, CPA Australia, FRC, IESBA, TC APA MC)
- Flag a risk if sustainability is not explicitly called out. (AICPA & CIMA, CPA Australia)
- Further detail on comments discussed in questions 1-5 above. (AIA, CPA Australia, FAR, SAICA, TC APA MC)
- Consideration of whether there may be benefits in mandatory vs optional competencies (AIA, FAR). Related note from BDO on further consideration of the vision for a future professional accountant with broad professional competence vs specialism.
- Call for further consideration of the theory and practice of accounting as part of IPD. (BAFA - CDAF & AE SIG)
- Note that access to practical work experience may result in inequity of learning, particularly on business acumen. (BAFA - CDAF & AE SIG)
- Note that the impact of changes may result in longer training contracts or periods of IPD. (BDO)
- Request for direct references to Indigenous factors to be made in the IESs. (FN FMB)
- Additional suggestions on clarity, directive verbs, and/or drafting language of learning outcomes. (ACCA, AIA, AIC, BAFA - CDAF & AE SIG, Deloitte, IESBA, PwC, RC & A CAs, SAICA)
- Governance and oversight over IES update process (ICAEW and PAEE) – specifically noting the process could benefit from greater outreach, transparency, external involvement and focus on the public interest.
- Concern about the use of ‘systems thinking’ which may conflict with integrated/interconnected thinking in reporting, assurance standards and ethics code. (ACCA)
- A view that ‘non-financial’ should no longer be used to describe sustainability or ESG-related information due to CSRD requirements. (AAP)

- Recommendation that further rationale on changes be included in the actual IESs or by keeping the rationale in IFAC guidance materials. (SAICA)
- Request for guidance on how to implement when a jurisdiction has not yet adopted the IFRS Sustainability Disclosure Standards. (SAICA, UB)
- Flag about future areas of relevance to the IES, such as fraud, personal ethics, going concern and data analytics. (BDO) Likewise, the FRC noted technological innovation as a future area.
- Call for the Panel to continue to review their work plan, including for IES 8 on audit engagement partners (BDO). SAICA likewise made a recommendation to consider updating IES 8. Call for further consideration of CPD, including potentially revising IES 7 (AIA). Related comment by CA ANZ to review the IESs within 3-5 years to ensure the IESs are fit for purpose, including for further developments in sustainability and whether any technical competences may be obsolete.
- Call for IFAC to continue to collaborate with IAASB and IESBA during the drafting process. (PwC)

## APPENDIX D: RECONCILIATION OF LEARNING OUTCOME CHANGES SINCE THE EXPOSURE DRAFT

The following tables compare the Extant IES, the proposed updates included in the Exposure Draft issued in April 2024 and the final revised IES. The rationale for change from ED column provides the Panel’s explanation for the changes between the Exposure Draft and the final revised IES. Changes are noted in red.

### IES 2 – Learning Outcomes – Reconciliation of Change

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
(a) Financial accounting and reporting (Intermediate)	(a) Financial accounting, <u>disclosure</u> and reporting (Intermediate)	(a) Financial accounting and reporting (Intermediate)	<u>Reverted title back to Extant to reduce confusion following feedback on use of disclosure and reporting.</u>
(i) Apply accounting principles to transactions and other events.	(i) Apply accounting principles to transactions, <u>facts</u> , and <u>circumstances other events</u> .	(i) Apply accounting principles to transactions and other events <u>and conditions based on facts and circumstances</u> .	<u>Minor updates to reflect feedback on the phrasing of conditions, facts and circumstances</u>
(ii) Apply International Financial Reporting Standards (IFRSs) or other relevant standards to transactions and other events.	(ii) Apply International Financial Reporting Standards (IFRSs) <sup>2</sup> or other relevant standards to transactions, <u>facts</u> , and <u>circumstances other events</u> .  <u><sup>2</sup> IFRSs include IFRS Accounting Standards issued by the International Accounting Standards Board, as well as IFRS</u>	(ii) Apply International Financial Reporting Standards (IFRSs) <sup>2</sup> or other relevant standards to transactions and other events <u>and conditions based on facts and circumstances</u> .  <u><sup>2</sup> IFRSs include IFRS Accounting Standards issued by the International Accounting</u>	<u>Minor updates to reflect feedback on the phrasing of conditions, facts and circumstances</u>

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
	<p><u>Sustainability Disclosure Standards issued by the International Sustainability Standards Board.</u></p>	<p><u>Standards Board, as well as IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board.</u></p>	
<p>(iii) Evaluate the appropriateness of accounting policies used to prepare financial statements.</p>	<p>(iii) Evaluate the appropriateness of accounting policies used to prepare financial statements.</p>	<p>(iii) Evaluate the appropriateness of <u>accounting</u> policies used to prepare <u>general purpose</u> financial <u>reports statements</u>.</p>	<p><u>Stakeholder feedback raised concerns about the inconsistent use of terms such as sustainability disclosures and reports throughout this competence area. The SWG determined it would be more appropriate to use the IFRS defined term 'general purpose financial reports' throughout this competence area, as it includes both financial statements and sustainability-related financial disclosures. The Explanatory Materials have been updated to include this as well.</u></p>
	<p><u>(iv) Evaluate the appropriateness of policies used to prepare sustainability disclosures and reports.</u></p>	<p><u>(iv) Evaluate the appropriateness of policies used to prepare sustainability disclosures and reports.</u></p>	<p><u>Feedback highlighted that separating out policies for sustainability separately was inconsistent with the overall approach to include both sustainability and financial statements together in the remaining learning outcomes. This was therefore amended to remove the new LO and to update (iii) to</u></p>

