

COMMENT ON IES 5: PRACTICAL EXPERIENCE REQUIREMENTS FOR PROFESSIONAL ACCOUNTANTS

INTRODUCTION

SAICA welcomes the opportunity to comment on the abovementioned document. Generally we are of the view that the document has been well-drafted and meets the aims of improving clarity, ensuring consistency with concepts of the revised Framework document and clarifying issues resulting from changes in the environment.

The comment set out below follows the guide for respondents as included in the document.

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 it is essential that a methodology be established to measure practical experience. While we appreciate the ease and convenience of the input-based approach, we do not believe that it is appropriate "as a proxy for measuring development of competence". We are of the view that IFAC should require member bodies to at least use the combination approach.

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?

We would suggest including a clause to the effect that the supervisor is a professional accountant who possesses a "higher" qualification than the trainee. For example, in certain circumstances, the situation may occur where the supervisor, who is a professional accountant, is in possession of a first degree, while the trainee may be in possession of a higher degree.

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

We find the Exposure Draft to be clear and unambiguous.

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

The examples and explanations in the Explanatory Materials are clear, and assist in the interpretation of the standard.

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

The objective refers to the appropriateness and adequacy of the practical experience. We would prefer reference to the rigour, complexity, breadth and depth of practical experience. We believe these terms to create a clearer and more measurable statement of what is required.

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 this to be the case.

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

We believe the proposed standard is clear and easy to read and understand, and accordingly do not believe any further clarification in terms of definitions is required.