



October 5, 2011

Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West, 4th Floor
Toronto, Ontario M5V 3H2
Canada

RE: Exposure Draft IES 5 Practical Experience Requirements for Aspiring Professional Accountants

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 5, Practical Experience Requirements for Aspiring Professional Accountants.

We appreciate the opportunity to respond to this Exposure Draft (ED). Our response addresses the specific areas to which IAESB seeks comments plus offers additional comments that the AICPA and PcEEC believe require further consideration.

Question 1: Do you find that the outcome-based, input-based, and combination approaches offer sufficient alternatives for effectively meeting the standard's requirement for IFAC member bodies to establish their preferred approach to measure practical experience?

We strongly endorse the inclusion of the flexible methodology inherent in the presentation of three measurement options; outcome-based, input-based, and combination approaches. It is our view that these options definitely offer sufficient alternatives for IFAC member bodies to establish their preferred approach to measure practical experience.

By offering the choice of an outcome-based process, the revised standard is consistent with the Framework's encouragement of learning outcomes approaches and the measurement of competence (rather than using only arbitrary bright line measures). The result is that the revised standard offers the opportunity for a principles based approach, in addition to an option for rules based approaches for those who would prefer (or are required to use) that method.

Lastly, the draft standard is less prescriptive than the current IES 5 and, as such, it appropriately recognizes the vast differences among accounting education systems employed, and the variety of legal and regulatory environments under which IFAC member bodies operate.

Question 2: In considering the role of the supervisor in directing the aspiring professional accountant’s practical experience, the IAESB is proposing to define a supervisor as follows: “is a professional accountant who is responsible for guiding and advising aspiring professional accountants and for assisting in the development of the aspiring professional accountant’s competence.” Do you agree with this definition? If not, what amendments would you propose to the definition?

We agree with the definition of a supervisor as presented in the draft. The requirement that the supervisor be a professional accountant is appropriate as is the developmental role to be undertaken by the supervisor. It is our belief that the supervisor of an aspiring professional accountant obtaining experience subsequent to or concurrent with completion of a plan of accounting education, should focus on ensuring that the aspirant is capable of applying the lessons learned in the workplace environment and demonstrates both ethical and potential leadership qualities.

It should be added that in many situations the aspiring professional accountant’s role will change. Thus it is likely that the supervisor’s role will be filled by more than one individual. Indeed, the supervisory role might be shared by a number of potential persons, including engagement leaders, trainers, members of the employing organization, or other organizations such as a professional association.

Question 3: Are the requirements of IES 5 clear for IFAC member bodies?

The requirements as put forth in the revised standard are clearly stated and appropriate in their coverage. We believe IFAC member bodies will have little if any difficulty understanding what is mandated by the standard. It should be pointed out that the draft requirements in paragraphs 15 – 18 are under the heading of Mentors and Mentoring. - It appears as though the term supervisor is used interchangeably with mentor. In some systems these terms may differ and some additional clarification might be desirable.

Question 4: Are the examples and explanation in Explanatory Materials section sufficient in explaining the requirements of the Standard?

In general, the Explanatory Material section is clear and offers helpful guidance. We would suggest that more use of examples might be useful in paragraph A5 (Output-Based Approach) and paragraph A10 (Combination Approach). Paragraph A14 is, in our view, excellent guidance for IFAC member bodies as they consider the design of practical experience programs and subsequent measurement activities.

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

This question raises two issues. First is whether the objective should in fact be that of an IFAC member body. It could reasonably be asked whether the objective should be that of the standard itself, which thereby places responsibility on the aspiring professional accountant, employers, regulators, supervisors, IFAC member bodies and essentially a combination thereof. If it is determined that the objective should be directed specifically to IFAC member bodies (as it is presented), a clarification of the current wording of the objective would be helpful.

Secondly, the phrase “before assuming that role” requires a definition of a professional accountant, which is currently being reviewed by an IFAC task force. In our system, if “before assuming that role” refers to prior to certification as a CPA, the wording is understandable. In other systems it could be problematic.

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?

IFAC member bodies are charged with implementation whether in direct or oversight fashion. If by consistency of implementation it is meant that IFAC member bodies will meet the requirements of the revised standard, then the criteria have been appropriately specified despite the fact that different methods/approaches will be used.

Question 7: Are there any terms within the proposed IES 5 which require further clarification? If so, please explain the nature of the deficiencies.

We have identified potential areas for clarification in responses to Questions 3 and 5.

Comments on Other Matters

We have no specific comments on either translations or the possible effective date as put forth.

Again, we appreciate the opportunity to provide our response, comments, and additional questions regarding the Exposure Draft IES 5, Practical Experience Requirements of Aspiring Professional Accountants.

Respectfully Submitted,



Bruce Behn, Chair
Pre-Certification Education Executive Committee



John Hepp, IAESB Response Task Force Chair
Member, Pre-Certification Education Executive Committee



Dennis R. Reigle
AICPA Technical Advisor to IAESB