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
			<u>reflect the changed terminology of general purpose financial reports.</u>
		<u>(iv) Evaluate connected information when preparing general purpose financial reports.</u>	This learning outcome reflects feedback noting a potential gap in the learning outcomes on connecting information across types of reporting. The Panel determined that the IFRS S1 concept of connected information was important not only to the preparer of a general purpose financial report, but also to the assurance provider.
(iv) Prepare financial statements, including consolidated financial statements, in accordance with IFRSs or other relevant standards.	<u>(iv) Prepare financial statements, including consolidated financial statements, and sustainability disclosures, in accordance with IFRSs or other relevant standards.</u>	<u>(iv) Prepare general purpose financial reports-statements, including consolidated financial statements, in accordance with IFRSs or other relevant standards.</u>	<u>Updated for consistency to general purpose financial reports comment noted above on (iii).</u>
(v) Interpret financial statements and related disclosures.	<u>(vi) Interpret financial statements, sustainability disclosures, and other related disclosures and reports.</u>	<u>(vi) Interpret general purpose financial reports-statements.</u>	<u>Updated for consistency to general purpose financial reports comment noted above on (iii).</u>
(vi) Interpret reports that include non-financial data and information.	<u>(vii) Interpret reports that include non-financial data and information.</u>	<u>(vi) — Interpret reports that include non-financial data and information.</u>	<u>Feedback from stakeholders indicated that this learning outcome was redundant and should be removed.</u>

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
<b>(a) Management accounting (Intermediate)</b>	<b>(b) Management accounting (Intermediate)</b>	<b>(c) Management accounting (Intermediate)</b>	
(i) Prepare data and information to support management decision making on topics including planning and budgeting, cost management, quality control, performance measurement, and comparative analysis.	(i) Prepare data and information to support management decision making on topics including <u>setting metrics and targets</u> , planning and budgeting, cost management, quality control, performance measurement, and comparative analysis.	(i) Prepare data and information to support management decision making, <u>on topics</u> including <u>setting metrics and targets</u> , planning and budgeting, cost management, quality control, performance measurement, and comparative analysis.	<u>Minor update for language consistency with (ii) below.</u>  <u>Explanatory Material updated to provide further guidance on metrics and targets to respond to specific comments.</u>
(ii) Apply techniques to support management decision making, including product costing, variance analysis, inventory management, and budgeting and forecasting.	(ii) Apply <u>appropriate technology and</u> techniques to support management decision making, including product costing, variance analysis, inventory management, <u>and</u> budgeting and forecasting, <u>and value chain analysis</u> .	(ii) Apply <u>appropriate technology and</u> techniques to support management decision making, including product costing, variance analysis, inventory management, <u>and</u> budgeting and forecasting, <u>and value chain analysis</u> .	No change from ED
(iii) Apply appropriate quantitative techniques to analyze cost behavior and the drivers of costs.	(iii) Apply appropriate quantitative techniques to analyze cost behavior and the drivers of costs.	(iii) Apply <u>appropriate technology and quantitative</u> techniques to analyze cost behavior and the drivers of costs.	<u>Minor update for consistency of language with (ii) above.</u> <u>Quantitative removed so that techniques are not limited to those quantitative in nature.</u>
(iv) Analyze data and information to support management decision making.	(iv) Analyze data and information to <u>consider alternatives and enable support</u> management to <u>make informed decisions-making</u> .	(iv) Analyze data and information to <u>consider alternatives and enable support</u> management to <u>make informed decisions-making</u> .	No change from ED

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
(v) Evaluate the performance of products and business segments.	(v) Evaluate the performance of <u>an organization and its products</u> <del>and</del> business segments, <u>products,</u> <del>and services against metrics and targets.</del>	(v) Evaluate the performance of <u>an organization and its products</u> <del>and</del> business segments, <u>products,</u> <del>and services against metrics and targets.</del>	No change from ED
<b>Finance and financial management (Intermediate)</b>	<b>Finance and financial management (Intermediate)</b>	<b>Finance and financial management (Intermediate)</b>	
(i) Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.	(i) Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.	(i) Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.	No change from ED
(ii) Analyze an organization's cash flow and working capital requirements.	(ii) Analyze an organization's cash flow and working capital requirements.	(ii) Analyze an organization's cash flow and working capital requirements.	No change from ED
(iii) Analyze the current and future financial position of an organization, using techniques including ratio analysis, trend analysis, and cash flow analysis.	(iii) Analyze the current and <u>anticipated future</u> financial <u>performance and</u> position of an organization, using techniques including ratio analysis, trend analysis, <del>and</del> cash flow analysis, <u>and scenario analysis.</u>	(iii) Analyze the current and <u>anticipated future</u> financial <u>performance and</u> position of an organization, using techniques including ratio analysis, trend analysis, <del>and</del> cash flow analysis, <u>and scenario analysis.</u>	No change from ED
(iv) Evaluate the appropriateness of the components used to calculate an organization's cost of capital.	(iv) Evaluate the appropriateness of the components used to calculate an organization's cost of capital.	(iv) Evaluate the appropriateness of the components used to calculate an organization's cost of capital.	No change from ED

