



Private & Confidential

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

1 December 2014

Dear Sir,

**IFAC International Accounting Education Standards Board (IAESB) – Proposed Framework for International Education Standards 2014**

We appreciate the opportunity to respond to the July 2014 IAESB's Exposure Draft on the proposed changes to the Framework for International Education Standards 2014. This response is made on behalf of PwC. PwC refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

We support the revision to the Framework to align with the concepts underpinning the revised IESs and the clarification of those concepts for users. However, it is not clear how this revised document "provides direction for the IAESB as it continues to develop and maintain the IESs" as set out in the section entitled Purpose of the Framework. It is our understanding that the Board's direction is set out in the Strategy and Workplan which is subject to due process. We recommend the Board reconsider this wording and we propose the following: "provides a common basis of structure and a common understanding of key terms as the IAESB continues to develop and maintain the IESs".

Our response below answers the questions raised in the Request for Comments section of the Exposure Draft. All paragraph references are to the Proposed Framework unless otherwise indicated.

**Question 1: The IAESB is proposing to include the following definition of professional accountant in the updated Framework:** *"A professional accountant is an individual who achieves, demonstrates, and maintains professional competence in accountancy and who is bound by a code of ethics."*

**Is the definition of a professional accountant appropriate for users of the IESs? If not, please explain.**

We believe the definition is appropriate; however, the reference to "a code of ethics" seems redundant. More specifically, paragraph 18 defines professional competence to include "professional values, ethics and attitudes". Accordingly, we recommend the Board consider deleting "and who is bound by a code of ethics". Paragraphs 47 and 48 address the applicability of ethics more broadly and is considered sufficient to provide the appropriate context.

**Question 2: The IAESB is proposing to include the following definition of general education in the updated Framework:** *"General education is a broad-based education through which fundamental knowledge, skills, and attitudes are developed."*

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



We support the definition of general education; however, we recommend the Board consider replacing the word “fundamental” with “foundational”.

**Question 3: As indicated in the IAESB’s Terms of Reference, the Board’s authoritative documents are those pronouncements that are subject to due process for their development (See DUE PROCESS AND WORKING PROCEDURES—March 2010 for IAESB’s due process).**

**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?**

We agree with the change on the basis that the proposed draft of the Framework provides a common basis for structure when developing IESs and a common understanding of key terms. In addition, we note that it does not have an “objective” section and does not use the word “shall” that would indicate directly or indirectly a requirement.

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

Overall the Framework is clearly laid out and is easy to read and understand. We recommend the Board address the following areas of ambiguity:

1. Para. 14 (b) – Should this statement be narrowed to roles of this nature performed by professional accountants?
2. Para 22. This paragraph is difficult to read. First, it was not clear how items (b), (d) and (e) have a higher degree of relevancy to other areas that may have been included and we recommend they be deleted. Second, the structure of the paragraph is a bit awkward. Accordingly, we recommend the Board consider the following revision: “The required levels of proficiency described in the IESs are based on consideration of (a) to (c).”
3. Para 23 – Based on the descriptions of “practical experience” and “training” conducted in the workplace, the distinction between these concepts is unclear.
4. Para. 34 – There appears to be duplication in the final sentence with the content of para. 33 and 36

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

We note the following matters for the Board’s consideration:

1. Para. 5. We understand that Revised IES 8 will set out competence areas and learning outcomes for those performing the role of the Engagement Partner on the Audit of Financial Statements. This therefore implies that the first bullet is too narrow in its use of the word “aspiring professional accountant”
2. We ask the Board to consider whether para.23 should include “Assessment” as well as “Education”, “Practical experience” and “Training”, recognising the learning inherent in the completion of an assessment.



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

We ask that the Board consider the descriptions of the proficiency levels within the Framework (para 22) and Appendix 2 as the relationship between the two is unclear. For example, one could “perform assigned tasks by using the appropriate professional skills” (Foundational Level per Appendix 2) in a complex environment, by accomplishing a variety of underlying tasks which require specialist knowledge (factors which para. 22 implies a higher level of proficiency).

It is also not particularly clear how the required levels of proficiency defined for the achievement of IPD relate to para.47.

**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.**

We do not believe there are any other learning concepts that should be added.

**Other areas for comment: *Glossary terms***

We have no comment on glossary terms.

We would be happy to discuss our views further with you. If you have any questions regarding this letter, please contact Laurie Jeppesen, Global Assurance L&E Leader at +1 416 365 8230, or Susan Gore, Global Assurance Learning and Education Partner at +1 646- 471-1029.

Yours sincerely,

*PricewaterhouseCoopers LLP*