

IFAC

IES 6 - Professional Competence Assessment Due by 7- 28- 2011

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Colleagues,

I thank you for the opportunity to critique IES 6. Details follow:

Background

Currently the standard sets forth a number of requirements which are a condition precedent to a final assessment of professional competence. The revised standard addresses elements that IFAC considers essential to assessing professional competence on a continuous basis.

The new standard proposes a principles-based approach, detailing the requirements for the assessment of professional competence across the initial professional development and continuing professional development of an accountant.

It also proposes some principles of individual assessment that member bodies like the AICPA can use to assess professional competence—applied across various career stages—that should be considered “reliable, valid, equitable, transparent, and sufficient.”

Lastly, IFAC member bodies must undertake a formal evaluation of the adequacy of competence of aspiring professional accountants prior to their admission to the profession and have a systematic process requiring CPE .

“An overall assessment of the competence of aspiring professional accountants before qualification is essential in sustaining public trust. ”

Comments on the exposure draft are supposed to be sent by July 28.

Critique

In most jurisdictions in the USA , accountants must take a formal curriculum which has a balanced mix of all elements below :

- o Elementary, Intermediate and Advanced Financial Accounting Theory and Practice
- o Cost Accounting theory and practice
- o Municipal Accounting
- o Individual and Corporate Taxation including specialized taxation issues like Subchapter S Corporations and Partnerships
- o Business Law, Case Analysis and the Uniform Commercial Code and the English Common Law
- o Financial Auditing, flowcharting, elements of IT Auditing and Ethics
- o Probability and Statistics
- o Basic Computing
- o Quantitative Analysis- PERT, Inventory Models, Linear Programming use
- o Managerial Sciences

Areas of Electives may include:

- o Elementary and Advanced Operations Research
- o IT Auditing
- o Basic and Advanced Computing
- o SEC Accounting Practice
- o Organizational Dynamics

After all of the above has been completed successfully in an Accounting Program, a degree in Accountancy is issued. This degree could be a Bachelor of Arts in Accounting ,

Bachelor of Science in Accounting , Masters in Business Administration in Accounting or higher degree or professional certificate.

Most if not all jurisdictions require the taking and passing of the Uniform CPA Examination which essentially tests all of the above over a period which has varied from 14 - 19 hours. Once the candidate has passed the Uniform CPA Examination, the results are presented to the Board of Accountancy in the State . The experience requirement is completed and evaluated. A licensure fee is assessed and paid. Lastly, a certificate in Accountancy is issued by the State. CPE is completed continuously.

Programs in Accountancy are administered by the States. The curriculum is set forth to coincide with professional licensing requirements as is done in any other profession like Law, Actuarial Sciences etc.