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
(v) Apply capital budgeting techniques in the evaluation of capital investment decisions.	(v) <u>Evaluate capital investment decisions, using Apply</u> capital budgeting techniques <u>and consideration of strategic factors in the evaluation of capital investment decisions.</u>	(v) <u>Evaluate capital investment decisions using Apply</u> capital budgeting techniques <u>in the evaluation of capital investment decisions.</u>	<u>Language updated to learning outcome to reflect feedback on strategic factors.</u>  <u>Explanatory Material updated to provide further guidance to support users on this learning outcome.</u>
(vi) Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.	(vi) Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.	(vi) Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.	No change from ED
<b>(d) Taxation (Intermediate)</b>	<b>(d) Taxation (Intermediate)</b>	<b>(d) Taxation (Intermediate)</b>	
(i) Explain national taxation compliance and filing requirements.	(i) Explain national taxation compliance and filing requirements.	(i) Explain national taxation compliance and filing requirements.	No change from ED
(ii) Prepare direct and indirect tax calculations for individuals and organizations.	(ii) Prepare direct and indirect tax calculations for individuals and organizations.	(ii) Prepare direct and indirect tax calculations for individuals and organizations.	No change from ED
(iii) Analyze the taxation issues associated with non-complex international transactions.	(iii) Analyze the taxation issues associated with non-complex international transactions.	(iii) Analyze the taxation issues associated with non-complex international transactions.	No change from ED
(iv) Explain the differences between tax planning, tax avoidance, and tax evasion.	(iv) Explain the differences between tax planning, tax avoidance, and tax evasion.	(iv) Explain the differences between tax planning, tax avoidance, and tax evasion.	No change from ED
	<b><u>(f) Assurance (Foundation)</u></b>	<b><u>(e) Assurance (Foundation)</u></b>	<u>Audit and assurance order switched to reflect assurance as broader, foundation level concept;</u>

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
			<u>audit as specialized topic at intermediate level.</u>
	<u>(i) Describe the elements, objectives, and phases involved in performing assurance engagements, including assurance of sustainability information.</u>	<u>(i) Explain the objectives, elements<sup>5</sup>, and phases of assurance engagements.</u>	Slight language tweak and footnote added in response to stakeholder feedback.  <u>Assurance of sustainability information removed due to stakeholder feedback concerns that this would limit assurance.</u>
	<u>(ii) Explain international standards on assurance or other relevant assurance standards, laws, and regulations, including those applicable to assurance of sustainability information.</u>	<u>(ii) Explain international standards on assurance<sup>6</sup> or other relevant assurance standards, and laws and regulations applicable to an assurance engagement.</u>	Slight language tweak and footnote added in response to stakeholder feedback.  <u>Assurance of sustainability information removed due to stakeholder feedback concerns that this would limit assurance.</u>
		<u>(iii) Explain the differences in the planning, performance and reporting phases of limited and reasonable assurance engagements.</u>	<u>New learning outcome drafted in response to specific stakeholder feedback requesting a learning outcome on the different levels of assurance.</u>

<sup>5</sup> The *International Framework of Assurance Engagements* sets out five elements common to all assurance engagements: a three-party relationship; an underlying subject matter; criteria; evidence; and an assurance report.

<sup>6</sup> International standards on assurance are those standards issued by the International Auditing and Assurance Standards Board included in the *International Framework for Assurance Engagements*.

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
	<p><u>(iii) Describe the risks of material misstatement and consider the impact on an assurance engagement.</u></p>	<p><u>(iv) Explain the concept of material misstatement and its effect on an assurance engagement.</u></p>	<p><u>Language updated to reflect stakeholder feedback that this learning outcome was initially drafted in a way that would exclude limited assurance forms. Minor language update from impact to effect for clarity.</u></p>
		<p><u>(v) Apply appropriate assurance procedures and automated tools and techniques.</u></p>	<p><u>Mirrors audit learning outcome (iv). Added to reflect stakeholder concern that it should apply to both learning outcomes.</u></p>
	<p><u>(iv) Identify relevant assurance evidence, including contradictory evidence, to form judgments, and reach informed conclusions.</u></p>	<p><u>(vi) Identify relevant and reliable evidence to form judgments, make informed decisions, and reach well-reasoned conclusions.</u></p>	<p><u>Change from ED in response to stakeholder feedback to revert to Extant use of ‘well-reasoned’ and update decisions to ‘informed’. This is consistent with wider updates throughout.</u></p>
		<p><u>(vii) Explain how contradictory assurance evidence may affect judgments, decisions, and conclusions.</u></p>	<p><u>Split out of contradictory evidence from (iv) above. This is consistent with change to audit as well.</u></p>
		<p><u>(viii) Explain how connected information affects assurance engagements.</u></p>	<p><u>This learning outcome reflects feedback noting a potential gap in the learning outcomes on connecting information across types of reporting. The Panel determined that the IFRS S1 concept of connected information was important not only to the preparer of a general purpose</u></p>

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
			<u>financial report, but also to the assurance provider.</u>
		<u>(ix) Explain whether sufficient appropriate evidence for assurance procedures has been obtained and documented.</u>	<u>Mirrors audit learning outcome (vii) at a lower directive verb level. Added to reflect stakeholder concern that it should apply to both learning outcomes.</u>
<b>(e) Audit and assurance (Intermediate)</b>	<b>(e) Audit <u>and assurance</u> (Intermediate)</b>	<b>(f) Audit <u>and assurance</u> (Intermediate)</b>	<u>Audit and assurance order switched to reflect assurance as broader, foundation level concept; audit as specialized topic at intermediate level.</u>
(i) Describe the objectives and phases involved in performing an audit of financial statements.	(i) Describe the <u>elements</u> , objectives, and phases involved in performing an audit of financial statements.	(i) <u>Explain Describe</u> the objectives, <u>elements</u> <sup>7</sup> , and phases of <u>involved in performing an engagements of financial statements</u> .	<u>Language updated for consistency with (e)(i) above.</u>
(ii) Apply International Standards on Auditing or other relevant auditing standards, laws, and regulations applicable to an audit of financial statements.	(ii) Apply International Standards on Auditing ( <u>ISAs</u> ) or other relevant auditing standards, laws, and regulations applicable to an audit of financial statements.	(ii) Apply International Standards on Auditing ( <u>ISAs</u> ) or other relevant auditing standards, <u>and laws</u> , and regulations applicable to an audit of financial statements.	<u>Minor language update for consistency with (e)(ii) above.</u>
(iii) Assess the risks of material misstatement in the financial	(iii) Assess the risks of material misstatement in the financial	(iii) Assess the risks of material misstatement in the financial	<u>Minor language update to align language for consistency with (e)(iv) above.</u>

