



European Federation of Accountants and Auditors for SMEs

Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West, 4th Floor
Toronto, Ontario
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CANADA
Brussels, 3 October 2011

Dear Sir

Exposure Draft - IES 5, Practical Experience Requirements for Aspiring Professional Accountants

The European Federation of Accountants and Auditors for SMEs (“EFAA”) represents accountants and auditors providing professional services primarily to small and medium-sized entities (“SMEs”) both within the European Union and Europe as a whole. Constituents are mainly small practitioners (“SMPs”), including a significant number of sole practitioners. EFAA’s members, therefore, are SMEs themselves, and provide a range of professional services (e.g. audit, accounting, bookkeeping, and tax and business advice) to SMEs.

EFAA appreciates the opportunity to comment on the Exposure Draft - IES 5, Practical Experience Requirements for Aspiring Professional Accountants. We welcome the measurement approach in which adequacy or sufficiency of the practical experience is used to demonstrate that competence has been developed by the aspiring professional accountant.

Discussion Questions

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 believe that the outcome-based, input-based, and combination approaches offer sufficient alternatives and together recognise the need for flexibility so enabling member bodies to meet their educational and regulatory requirements. In general we are in favour of a combination of input and output approaches as we feel that input-based approaches alone do not have the same capacity to measure learning outcomes.

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?

Yes we agree with the definition.

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

Yes we believe they are clear.



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

Yes we believe they are sufficient.

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

We agree that the objective as stated “to ensure that aspiring professional accountants acquire appropriate and sufficient practical experience to demonstrate competence in the role of a professional accountant before assuming that role” is appropriate.

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 believe so.

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

No. We believe that they are clear.

Translation and implementation

Translation and adoption in all countries, including developing countries, would be assisted by the use of plain English. In some instances we feel that the wording could be simplified (for example, the use of “mechanism” in para. A14 c) and we are unsure as to how this word would be translated consistently across numerous languages. That said, we believe that the effective date promoted in the draft IES is reasonable.

I trust that you will find the above comments comprehensive but should you have any questions on our comments, please do not hesitate to contact me.

Yours faithfully,

Federico Diomeda
Chief Executive Officer