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Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West, 4th Floor
Toronto, Ontario M5V 3H2
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RE: Exposure Draft IES 1, Entry Requirements to Professional Accounting Education (ED)

On behalf of the American Institute of CPAs and its Pre-certification Education Executive Committee, please find below our response, comments, and additional questions regarding the Exposure Draft IES 1, Entry Requirements to Professional Accounting Education (ED).

We appreciate the opportunity to respond to this ED. We address the specific areas on which IAESB seeks comments plus offer additional comments that the AICPA and PcEEC believe require further consideration.

Question 1: Is the requirement in Paragraph 7 clear, particularly the concept of “a reasonable chance of successfully completing” balanced with “not putting in place excessive barriers to entry”? If not, what changes would you suggest?

The proposed IES 1 also includes requirements for IFAC member bodies to: explain the rationale for their specified entry requirements (paragraph 8); and make relevant information publicly available to help individuals assess their own chances of successfully completing professional accounting education (paragraph 9). Requirements in paragraphs 8 and 9 clarify the obligations that IFAC member bodies have in specifying entry requirements for professional accounting education and acknowledge the responsibility of the individual to assess chances of successfully completing professional accounting education.

While we agree with the positive intent of the rather delicate balancing attempt between “a reasonable chance of success” and “not putting in place excessive barriers to entry” it appears that effective definition and measurement of these concepts will be difficult. Thus our comment on the clarity of Paragraph 7 would suggest that there is room for concern about how effectively this will be interpreted. Paragraphs 8 and 9 regarding rationale and individual assessment are logical but rendered weaker due to the generality of the concepts and phrases in Paragraph 7.

Additionally, the concerns and issues addressed in our observations regarding Question 2 (below) also have direct relevance to Question 1.

Question 2: Do you envisage any difficulties in complying with the requirements of IES 1? If so, how would you propose addressing them?

While we support the need for reasonable flexibility in this and other standards, we are given to understand that part of the motivation behind the original IES 1 was to establish a base level of quality (obviously the definition of such a base level of quality across the multitude of education and regulatory systems is an unyieldingly difficult effort). The proposed standard appears to abandon this attempt and replace it with "Don't make it too easy" and "Don't make it too hard". While that replacement will most likely not make compliance difficult, it does raise the question of whether there is an observable level of quality. The lack of certain common base requirements could also possibly affect some cross border reciprocity.

Additionally, we found it a little hard to discern the difference between entry into an "education program to become an accounting professional" and entering into the "accounting profession". Given that these are International "Education" Standards, not International "Profession" Standards, the wording should be clear in this regard. Generally speaking, access to the profession is controlled at the "profession level". If those providing accounting education find that their preparation of aspiring professional accountants is insufficient for the aspirants to get accepted into the profession (they aren't hired, can't pass exams, etc.), the educators will react accordingly. Is the standard suggesting it is the profession's responsibility to ensure that a person who is not prepared/qualified does not enter an accounting education program? Isn't the public interest protected by admission to the profession, not by admission in a pre-profession education program?

Finally, our understanding is that when drafting the original standards, IFAC Education Committee members thought it would be a mistake to mix requirements for accounting technicians with the requirements for accounting professionals, which this proposed standard attempts to do. We believe the education of accounting technicians is a legitimate concern in some systems, but should be covered elsewhere, perhaps in a guidance paper.

In summary, the standard appears very broad, and without much interpretative effort, member bodies could be in compliance with its provisions. But does it address the issue of quality in professional accounting education?

Question 3: What is the impact in implementing the requirements of IES 1 to your organization?

We do not believe that implementing the IES 1 requirements as presented would have any impact on our organization.

Question 4: Are the Explanatory Materials sufficiently clear and comprehensive? If not, what changes do you suggest?

Please refer to our comments regarding Question 2.

Question 5: Is the objective to be achieved by a member body, stated in the proposed revised IES 1, appropriate?

In principle, yes.

Question 6: Have the criteria identified by the IAESB for determining whether a requirement should be specified been applied appropriately and consistently, such that the resulting requirements promote consistency in implementation by member bodies?

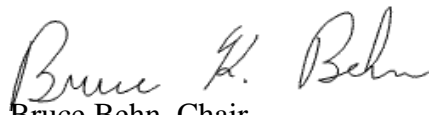
Again, please refer our comments regarding Question 2. Consistency in implementation by member bodies will be diffuse given the breadth of the standard's requirements.

Question 7: Are there any terms within the proposed IES 1 which require further clarification? If so, please explain the nature of the deficiencies.

Please refer to our comments in Question 2.

We thank you for the opportunity to submit our comments to Exposure Draft IES 1, Entry Requirements to Professional Accounting Education.

Respectfully Submitted,



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Pre-Certification Education Executive Committee



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