<sup>7</sup> The *International Framework of Assurance Engagements* sets out five elements common to all assurance engagements, including audits: a three-party relationship; an underlying subject matter; criteria; evidence; and an assurance report.

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
statements and consider the impact on the audit strategy.	statements and consider the impact on the audit strategy.	statements and consider the <u>effect impact</u> on the audit strategy.	
(iv) Apply quantitative methods that are used in audit engagements.	(iv) Apply quantitative methods <u>and appropriate automated tools and techniques that are</u> used in audit engagements.	(iv) Apply <u>appropriate audit procedures quantitative methods and automated tools and techniques that are used in audit engagements.</u>	<u>Language update for consistency with (e)(v) above. Removal of quantitative responds to stakeholder feedback that this excluded procedures of a qualitative nature.</u>
(v) Identify relevant audit evidence, including contradictory evidence, to inform judgments, make decisions, and reach well-reasoned conclusions.	(v) Identify relevant audit evidence, including contradictory evidence, to <u>in</u> form judgments, <u>make decisions</u> , and <u>reach informed well-reasoned</u> conclusions.	(v) Identify relevant <u>and reliable</u> audit evidence, <u>including contradictory evidence</u> , to <u>in</u> form judgments, make <u>informed</u> decisions, and reach well-reasoned conclusions.	<u>Change from ED in response to stakeholder feedback to revert to Extant use of 'well-reasoned' and update decisions to 'informed'. This is consistent with wider updates throughout.</u>  <u>Addition of reliable to reflect consistency with international standards.</u>  <u>Contradictory evidence split out into separate learning outcome to improve clarity of this learning outcome.</u>
		<u>(vi) Explain how contradictory audit evidence may affect judgments, decisions, and conclusions.</u>	<u>Splits out contradictory evidence from extant (v) above for improved clarity.</u>
(vi) Conclude whether sufficient and appropriate audit evidence has been obtained.	(vi) Conclude whether sufficient and appropriate audit evidence has been obtained.	(vii) <u>Evaluate</u> <del>Conclude</del> whether sufficient and appropriate audit evidence has been obtained <u>and documented</u> .	<u>Replaces conclude with evaluate, as conclude is not a directive verb used within education taxonomies.</u>

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
			<p><u>Evaluate provides better clarity on the level of learning expected.</u></p> <p><u>Documentation has been added to reflect international standards.</u></p>
(vii) Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.	<del>(vii) Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.</del>	<del>(vii) Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.</del>	No change from ED proposal to remove due to creation of new assurance competence area.
<b>(f) Governance, risk management and internal control (Intermediate)</b>	<b>(g) Governance, risk management and internal control (Intermediate)</b>	<b>(g) Governance, risk management and internal control (Intermediate)</b>	
(i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and the role of stakeholders in governance, disclosure, and transparency requirements.	(i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and the role of stakeholders in governance, disclosure, and transparency requirements.	(i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and the role of stakeholders in governance, disclosure, and transparency requirements.	No change from ED
(ii) Analyze the components of an organization's governance framework.	(ii) Analyze the components of an organization's governance framework.	(ii) Analyze the components of an organization's governance framework.	No change from ED
(iii) Analyze an organization's risks and opportunities using a risk management framework.	(iii) Analyze an organization's risks and opportunities using a risk management framework.	(iii) Analyze an organization's risks and opportunities using a risk management framework.	No change from ED

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
(iv) Analyze the components of internal control related to financial reporting.	(iv) Analyze the components of internal control related to <del>external financial</del> reporting.	(iv) Analyze the components of internal control related to <del>external financial</del> reporting.	No change from ED
(v) Analyze the adequacy of systems, processes and controls for collecting, generating, storing, accessing, using, or sharing data and information.	(v) Analyze the adequacy of systems, processes and controls for collecting, generating, storing, accessing, using, <del>or sharing</del> , <del>or reporting</del> data and information.	(v) Analyze the adequacy of systems, processes and controls for collecting, generating, storing, accessing, using, <del>or sharing</del> , <del>or reporting</del> data and information.	No change from ED
<b>(g) Business laws and regulations (Intermediate)</b>	<b>(h) Business laws and regulations (Intermediate)</b>	<b>(h) Business laws and regulations (Intermediate)</b>	
(i) Explain the laws and regulations that govern the different forms of legal entities.	(i) Explain the laws and regulations that govern the different forms of legal entities.	(i) Explain the laws and regulations that govern the different forms of legal entities.	No change from ED
(ii) Explain the laws and regulations applicable to the environment in which professional accountants operate.	(ii) Explain the laws and regulations applicable to the environment in which professional accountants operate.	(ii) Explain the laws and regulations applicable to the <del>environment</del> in which professional accountants operate.	<u>Minor language update for consistency with change below to (i)</u>
(iii) Apply data protection and privacy regulations when collecting, generating, storing, accessing, using, or sharing data and information.	(iii) Apply data protection and privacy regulations when collecting, generating, storing, accessing, using, <del>or sharing</del> , <del>or reporting</del> data and information.	(iii) Apply data protection and privacy regulations when collecting, generating, storing, accessing, using, <del>or sharing</del> , <del>or reporting</del> data and information.	No change from ED
<b>(h) Information and communications technologies (Intermediate)</b>	<b>(i) Information and communications technologies (Intermediate)</b>	<b>(i) Information and communications technologies (Intermediate)</b>	

