



Mr Dominique Ledouble
Chairman
Common Content Project
15, Rue d'Astorg
F-75008 Paris

8 January 2010

Ref.: SUS/HvD/SS/SR

Dear Mr Ledouble,

Re: Integrating sustainability further in the learning outcomes and knowledge of the Common Content Project

Introduction

Education in sustainability has been part of the FEE (Federation of European Accountants) agenda at different stages and occasions: The May 2008 Roundtable on Education in Sustainability; the Call for Action "Need to Increase Education in Sustainability for Accountants and Management" published at the end of 2008. We have just issued a policy statement on education in sustainability (we provide a more detailed description of these FEE activities and publications below). These FEE pronouncements and related discussions have demonstrated the importance of the integration of sustainability in education and in this respect we are addressing you in this letter.

As part of the debate on education in sustainability within FEE and the profession you kindly participated in June 2008 in an exchange of views and evaluation of the results of the FEE Education Roundtable in the meeting of the FEE Sustainability Working Party. In this exchange of views consideration was given to the need to integrate sustainability in the training curriculum but also to the specific sustainability issues to be addressed. We initiated the following actions and related pronouncements:

FEE activities and publications on sustainability in education

The FEE 2008 Education Roundtable and subsequent Call for Action (copy enclosed) drew attention to the specific competences in addition to those traditionally acquired by accountants and auditors to deal with sustainability, recognising the different roles pursued by professional accountants in business, internal auditors, public auditors and external auditors.

FEE has just issued a policy statement on education and sustainability under the title "Equipping accountants for a sustainable future" (copy enclosed) addressing all relevant stakeholders including all FEE Member Bodies. The statement emphasises that accountants and auditors need increased awareness and also specific additional competences in the area of sustainability. Each accountant should have an understanding of sustainability issues and their implications for business strategy and operations, and for external reporting and related assurance. The statement lists the following topics that need to be addressed in the basic and continuing education of accountants:

Policy

- Company and business strategy;
- Business ethics and integrity;

Management (including management accounting)

- Stakeholder engagement, understanding and awareness;
- Internal controls in relation to non-financial information;
- Management accounting techniques on environmentally sensitive and cost effective operations;
- Knowledge about accounting for externalities ("full cost accounting principles");
- Selection and measurement of KPIs;

Reporting

- Accounting for emission rights/trading schemes and financial reporting implications;

Assurance

- Risk approach integrating sustainability issues;
- Sources and techniques of assurance.

Common Content Project: Learning Outcomes and related Knowledge (version 2006)

The FEE Call for Action notes that the review of the Common Content Project could be used and play a catalyst function in further inclusion of sustainability aspects and in setting examples for other curriculae. We appreciated being informed that the Common Content Steering Group agreed at the end of 2008 that it would reconsider sustainability issues when it considers possible revisions to the Common Content learning outcomes and related knowledge. We would have the following broad remarks which we anticipate are relevant for all professional institutes.

In describing the assurance and related services in Chapter 2 under A General concepts and principles of assurance engagements; B Audits of historical financial statements and other historical financial information; and C Other assurance and related services, non-financial information is mentioned. We appreciate that the indications of the areas to be addressed should be rather general and that non-financial information is included as an umbrella concept, but do believe that sustainability (Corporate Social Responsibility (CSR) or Environmental, Social and Governance (ESG)) merits a specific and separate mention given its increasing importance, in particular in the aftermath of the crisis.

Emission rights and Greenhouse Gas Statements require also to be addressed separately including the related assurance now IAASB has issued a consultation paper ("ISAE 3410").

We believe that the learning outcomes need to contain a general discussion of sustainability and its integration in business. In such a section the different terms can be discussed such as CSR and ESG. We note that the current version to the learning outcomes uses a mixture of terms: sustainability, CSR, ecological, etc., which we think is confusing.

We appreciate the reference to stakeholders consultation, for example in B5 2.3, 2.4 and 2.5 (pages 118/119). However we believe that the text could be ameliorated if sustainability were to be specifically mentioned, since it forms an increasingly important part of stakeholders consultations.

The above provides some illustrative examples of how we think sustainability could be referred to more specifically in the learning outcomes and specific service knowledge. However we want to recall our overall suggestion of integrating sustainability considerations in the assurance engagements. Again, we believe that these comments have relevance for all FEE Member Bodies.

For further information on this letter, please contact the FEE Secretariat.

Yours sincerely,



Hans van Damme
President

Encl.