

IAESB REQUEST FOR COMMENT: IES 2

INTRODUCTION

We refer to the IAESB request for comment issued in July 2012 for which comment is due 1 November 2012.

Question 1: Do the 11 competence areas listed in Paragraph 7 of the proposed IES 2 (Revised) capture the breadth of areas over which aspiring professional accountants need to acquire technical competence? If not, what do you suggest?

Yes

Question 2: Do the learning outcomes listed in Paragraph 7 of the proposed IES 2 (Revised) capture adequately the minimum levels of proficiency to be achieved by an aspiring professional accountant by the end of IPD? If not, what changes do you suggest?

We are of the view that the level of proficiency for competence areas (a) to (f) should all be pitched at the same minimum level of proficiency. We do not agree that financial accounting ought to be at a higher level than the others (i.e. (b) to (f)).

We recommend that all these competence areas be at the advanced level of proficiency. This recommendation is based on the view that post-qualification specialisation in any of these competence areas will require mastery. The development of mastery, we believe, ought to be based upon a foundation laid in the professional programme, which should be at the advanced level.

We agree that financial accounting provides a foundation for the other competence areas ((b) to (f)) and that it may require additional emphasis in the education programme, however, we believe that this does not require that the level of proficiency for this competence area be higher than for the others.

Questions 3: Does the Appendix provide adequate clarification to assist in the interpretation of the learning outcomes that are listed in Paragraph 7 of the proposed IES 2 (Revised)? If not, what changes do you suggest?

We are of the view that the Appendix requires the following modifications:

1. The term "analyse" is used in relation to many learning outcomes, while the term "interpret" is only used at (a)(vi) and (j)(ii). We believe that "analyse" should imply the ability to interpret, and therefore that both Table A and Appendix 1 should be clarified for this matter.
2. The term "describe" is used in many instances in Table A, while the term "understand" is only used at e(v). We believe that understanding ought to be implicit in the ability to describe and that Table A and Appendix 1 should be clarified for this matter.
3. The term "understand" (e)(v) is not included in Appendix 1. If this term is retained, we believe that it ought to be included in the foundation level of proficiency. If it is not included at this level, the implication may be that rote learning is appropriate.
4. The term "compare" at (k)(v) implies the ability to explain "how organisational behaviour may be used ...". It may be preferable therefore to use the term "describe" as this will imply the ability to compare.

Question 4: Overall, are the Requirements paragraphs 7, 8, and 9 of the proposed IES 2 (Revised) appropriate for ensuring that aspiring professional accountants achieve the appropriate level of technical competence by the end of IPD? If not, what changes do you suggest?

Yes. However, we propose the following wording for paragraph 8: *"IFAC member bodies shall have processes and policies in place to regularly review and, where appropriate, revise professional education programmes that are designed to achieve the learning outcomes in this IES"*. We suggest this because the current wording of the paragraph implies that all member bodies have direct control over the education programme, which is not the case.

Question 5: 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 IES 2 (Revised)?

No

Question 6: Is the objective to be achieved by a member body, stated in the proposed revised IES 2, appropriate?

Yes

Question 7: 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?

The definition of the "Advanced" level of proficiency, namely "Learning outcomes at the advanced level relate to work situations that are characterised by high levels of **ambiguity, complexity and uncertainty**", may lead to inconsistent interpretation, application, and, most concerning, assessment of competence in the relevant competence area. The interpretation of these terms is subject to the context within which they are being applied, and therefore consistency would be almost impossible to achieve.

Question 8: Are there any terms within the proposed IES 2 (Revised) which require further clarification? If so, please explain the nature of the deficiencies.

No

General comments: Paragraph A7

We suggest that the last sentence of this paragraph be reworded "... receive professional service". We suggest that the reference to "competent" be removed as the term "professional" implies competence. The reference to "competent professional" implies that there are incompetent professionals.