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
(i) Explain the impact of Information and Communications Technologies (ICT) developments on an organization's environment and business model.	(i) Explain the impact of Information and Communications Technologies (ICT) developments on an organization's environment and business model.	(i) Explain the impact of Information and Communications Technologies (ICT) developments on an organization's environment and business model.	No change from ED
(ii) Explain how ICT supports data analysis and decision making.	(ii) Explain how ICT supports data analysis and decision making.	(ii) Explain how ICT supports data analysis and decision making.	No change from ED
(iii) Explain how ICT supports the identification, reporting, and management of risk in an organization.	(iii) Explain how ICT supports the identification, reporting, and management of risk in an organization.	(iii) Explain how ICT supports the identification, reporting, and management of risk in an organization.	No change from ED
(iv) Use ICT to analyze data and information.	(iv) Use ICT to analyze data and information.	(iv) Use ICT to analyze data and information.	No change from ED
(v) Use ICT to enhance the efficiency and effectiveness of communication.	(v) Use ICT to enhance the efficiency and effectiveness of communication.	(v) Use ICT to enhance the efficiency and effectiveness of communication.	No change from ED
(vi) Apply ICT to enhance the efficiency and effectiveness of an organization's systems.	(vi) Apply ICT to enhance the efficiency and effectiveness of an organization's systems.	(vi) Apply ICT to enhance the efficiency and effectiveness of an organization's systems.	No change from ED
(vii) Analyze the adequacy of ICT processes and controls.	(vii) Analyze the adequacy of ICT processes and controls.	(vii) Analyze the adequacy of ICT processes and controls.	No change from ED
(viii) Identify improvements to ICT processes and controls.	(viii) Identify improvements to ICT processes and controls.	(viii) Identify improvements to ICT processes and controls.	No change from ED
<b>(i) Business and organizational environment (Intermediate)</b>	<b>(j) Business and organizational environment (Intermediate)</b>	<b>(j) Business and organizational <u>context environment</u> (Intermediate)</b>	<u>Title updated for consistency in change in learning outcome (i) below. This aims to improve clarity and reduce risk of environment</u>

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
			<u>being misinterpreted in this use case.</u>
(i) Describe the environment in which an organization operates, including the primary economic, legal, regulatory, political, technological, social, and cultural aspects.	Describe the <u>context environment</u> in which an organization operates, including the primary <u>political, economic, sociocultural, technological, environmental,</u> legal, <u>and regulatory, political, technological, social, and cultural</u> aspects.	Describe the <u>context environment</u> in which an organization operates, including the primary <u>political, economic, sociocultural, technological, environmental,</u> legal, <u>and regulatory, political, technological, social, and cultural</u> aspects.	No change from ED
	<u>(ii) Describe an organization's business model, including its value chain.</u>	<u>(ii) Analyze an organization's business model, including its value chain.</u>	<u>Directive verb updated to 'analyze' following feedback that this verb should be at a higher level.</u>
(ii) Analyze aspects of the global environment that affect international trade and finance.	(iii) Analyze aspects of the global environment that affect international trade and finance.	(iii) Analyze aspects of the global environment that affect international trade and finance.	No change from ED
(iii) Identify the features of globalization, including the role of multinationals and emerging markets.	<u>(iv#)</u> Identify the features of globalization, including the role of multinationals and emerging markets.	<u>(iv#)</u> Identify the features of globalization, including the role of multinationals <u>and organizations</u> and emerging markets.	<u>Minor language update to address a clarity point.</u>
<b>(j) Economics (Foundation)</b>	<b>(k) Economics (Foundation)</b>	<b>(k) Economics (Foundation)</b>	
(i) Describe the fundamental principles of microeconomics and macroeconomics.	(i) Describe the fundamental principles of microeconomics and macroeconomics.	(i) Describe the fundamental principles of microeconomics and macroeconomics.	No change from ED

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
(ii) Describe the effect of changes in macroeconomic indicators on business activity.	(ii) Describe the effect of changes in macroeconomic indicators on business activity.	(ii) Describe the effect of changes in macroeconomic indicators on business activity.	No change from ED
(iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.	(iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.	(iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.	No change from ED
<b>(k) Business strategy and management (Intermediate)</b>	<b>(l) Business strategy and management (Intermediate)</b>	<b>(l) Business strategy and management (Intermediate)</b>	
(i) Explain the various ways that organizations may be designed and structured.	(i) Explain the various ways that organizations may be designed and structured.	(i) Explain the various ways that organizations may be designed and structured.	No change from ED
(ii) Explain the purpose and importance of different types of functional and operational areas within organizations.	(ii) Explain the purpose and importance of different types of functional and operational areas within organizations.	(ii) Explain the purpose and importance of different types of functional and operational areas within organizations.	No change from ED
(iii) Analyze the external and internal factors that may influence the strategy of an organization.	(iii) Analyze the external and internal factors that <del>may affect influence</del> the <del>business model, value chain, and the</del> strategy of an organization <del>using a systems-thinking approach</del> .	(iii) Analyze the external and internal factors that <del>may influence</del> <del>influence</del> <del> affect an</del> <del>organization's business model, including its value chain, and its</del> business strategy <del>of an</del> <del>organization</del> .	<u>Following feedback from stakeholders, reference to systems-thinking approach was removed to reduce confusion.</u>  <u>Minor language updates to improve clarity.</u>
(iv) Explain the processes that may be used to develop and implement the strategy of an organization.	(iv) Explain the processes that may be used to develop and implement the strategy of an organization.	(iv) Explain the processes that may be used to develop and implement the strategy of an organization.	No change from ED

