



Ref: EAL/

Mr David McPeak
IAESB Technical Director
International Accounting Education Standards Board

27 October 2014

Dear David

Proposed Framework for International Education Standards (2014)

The Institute of Chartered Accountants of Scotland (ICAS) welcomes the opportunity to comment on the IAESB's Exposure Draft of changes to the Proposed Framework for International Education Standards (2014).

General Comments

The revised Framework contains two new proposed definitions in relation to professional accountant and general education which it is proposed will be added to the Glossary of Terms. In the revised IESs which have been issued to date, there is a paragraph included in the Introduction section (eg IES1 para 5) which refers to the Glossary of Terms for definitions and explanations of the key terms used in the IESs. For the revised IESs, this would be referring to the extant Glossary of Terms and the current definitions of professional accountant and general education. It is not clear from the Exposure Draft how the possible impact of the change in these definitions on the other IESs is being dealt with and whether the IAESB is proposing to reissue the revised IESs for comment. This requires to be clarified by the Board.

Para 5 of the Revised Framework contains 2 bullets which set out what the IESs cover. This seems too narrow in terms of the areas covered by the IESs.

Para 8 of the Revised Framework includes a new sentence which states that the Framework provides direction for the IAESB as it continues to develop and maintain the IESs. ICAS does not believe that the purpose of the Framework should be to provide direction as the Strategic Plan, which is subject to public comment, which provides the direction for the IAESB's workplan.

The Title for paragraphs 19 to 22 is Learning Outcomes and Related Concepts. This is misleading as no related concepts appear to be referred to in this section. In addition, in IES2 and IES4 the explanatory materials explain competence areas (IES2 para A5) before going on to explain learning outcomes (IES2 para A6), it is not clear why the order of explanation has changed in the revised Framework.

Para 32 – The flow of the sentences seems convoluted and it is, therefore, unclear. This wording could be clarified to improve understanding.

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

Notwithstanding the comment above in the General Comments, the most important definition in relation to the IESs would appear to be that of the aspiring professional accountant. Therefore, the definition of professional accountant requires to be read alongside that of the aspiring professional accountant in considering the appropriateness of the definition. On the whole the definition of Professional Accountant seems appropriate but the link between the two definitions is not necessarily as clear as it might be. This could be strengthened by amending the definition of IPD in the Glossary of Terms to the sentence included at Para 29 of the Revised Framework as it provides a clear link to both definitions.

The inclusion of phrase “bound by a code of ethics” is subtle and its not clear that the purpose of its inclusion is clear without additional background being provided.

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

Notwithstanding the comment above in the General Comments, ICAS does not believe that the proposed definition of general education is helpful or appropriate to users of the IESs as it is unclear in which the context of ...“fundamental” knowledge, skills and attitudes... is being used. In its current form, the proposed definition does not appear to be an improvement on the current definition.

It is suggested that the second sentence from paragraph 26 is added to the definition as this provides the context which is needed to make the link to the relevance of general education to the IESs.

Question 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?

ICAS would be happy with the principle that the revised Framework is a non-authoritative pronouncement. However, ICAS is of the view that this proposal creates issues regarding the application of the revised Framework particularly in relation to the proposal to change the definition of the terms “general education” and “professional accountant” through the Revised Framework. It is not clear how the IAESB is proposing to address this issue and this requires further clarification.

Question 4: Is the updated Framework clear and easy to understand?

The updated Framework follows the same structure as the existing Framework and is, therefore, clear and easy to understand. However, the response to Q5 should also be noted in response to this question.

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

There is alignment between the Framework and the IESs, however, many of the elements of the Framework are a direct replication of text from the IESs or other documents issued by IFAC. The Framework, therefore, appears to add little to the overall sum of knowledge and does not improve understanding or the implementation of the IESs.

As examples para 19 in the revised Framework is a replication of IES2 para A6 and IES4 para A11. In addition, Appendix 2 of the revised Framework is a replication of Appendix 1 from IES2 and IES4. No additional guidance or clarification is provided in the revised Framework.

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

None identified.

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.

It would have been helpful to have included a taxonomy in the revised Framework. This would have aided the understanding and implementation of many of the IES learning outcome requirements. At present, based on the verbs used in some of the wording of the learning outcomes used in the IESs it is unclear why some areas are set at Foundation level and others at Intermediate. Eg IES2 Economics is set at Foundation level but Business Strategy & Management is set at Intermediate.

Yours sincerely



Ann Lamb BA CA
Director, Policy
ICAS