

*Proposed Revised International Education Standard*

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**IES 4, Professional Values, Ethics, and  
Attitudes**



**International Federation  
of Accountants**

**PROPOSED INTERNATIONAL EDUCATION STANDARD 4 (Revised)**  
**PROFESSIONAL VALUES, ETHICS, AND ATTITUDES**

**CONTENTS**

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	Paragraph
Introduction	
Scope of this Standard .....	1-4
Effective Date .....	5
Objective .....	6
Requirements .....	7-12
Explanatory Materials.....	A1-A19

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## Introduction

### *Scope of this Standard*

1. This International Education Standard (IES) prescribes the professional values, ethics, and attitudes to be acquired by professional accountants through learning and development<sup>1</sup> during professional accounting education undertaken as part of Initial Professional Development (IPD).
2. This IES is addressed to IFAC member bodies, whose role it is to ensure that professional accounting education meets the requirements of this IES. In addition, this IES will be helpful to educational organizations, employers, regulators, government authorities, and any other stakeholders who support the learning and development of professional values, ethics, and attitudes.
3. Learning and development continue throughout the career of a professional accountant; and aspects of this IES are also relevant to Continuing Professional Development (CPD). Professional values, ethics, and attitudes achieved during IPD continue to develop as the career of the professional accountant changes, giving exposure to a wide range of ethical issues.
4. This IES integrates the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) into professional accounting education. The IESBA Code establishes ethical requirements for professional accountants, and sets out five fundamental principles of professional ethics: Integrity; Objectivity; Professional Competence and Due Care; Confidentiality; and Professional Behavior.

### *Effective Date*

5. This IES is effective on or after [ date ].

## Objective

6. The objective of a member body is to prepare aspiring professional accountants for demonstrating the professional values, ethics, and attitudes required to perform the work roles of a professional accountant. This lays the foundation for the ongoing development and application of professional values, ethics, and attitudes throughout the professional accountant's career.

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<sup>1</sup> The term "learning and development" is used by the IAESB to incorporate all the different processes, activities, and outcomes contributing to the achievement of competence.

## Requirements

7. IFAC member bodies shall provide, through learning and development activities, a framework of professional values, ethics, and attitudes for aspiring professional accountants to exercise professional judgment in the public interest. (Ref: Para. A2-A3)
8. IFAC member bodies shall integrate the IESBA Code, including any additional local requirements, into learning and development activities. (Ref: Para. A4 – A5)
9. The coverage of professional values, ethics, and attitudes in the learning and development activities of the aspiring professional accountant shall be based on an understanding of (a) ethical concepts, (b) theories, and (c) the five fundamental principles of the IESBA Code, which foster a commitment to:
  - the public interest and sensitivity to social responsibilities;
  - lifelong learning and CPD;
  - quality;
  - reliability, responsibility, timeliness, and courtesy; and
  - respect of laws, regulations, and local societal norms. (Ref: Para. A6 – A11)
10. IFAC member bodies shall establish that the learning and development of aspiring professional accountants, at a minimum, includes developing the ability to:
  - explain the nature of ethics;
  - explain the advantages and drawbacks of detailed rules-based and framework approaches to ethics;
  - explain the role of ethics within the profession and in relation to the concept of social responsibility;
  - explain the interrelationship of ethics and law, including the relationship between laws, regulations, and the public interest;
  - explain the role of ethics in relation to business and good governance;
  - compare concepts of objectivity, professional skepticism, accountability, and public expectations;
  - compare the consequences of unethical behavior to the individual, to the profession, and to society at large;
  - apply the fundamental ethical principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior to ethical dilemmas and their resolution; and
  - apply the IESBA Code to professional behavior and compliance with technical standards. (Ref: Para. A12 – A15)
11. IFAC member bodies shall design learning and development for aspiring professional accountants to include reflection that is formalized and documented in relation to lessons learned from ethical dilemmas. (Ref: Para. A16 – A18)
12. IFAC member bodies shall establish appropriate assessment processes that measure the competence of professional accountants in relation to professional values, ethics, and attitudes. (Ref: Para. A19)