Extant IES 2	Exposure Draft IES 2	Final Revised IES 2	Rationale for change from ED
(v) Explain how theories of organizational behavior may be used to enhance the performance of the individual, team, and the organization.	(v) Explain how theories of organizational behavior may be used to enhance the performance of the individual, team, and the organization.	(v) Explain how theories of organizational behavior may be used to enhance the performance of <del>the an</del> individual, <del>a</del> team, and <del>the an</del> organization.	<u>Minor language change to address a language consistency point.</u>

### IES 3 – Learning Outcomes – Reconciliation of Change

Extant IES 3	Exposure Draft IES 3	Final Revised IES 3	Rationale for change
<b>(a) Intellectual (Intermediate)</b>	<b>(a) Intellectual (Intermediate)</b>	<b>(a) Intellectual (Intermediate)</b>	
(i) Evaluate data and information from a variety of sources and perspectives through research, integration, and analysis.	(i) Evaluate data and information from a variety of sources and perspectives through research, <u>collaboration</u> , integration, and analysis.	(i) Evaluate data and information from a variety of sources and perspectives through research, <u>collaboration</u> , integration, and analysis.	No change from ED
(iii) Identify when it is appropriate to consult with specialists.	(iii) Identify when it is appropriate to consult with specialists.	(iii) Identify when it is appropriate to consult with <u>experts specialists</u> .	<u>Updated specialists to experts based on feedback on alignment with international standards.</u>
(ii) Apply critical thinking skills to solve problems, inform judgments, make decisions, and reach well-reasoned conclusions.	(iii) Apply critical thinking skills to solve problems, <del>in</del> form judgments, <del>make decisions</del> , and reach <u>informed well-reasoned</u> conclusions.	(iii) Apply critical thinking skills to solve problems, <del>in</del> form judgments, make <u>informed</u> decisions, and reach well-reasoned conclusions.	<u>Change from ED in response to stakeholder feedback to revert to Extant use of 'well-reasoned' and update decisions to 'informed'.</u>

Extant IES 3	Exposure Draft IES 3	Final Revised IES 3	Rationale for change
			<u>This is consistent with wider updates throughout.</u>
(iv) Recommend solutions to unstructured, multi- faceted problems.	(iv) Recommend solutions to unstructured, multi-faceted problems.	(iv) Recommend solutions to unstructured, multi-faceted problems.	No change from ED
(v) Respond effectively to changing circumstances or new information to solve problems, inform judgments, make decisions, and reach well- reasoned conclusions.	(v) <u>Evaluate Respond effectively to</u> changing facts and circumstances <u>or new information</u> to solve problems, <del>in</del> form judgments, <u>make decisions</u> , and reach informed <u>well- reasoned</u> conclusions.	(v) <u>Evaluate Respond effectively to</u> changing facts and circumstances <u>or new information</u> to solve problems, <del>in</del> form judgments, make <u>informed</u> decisions, and reach well-reasoned conclusions.	<u>Change from ED in response to stakeholder feedback to revert to Extant use of ‘well-reasoned’ and update decisions to ‘informed’.</u> <u>This is consistent with wider updates throughout.</u>
<b>(b) Interpersonal and communication (Intermediate)</b>	<b>(b) Interpersonal and communication (Intermediate)</b>	<b>(b) Interpersonal and communication (Intermediate)</b>	
(i) Demonstrate collaboration, cooperation, and teamwork when working towards organizational goals.	(i) Demonstrate <u>effective communication</u> , collaboration, <u>and cooperation when working within multi-disciplinary teams.-and teamwork when working towards organizational goals.</u>	(i) Demonstrate <u>effective communication</u> , collaboration, <u>and cooperation, including when working with or within multi-disciplinary teams.-and teamwork when working towards organizational goals.</u>	<u>Language updated to reflect feedback that the ED language had been drafted too narrowly.</u>
(ii) Communicate clearly and concisely when presenting, discussing, and reporting in formal and informal situations.	(ii) <u>Develop Communicate</u> clearly and concisely <u>communications for specific audiences when presenting, discussing, and reporting in formal and informal situations.</u>	(ii) Communicate clearly and concisely <u>with different audiences when presenting, discussing, and reporting in formal and informal situations.</u>	<u>Language updated to reflect feedback from stakeholders that communication should not be one directional. Updated to ‘with’ so that communication is viewed as a two-way dialog.</u>
(iii) Demonstrate awareness of cultural and language differences in all communication.	(iii) <u>Apply key concepts of diversity, equity, and inclusion in communication, considering and respecting</u> <del>Demonstrate awareness</del>	(iii) <u>Apply key concepts of diversity, equity, and inclusion in communication, considering and respecting</u> <del>Demonstrate awareness</del>	No change from ED

