



AAT response to the proposed  
International Education Standard (IES) 1,  
*Entry Requirements to Professional  
Accounting Education*

Submitted by AAT

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**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?**

Paragraph 7 is clear and appropriate. We can see that some member bodies might prefer an output based, clearly defined entry requirement for ease of interpretation of the Standard, but we are very pleased to see that paragraph 7 is principles based and successfully moves the Standard away from a prescriptive, rules based approach. Although this shift may take some time for member bodies to adapt to, we are confident that this move is appropriate and brings the International Education Standards up to date. It also recognises that the member bodies covered by the Standard have widely varying types of professional accounting education and therefore need to be encouraged to consider the entry requirements best suited to them, rather than being asked to conform to a one size fits all approach. The requirement set out in paragraph 8 should ensure that member bodies set appropriate entry requirements as they are required to explain their decisions in this regard. Paragraph 9 is welcome, as it will help to protect the public interested by requiring member bodies to provide relevant information to help aspiring professional accountants make evidence based decisions about their own chances of successfully completing professional accounting education. We believe that such transparency is important and gives responsibility to individuals whilst providing them with the relevant information to make choices.

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

We do not envisage any difficulty in complying with the proposed requirements. AAT currently has no formal entry requirements, and instead we guide people by explaining clearly that they need a reasonable standard of literacy and numeracy to be able to have a good chance of successful completion. Experience has shown that many people who left school with few qualifications are able to successfully complete the AAT qualification, with appropriate support and teaching. Many such people progress to Chartered Accountancy. This open access is central to our approach, which is inclusive and allows access to the profession to anyone who is capable of completing a demanding qualification, regardless of their previous educational attainment. We encourage tutors to discuss potential entrants' capabilities with them individually and we are confident, through experience and evidence, that this is a more appropriate approach than setting formal entry requirements. The UK government is currently strongly encouraging open access to the professions, including accountancy, in order to increase social mobility. For more information on this initiative see <http://www.dpm.cabinetoffice.gov.uk/social-mobility-business-compact>. The proposed Standard's requirements fit well with this push.

We do not see a problem with paragraph 9 and the explanatory materials give helpful guidance on how this might be achieved. We support the drive towards transparency contained within paragraph 9. We believe that the proposed Standard gives member bodies the flexibility to set appropriate entry requirements whilst making it clear that the public interest should be protected by giving aspiring accountants transparent information. We believe the Standard appropriately balances the need to protect the public interest in this way with the need to allow access to the profession and guard against unnecessary barriers to entry.

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

AAT will continue to operate its current practice on open entry and has already produced a rationale for this, so no change is required in that sense. AAT provides transparent information about qualification content and cost, and we will consider how to make more accessible our information on pass rates and completion rates. This information exists and is currently distributed to training providers, so consideration can be given to making this more publicly available in a relevant format. We can see some potential issues associated with publicising exam pass rate information in connection with data protection, sensitive statistics which might (if connected with a very small cohort) lead to involuntarily providing more information than is appropriate, and ensuring that information provided is meaningful and accurate. We envisage that this might be an issue of concern to a number of member bodies and would therefore recommend that good practice be made available on IFAC's website once the IES, if agreed, is in operation. IFAC might also need to undertake some auditing of this sort of information to ensure that it is consistent between member bodies, and transparent.

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

We found the explanatory materials clear and comprehensive and have no changes to propose. Clearly, it is difficult to define a "reasonable chance of success" but we believe that the explanation contained within the explanatory materials is appropriate and gives readers a good feel for the intention and spirit of the Standard. We recognise that some member bodies might prefer a more rules based Standard, and that producing a principles based Standard in this area is not straightforward, but we firmly believe that this Standard is appropriate and can be understood and implemented. Member bodies for whom this approach is new may, however, need some help in working out how to meet the requirements of the Standard and could perhaps be informally partnered with bodies who have already done so. AAT would be happy to support member bodies in this respect.

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

We agree that the objective is appropriate, as explained earlier in our response.

**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?**

We agree that this is the case.

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

We have not identified any such terms. We believe that the concept of “reasonable chance of success” is explained well and note that this is a difficult task, given the subjective nature of the concept.

Jeanette Purcell  
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