

October 24, 2014

Senior Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West
Toronto
Ontario
Canada
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Dear Mr. McPeak

We appreciate this opportunity to comment on the exposure Draft of the Proposed Framework for International Education Standards (2014).

General Comments

We fully support the project to update the Framework to ensure that it is aligned to the revised IESs.

The Framework plays an important role in establishing the concepts used within the IESs and also acts as a reference point for other pronouncements. We are particularly supportive of the new definition of professional accountant and commend the work done on the overall project to date.

Specific Questions

With respect to the specific questions outlined in the Explanatory Memorandum to the Exposure Draft:

Question 1: Is the definition of professional accountant appropriate for users of IESs? If not, please explain.

Yes. We believe that this definition is appropriate for the users of IESs.

However, as identified on page 8 of the Explanatory Memorandum, the extant definition also resides in the IESBA *Code of Ethics for Professional Accountants* and IAASB *Glossary of Terms*.

It is unclear whether this new definition will replace the definitions used by the IAASB and IESBA or whether they will continue to use the existing definition or develop their own definitions. We seek clarification from both the Board and IFAC on this point.

In answering this question, we have considered the definition for use within the IESs only.

Question 2: Is the definition of general education appropriate for users of the IESs? If not, please explain.

Yes. We believe that the definition of general education is appropriate for users of the IESs.

We would like to highlight that the term ‘broad-based’ may not be well understood by countries where English is not the first language and may present a problem where translation is required.

We would encourage the Board to consider using an alternative description, such as a ‘wide and comprehensive’ education.

Questions 3: The extant Framework is an authoritative pronouncement, meaning it establishes requirements for which IFAC member bodies must comply. Because the proposed draft of the Framework does not include any requirements and its primary purpose is to describe the learning concepts underpinning the IESs, the IAESB is proposing the revised Framework be non-authoritative. Do you agree with this change? If not, why not?

Our understanding is that the Framework provides a basis for the principles and concepts upon which the IESs are based and that it would not override the IESs themselves. This is consistent with the proposal that the revised Framework be a non-authoritative document, and so we support this proposed change.

We do note however that the information provided by the Board does not explain the impact of a change from authoritative to non-authoritative status, and whether this would have any substantive impact on the role of the Framework. Our response is based therefore on the assumption that this is merely an administrative, rather than a substantive, change.

Question 4: Is the updated Framework clear and easy to understand? If not, please explain.

Yes. We believe the updated Framework is clear and easy to understand.

Question 5: Does the updated Framework appropriately align with the recently revised IESs? If not, what gaps or differences should be addressed?

Yes. Overall we believe that the Framework appropriately aligns with the recently revised IESs, released to date. We note, however, that IES 8 is still in development and therefore it is not possible to comment on the alignment of the Framework with this unfinished standard.

We understand that the Board’s currently timetable for projects will see IES 8 being completed prior to the finalization of the Framework. Therefore, once IES 8 is completed, we recommend that the Board does a further review to ensure that the Framework continues to align with the full body of revised IESs.

Question 6: Are there any other terms within the Framework which require further clarification? If so, please explain the nature of the deficiencies.

None noted.

Question 7: Are there any other learning concepts relevant to the IESs that should be added to the Framework? If yes, please describe the concepts that should be added.

None noted.

Please do not hesitate to contact us for clarification of any of points we have made.

Very truly yours,

A handwritten signature in black ink, appearing to read "Cal Buss". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Cal Buss
Managing Director, Global Audit Quality & Transformation
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