Extant IES 3	Exposure Draft IES 3	Final Revised IES 3	Rationale for change
	<del>of cultural and</del> language <del>and contextual</del> differences <del>in all communication.</del>	<del>of cultural and</del> language <del>and contextual</del> differences <del>in all communication.</del>	
(iv) Apply active listening and effective interviewing techniques.	(iv) Apply active listening and effective <del>questioning interviewing</del> techniques.	(iv) Apply active listening and effective <del>questioning interviewing</del> techniques.	No change from ED
(v) Apply negotiation skills to reach solutions and agreements.	<del>(v) Apply negotiation skills to reach solutions and agreements.</del>	(v) Apply negotiation skills to reach solutions and agreements.	<u>Stakeholders highlighted the importance of this learning outcome, therefore, this was retained.</u>
(vi) Apply consultative skills to minimize or resolve conflict, solve problems, and maximize opportunities.	(vi) Apply consultative skills to minimize or resolve conflict, solve problems, and maximize opportunities.	(vi) Apply consultative skills to minimize or resolve conflict, solve problems, and maximize opportunities.	No change from ED
(vii) Present ideas and influence others to provide support and commitment.	(vii) Present <del>informed views and</del> ideas <del>and to</del> influence others to provide support and commitment.	(vii) Present <del>informed views and</del> ideas <del>and to</del> influence others to provide support and commitment.	No change from ED
<b>(c) Personal (Intermediate)</b>	<b>(c) Personal (Intermediate)</b>	<b>(c) Personal (Intermediate)</b>	
(i) Demonstrate a commitment to lifelong learning.	(i) Demonstrate a commitment to lifelong learning.	(i) Demonstrate a commitment to lifelong learning.	No change from ED
(ii) Set high personal standards of performance and monitor through reflective activity and feedback from others.	(ii) Set high personal standards of performance and monitor through reflective activity and feedback from others.	(ii) Set high personal standards of performance and monitor through reflective activity and feedback from others.	No change from ED

Extant IES 3	Exposure Draft IES 3	Final Revised IES 3	Rationale for change
(iii) Manage time and resources to achieve professional commitments.	(iii) Manage time and resources to achieve professional commitments.	(iii) Manage time and resources to achieve professional commitments.	No change from ED
(iv) Anticipate challenges and plan potential solutions.	(iv) Anticipate challenges and plan potential solutions.	(iv) Anticipate challenges and plan potential solutions.	No change from ED
(v) Apply an open mind to new opportunities.	(v) Apply <u>intellectual curiosity</u> <del>an open mind</del> to <u>emerging ideas and practices</u> <del>new opportunities</del> .	(v) <u>Demonstrate Apply</u> <del>intellectual curiosity an open mind</del> to <u>emerging ideas and practices</u> <del>new opportunities</del> .	<u>Directive verb updated following feedback raised on the use of 'apply' in this learning outcome.</u>
(vi) Identify the potential impact of personal and organizational bias.	(vi) Identify the potential impact of personal and organizational bias.	(vi) Identify the potential impact of personal and organizational bias.	No change from ED
<b>d) Organizational (Intermediate)</b>	<b>d) Organizational (Intermediate)</b>	<b>d) Organizational (Intermediate)</b>	No updates were proposed to this competence area as the extant learning outcomes were viewed as covering relevant sustainability issues implicitly.
(i) Undertake assignments in accordance with established practices to meet prescribed deadlines.	(i) Undertake assignments in accordance with established practices to meet prescribed deadlines.	(i) Undertake assignments in accordance with established practices to meet prescribed deadlines.	No change from ED
(ii) Review own work and that of others to determine whether it	(ii) Review own work and that of others to determine whether it	(ii) Review own work and that of others to determine whether it	<u>Minor language update for language consistency.</u>

Extant IES 3	Exposure Draft IES 3	Final Revised IES 3	Rationale for change
complies with the organization's quality standards.	complies with the organization's quality standards.	complies with <del>the an</del> organization's quality standards.	
(iii) Apply people management skills to motivate and develop others.	(iii) Apply people management skills to motivate and develop others.	(iii) Apply people management skills to motivate and develop others.	No change from ED
(iv) Apply delegation skills to deliver assignments.	(iv) Apply delegation skills to deliver assignments.	(iv) Apply delegation skills to deliver assignments.	No change from ED
(v) Apply leadership skills to influence others to work towards organizational goals.	(v) Apply leadership skills to influence others to work towards organizational goals.	(v) Apply leadership skills to influence others to work towards organizational goals.	No change from ED

#### IES 4 – Learning Outcomes – Reconciliation of Change

Extant IES 4	Exposure Draft IES 4	Final Revised IES 4	Rationale for change
(a) Professional skepticism and professional judgment (Intermediate)	(a) Professional skepticism and professional judgment (Intermediate)	(a) Professional skepticism and professional judgment (Intermediate)	
(i) Apply an inquiring mind when collecting and assessing data and information.	(i) Apply an inquiring mind when collecting and assessing data and information <u>from a variety of sources and perspectives</u> .	(i) Apply an inquiring mind when collecting and assessing data and information.	<u>Reverted to Extant language following feedback from stakeholders.</u>
(ii) Apply techniques to reduce bias when solving problems, informing judgments,	(ii) Apply techniques to reduce bias when solving problems, <del>informing</del> judgments, <del>making decisions, and</del> reaching <u>informed</u>	(ii) Apply techniques to reduce bias when solving problems, <del>informing</del> judgments, making <u>informed</u> decisions, and reaching	<u>Change from ED in response to stakeholder feedback to revert to Extant use of 'well-reasoned' and update decisions to 'informed'.</u>

