



1 November 2012

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International Accounting Education Standards Board
International Federation of Accountants
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CANADA

Dear David

Proposed International Education Standard 3, Initial Professional Development – Professional Skills (Revised)

Thank you for the opportunity to comment on the proposed revisions to International Education Standard 3 on IPD.

ICAEW acknowledges the importance of ensuring that aspiring professional accountants develop non-technical, soft and pervasive skills as they train for the profession.

Question 1. Do you support the definition of professional skills?

Yes.

Question 2. Do you support the removal of General Education from this IES?

Yes and we agree with the IAESB's rationale.

Question 3. Is the objective to be achieved by an IFAC member body, stated in the proposed IES 3 (Revised), appropriate?

No. We are not convinced that this objective is appropriately phrased at the moment. The proposed wording could be read as making the member body exclusively responsible not only for setting the professional skills requirements but for personally delivering them. In our view, the member body is responsible for setting the professional skills requirements, and for ensuring they are suitably assessed, but the actual development of those skills must be achieved through the combined efforts of various parties in addition to the member bodies, including training firms and mentors, professional educators and peers. The wording of paragraph A11 supports our view.

Question 4. Do you agree with the adoption of a learning outcomes approach?

Yes, we think this is a very positive move.

Question 5. Table A of the proposed IES 3 (Revised) provides learning outcomes for various competence areas of professional skills, are there any additional learning outcomes that you would expect from an aspiring professional accountant?

No.

Question 6. For Table A of the proposed IES 3 (Revised) are there any learning outcomes that you do not think are appropriate?

No.

Question 7. Are the minimum levels of proficiency included in the proposed IES 3 (Revised) appropriate for each professional skills competence area?

Generally yes. We note that some member bodies may wish to specify requirements at a higher level and that the specified minimum levels of proficiency of 'Advanced' and 'Intermediate' may be open to a wide variety of interpretations.

We would suggest that the IAESB considers whether the Competence Area of Interpersonal and communication should have an Advanced minimum level of proficiency, rather than Intermediate. In all the recent debates about professional scepticism and auditing, the fundamental importance of having these qualities (not just at engagement partner level) has been emphasised.

Additionally, as we have remarked in response to the exposure draft on IES 2, the criterion of 'mastery' in Appendix 1 is problematic for it does not seem realistic or helpful for an aspiring professional accountant to be expected to achieve mastery.

Question 8. Overall, are the requirements clear and appropriate? If not, what changes would you like to see?

Generally yes, but see qualifying points in answers to questions 3 and 7.

Question 9. Do you anticipate any impact or implications for your organization, or organizations with which you are familiar, in implementing the new requirements included in this proposed revision IES 3 (Revised)?

No, assuming that our suggested amendments are accepted and that the finalised new requirements do not increase beyond what is in this exposure draft.

Question 10. Are there any additional explanatory paragraphs needed to better explain the requirements of the proposed IES 3 (Revised)?

No.

Question 11. 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?

Yes.

Question 12. Are there any terms within the proposed IES 3 (Revised) which require further clarification? If so, please explain the nature of the deficiencies.

No.

Comments on other matters:

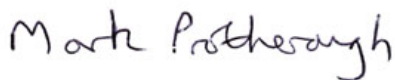
We would suggest that the 'Effective Date' section recommends that implementation of the revised standard be at the next syllabus review rather than July 2015. In our experience, there is a long lead-time between setting a syllabus, developing learning materials and delivering assessments and July 2015 might prove an unrealistic deadline to meet for many member bodies.

It would be helpful if what is meant by 'regular review' in paragraph 8 could be clarified. Again, the present wording is arguably open to too wide a potential interpretation. The wording in A12, while highly relevant for IES 2, is less relevant to IES 3. The softer skills relating to IES 3 should be relatively constant, irrespective of the changing technical environment.

We would suggest that the technical competencies list described in A4 should also include 'audit and assurance'.

We hope that the above points are helpful. Please contact Jonathan Jones, Head of Policy & Strategy on jonathan.jones@icaew.com or +44 (0) 1908 248292 if you would like any further clarification or information about our views at this stage.

Yours sincerely



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