## Explanatory Materials

- A1. An aspiring professional accountant is an individual who has commenced professional accounting education as part of IPD. (Ref: Para. 6)
- A2. Professional values, ethics, and attitudes are defined in the *IAESB Glossary of Terms* as the professional behavior and characteristics that identify professional accountants as members of a profession. (Ref: Para. 7)
- A3. Under the IESBA Code, professional accountants accept a responsibility to act in the public interest. Actions of a professional accountant are not intended exclusively to satisfy the needs of an individual client or employer. (Ref: Para. 7)
- A4. Professional values, ethics, and attitudes may at first be treated as a separate subject. As aspiring professional accountants progress and gain a wider knowledge of other subjects, professional values, ethics, and attitudes may be integrated with other subject matter. This encourages aspiring professional accountants to recognize and consider the possible ethical implications of problems being discussed in their study of other subjects. (Ref: Para. 8)
- A5. In setting the learning and development for aspiring professional accountants, IFAC member bodies, educators, and other stakeholders are advised to consider how to integrate the IESBA Code with local regulations and requirements. (Ref: Para. 8)
- A6. Professional values, ethics, and attitudes apply to everything that professional accountants do. Having a knowledge and understanding of ethical concepts and theories can help the aspiring professional accountant to recognize and address ethical dilemmas. (Ref: Para. 9)
- A7. In fostering a commitment to the public interest, it is important that aspiring professional accountants understand that professional accountants contribute to confidence and trust in the capital markets. Learning and development may address (a) particular ethical issues likely to be faced by all professional accountants, and also (b) those ethical issues more likely to be encountered by professional accountants in the workplace. (Ref: Para. 9)
- A8. IFAC member bodies, educators, and other stakeholders are encouraged to distinguish between (a) educating aspiring professional accountants about professional values, ethics, and attitudes, and (b) developing and instilling an appropriate environment for ethical behavior. Development of professional values, ethics, and attitudes may be achieved through IPD, and continues throughout a career, forming part of CPD activities and lifelong learning. (Ref: Para. 9)
- A9. Learning and development for aspiring professional accountants may be structured in such a way that the necessary periods of training and practical experience give aspiring professional accountants an opportunity to observe the application of professional values, ethics, and attitudes in the workplace. (Ref: Para. 9)
- A10. The emphasis on ethical principles may be achieved by encouraging aspiring professional accountants (a) to identify any apparent ethical implications and conflicts in their work, (b) to form preliminary views on such occurrences, and (c) to discuss them with their supervisors. (Ref: Para. 9)
- A11. Those responsible for the design and supervision of practical experience programs are encouraged to recognize that ethical problems and potential dilemmas for the aspiring professional accountant may occur within the period of practical experience. Where there is

doubt about the ethical aspects of a course of action or situation, guidance may be given to aspiring professional accountants about the need to consult employers, mentors, supervisors within their work environment or an IFAC member body, whichever is appropriate. (Ref: Para. 9)

- A12. The learning outcomes establish both the content and the depth of knowledge, understanding, and application required for each specified area. IFAC member bodies, educators, and other stakeholders are encouraged to identify the most appropriate approach to learning and development for professional values, ethics, and attitudes, taking into consideration the national and cultural environment and objectives. (Ref: Para. 10)
- A13. In determining the approach to each of the learning outcomes, some aspects of classroom-based education may be replaced by practical experience. (Ref: Para. 10)
- A14. IFAC member bodies, educators, and other stakeholders are encouraged to use participative approaches that can enhance the learning of professional values, ethics, and attitudes. These may include:
- the use of teaching materials such as case studies;
  - role playing;
  - discussion of selected readings and online materials;
  - analysis of real-life business situations involving ethical dilemmas;
  - discussion of disciplinary pronouncements and findings; and
  - seminars using speakers with experience of corporate or professional decision making. (Ref: Para. 10)
- A15. Participative approaches may lead those involved to a greater awareness of the ethical implications and potential conflicts for individuals and businesses that may arise from having to make complex management decisions. A variety of approaches can be used to enhance the learning experience. (Ref: Para. 10)
- A16. The practice of documenting experiences and considering what approach may be taken in the future in similar circumstances can be used by professional accountants at all stages of their careers. (Ref: Para. 11)
- A17. The evidence for reflection can take many forms, which may include a:
- record of learning;
  - record of reflection;
  - personal development portfolio; or
  - critical incident diary. (Ref: Para. 11)
- A18. The most realistic experience on which professional accountants reflect may occur in the workplace. Simulations of “real life” experiences may also offer a suitable alternative. (Ref: Para. 11)
- A19. Differing measurement approaches to assessment can be employed by IFAC member bodies, educators, and other stakeholders. In determining the most appropriate forms of assessment, IFAC member bodies, educators, and other stakeholders are advised to consider an appropriate mix based on input, output, and process measures. (Ref: Para. 12)



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