Extant IES 4	Exposure Draft IES 4	Final Revised IES 4	Rationale for change
making decisions, and reaching well-reasoned conclusions.	<del>well-reasoned</del> conclusions, <del>and communicating with stakeholders.</del>	well-reasoned conclusions, <del>and communicating with a range of stakeholders.</del>	<u>This is consistent with wider updates throughout. Update to 'range of stakeholders' to reflect feedback on the variety of stakeholders.</u>
(iii) Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.	(iii) Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.	(iii) Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.	No change from ED
<b>(b) Ethical principles (Intermediate)</b>	<b>(b) Ethical principles (Intermediate)</b>	<b>(b) Ethical principles (Intermediate)</b>	
(i) Explain the nature of ethics.	(i) Explain the <del>nature of ethics</del> <u>importance of relevant ethical requirements to all professional activities.</u>	(i) Explain the <del>nature of ethics</del> <u>importance of relevant ethical requirements to all professional activities.</u>	No change from ED
(vi) Apply the relevant ethical requirements to professional behavior in compliance with standards <sup>3</sup> .  3: Standards include auditing standards, accounting standards, and other standards related to the work being performed by the professional accountant.	<del>(iiv)</del> Apply <del>the</del> relevant ethical requirements to <u>all professional activities behavior in compliance with standards<sup>3</sup>.</u>  <del>3: Standards include auditing standards, accounting standards, and other standards related to the work being performed by the professional accountant.</del>	<del>(iiv)</del> Apply <del>the</del> relevant ethical requirements to <u>all professional activities behavior in compliance with standards<sup>3</sup>.</u>  <del>3: Standards include auditing standards, accounting standards, and other standards related to the work being performed by the professional accountant.</del>	No change from ED.
(ii) Explain the advantages and disadvantages of rules- based and principles-based approaches to ethics.	<del>(ii) Explain the advantages and disadvantages of rules- based and principles-based approaches to ethics.</del>	<del>(ii) Explain the advantages and disadvantages of rules- based and principles-based approaches to ethics.</del>	No change from ED

Extant IES 4	Exposure Draft IES 4	Final Revised IES 4	Rationale for change
(v) Apply fundamental principles of ethics when collecting, generating, storing, accessing, using, or sharing data and information.	(v) Apply fundamental principles of ethics when collecting, generating, storing, accessing, using, <del>or sharing,</del> <u>or reporting</u> data and information.	<del>(iii)</del> Apply fundamental principles of ethics when collecting, generating, storing, accessing, using, <del>or sharing,</del> <u>or reporting</u> data and information.	<u>This learning outcome was moved up to reflect stakeholder feedback that this would reflect a more appropriate sequencing. No change has been made to the language.</u>
(iii) Identify threats to compliance with the fundamental principles of ethics.	(iii) Identify threats to compliance with the fundamental principles of ethics.	<del>(iv)</del> Identify threats to compliance with the fundamental principles of ethics.	<u>Renumbered to reflect minor order change noted above.</u>  <u>No change to language.</u>
(iv) Evaluate the significance of threats to compliance with the fundamental principles of ethics and respond appropriately.	(iv) Evaluate the significance of threats to compliance with the fundamental principles of ethics and respond appropriately.	<del>(iv)</del> Evaluate the significance of threats to compliance with the fundamental principles of ethics and respond appropriately.	<u>Renumbered to reflect minor order change noted above.</u>  <u>No change to language.</u>
(vi) Apply the relevant ethical requirements to professional behavior in compliance with standards <sup>3</sup> .  3: Standards include auditing standards, accounting standards, and other standards related to the work being performed by the professional accountant.	<del>(vi) — Apply the relevant ethical requirements to professional behavior in compliance with standards<sup>3</sup>.</del>  <del>Footnote 3: Standards include auditing standards, accounting standards, and other standards related to the work being performed by the professional accountant.</del>	<del>(vi) — Apply the relevant ethical requirements to professional behavior in compliance with standards<sup>3</sup>.</del>  <del>Footnote 3: Standards include auditing standards, accounting standards, and other standards related to the work being performed by the professional accountant.</del>	No change from ED
			No change from ED
<b>(c) Commitment to the public interest (Intermediate)</b>	<b>(c) Commitment to the public interest (Intermediate)</b>	<b>(c) Commitment to the public interest (Intermediate)</b>	
(i) Explain the role and importance of ethics within the	(i) Explain the role and importance of ethics within the	(i) Explain the role and importance of ethics within the	No change from ED

<b>Extant IES 4</b>	<b>Exposure Draft IES 4</b>	<b>Final Revised IES 4</b>	<b>Rationale for change</b>
profession and in relation to the concept of social responsibility.	profession and in relation to the concept of social responsibility.	profession and in relation to the concept of social responsibility.	
(ii) Explain the role and importance of ethics in relation to business and good governance.	(ii) Explain the role and importance of ethics in relation to business and good governance.	(ii) Explain the role and importance of ethics in relation to business and good governance.	No change from ED
(iii) Analyze the interrelationship of ethics and law, including the relationship between laws, regulations, and the public interest.	(iii) Analyze the interrelationship of ethics and law, including the relationship between laws, regulations, and the public interest.	(iii) Analyze the interrelationship of ethics and law, including the relationship between laws, regulations, and the public interest.	No change from ED
(iv) Analyze the consequences of unethical behavior to the individual, the profession, and the public.	(iv) Analyze the consequences of unethical behavior to the individual, the profession, and the public.	(iv) Analyze the consequences of unethical behavior to the individual, the profession, and the public.	No change from ED

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