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11 October 2012

David McPeak
Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West, 4th Floor
Toronto, Ontario
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Canada

Dear Mr McPeak,

**Exposure Draft (July 2012)
Proposed International Education Standard (IES 4), Initial Professional Development -
Professional Values, Ethics, and Attitudes (Revised)**

The Institute of Certified Public Accountants of Singapore appreciates the opportunity to comment on the re-exposed draft of IES 4 (the “re-exposed IES 4”) and would like to commend the IAESB for its efforts to engage all relevant stakeholders in the finalisation of its IES.

We are pleased to note that most of our comments for the April 2011 Exposure Draft have been incorporated in the re-exposed IES 4. The revisions and further refinements within the re-exposed IES 4 will certainly facilitate the adoption and implementation of the final IES by IFAC member bodies and associates.

Our comments on the re-exposed IES 4 are set out in the attachment. If you require any clarification on the comments, please contact Soh Suat Lay, Deputy Head of Examinations & Qualification, at suatlay.soh@icpas.org.sg or +65 6597 5615.

Yours faithfully,

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General Comments:

We are in full support of the IAESB's decision to re-expose IES 4 by taking onboard the comments received from the earlier exposure draft and in ensuring consistency and improve clarity in the revised IESs as part of the redrafting project. This approach will enhance the practical applications of the standards, minimise implementation issues and difficulties that could surface when the standards are adopted.

The revisions to the scope and objectives of the IES to place greater emphasis on Initial Professional Development (IPD) and the need for continuous development through Continuing Professional Development (CPD) have provided greater clarity and learning and development linkages between an aspiring and trained professional accountant.

The team's efforts to improve the Explanatory Material paragraphs by sectionalising the list and providing further clarification are commendable.

Comments on Specific Questions

Question 1: Do you agree with the tabular format adopted for learning outcomes?

Yes, the tabular format provides clarity by mapping the learning outcomes and minimum proficiency levels to the competence area required of aspiring professional accountants. We are of the view that incorporating learning outcomes with a specified minimum proficiency level will bring about greater focus in the development of the Professional Values, Ethics and Attitudes (PVEA) of aspiring professional accountants and more importantly, instil a sense of importance in applying PVEA in their decision making processes and in exercising professional judgement.

Nonetheless, we feel that it could be further enhanced by summarizing upfront, the classification of proficiency levels indicated in the table or by incorporating a footnote with a reference to Appendix 1, for greater clarity (please also refer to our comments to Question 3).

Question 2: Do you agree with the competence areas identified for ethics education?

Yes, the competence areas identified are consistent with the expectations of professional accountants in the society, in particular, the commitment to public interest. We also appreciate that IAESB has incorporated professional scepticism as a competence area as this is a key concept and mindset that is part and parcel of an aspiring professional accountant's development, especially in the midst of recent global concern over issues such as accounting misstatements, fraud and anti-money laundering.

We noted that the “Ethical principles” included the application of the fundamental ethical principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour but did not go on to elaborate on the expectation of an aspiring accountant in these five core areas. Further clarification on the principles and expectation on these five core areas that form the foundation for ethics education would be helpful for adoption.

Question 3: Do you agree with the minimum levels of proficiency as identified for each competence area?

It is reasonable to expect aspiring professional accountants to achieve at least an intermediate level of proficiency in the specified areas at the end of the IPD and to continue developing their competencies to achieve advanced or mastery levels of proficiency during their career development and through CPD.

Please also refer to our comments for Question 1. .

Question 4: Do you agree that the learning outcomes related to professional scepticism and professional judgment identified are appropriate for ethics education?

Yes, we agree with the learning outcomes listed as professional scepticism and professional judgment are about applying the right mindset and attitude towards a given scenario or decision.

Question 5: Does Appendix 1 of the proposed IES4 Exposure Draft (June 2012) provide adequate clarification to assist in the interpretation of the learning outcomes that are listed in Paragraph 11 of the proposed IES4 Exposure Draft (June 2012)? If not, what changes do you suggest?

Yes, Appendix 1 has provided adequate clarification to assist in the interpretation of the learning outcomes and we also appreciate that the classification will be consistently used and adopted in its publications and relevant IESs.

With reference to the table within Appendix 1, given that each description begins with the wordings “Learning outcomes will focus on the ability to...” we would like to propose that verbs be used instead of continuous tense in describing the abilities under each proficiency level so as to enhance the flow of the sentences.

Question 6: Are there any terms within the proposed IES 4 Exposure Draft (June 2012) which require further clarification? If so, please explain the nature of the deficiencies?

With the revisions made to the re-exposed IES 4, we are of the view that the terms have been adequately clarified.

Question 7: Do you anticipate any impact or implications for your organisation, or organisations with which you are familiar, in implementing the new requirements included in this proposed IES 4 Exposure Draft (2012)?

A new professional accountancy qualification programme, Singapore Qualification Programme (SQP) is currently being developed by the Singapore Government's Pro-Tem Singapore Accountancy Council and a separate online ethics module will be included within the SQP curriculum structure. Whilst the learning outcomes for the PVEA are consistent with the finalised syllabus for the "Ethics and Professionalism" module, there is no specified minimum level of proficiency in the approved syllabus. However, this could be incorporated at a later stage as part of the regular review and update of the programme and should not lead to any significant impact or implication in implementing the new IES requirements.

Submitted by:

Examinations & Qualification Division

Institute of Certified Public Accountants of Singapore

11 October 2012