

**Basis for Conclusions**  
**Prepared by the Staff of the IAESB**  
*January 2014*

*International Education Standard (IES) 2*

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**Initial Professional  
Development – Technical  
Competence (Revised)**

**IAESB**

International Accounting  
Education  
Standards Board™

This document was prepared by the Staff of the International Accounting Education Standards Board (IAESB).

The IAESB develops education standards, guidance, and information papers on pre-qualification education, training of professional accountants, and continuing professional education and development.

The objective of the IAESB is to serve the public interest by setting high-quality education standards for professional accountants and by facilitating the convergence of international and national education standards.

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# BASIS FOR CONCLUSIONS

## INTERNATIONAL EDUCATION STANDARD 2, INITIAL PROFESSIONAL DEVELOPMENT – TECHNICAL COMPETENCE (REVISED)

The Basis for Conclusions document for International Education Standard (IES) 2 has been prepared by the Staff of the International Accounting Education Standards Board (IAESB). It relates to, but does not form part of IES 2, *Initial Professional Development – Technical Competence (Revised)*.

### Background

1. In October 2009 the IAESB approved a project to redraft and revise IES 2. The IAESB agreed that IES 2 should be redrafted with the aim of:

- Improving clarity;
- Ensuring consistency with concepts of the Framework for International Education Standards for Professional Accountants (2009) document; and
- Clarifying issues resulting from changes in the environment of accounting education and the experience gained from implementation of the Standards by IFAC member bodies.

In addition, the IAESB agreed to consider the following issues when revising IES 2:

- Review the Standard to ensure that it reflects a competence-based approach to the education and development of a professional accountant;
- Clarify areas of the Standard which focus only on a knowledge-based approach to learning by ensuring that outcomes can be demonstrated and measured;
- Revise the requirements of the Standard to ensure that the mix of input or output measures continue to be relevant and appropriate;
- Revise the level and depth of knowledge required to ensure relevance and completeness while aiming to identify core competence of a professional accountant (e.g. sustainability);
- Clarify the requirements for the core competence assigned to the various roles of the accounting profession; and
- Determine whether the content of the Standard should be consolidated within other Standards or remain stand alone.

The revised IES 2 prescribes the learning outcomes for technical competence that aspiring professional accountants are required to demonstrate by the end of Initial Professional Development (IPD). More specifically, the revised IES 2 is primarily aimed at IFAC member bodies, but will also be helpful to educational organizations, employers, regulators, government authorities, and any other stakeholders who support the development of aspiring professional accountants.

2. As part of its initiative to clarify the suite of 8 IESs, the IAESB agreed to a new structure to improve the clarity of its standards. The new structure will improve the readability of the IESs and provide an appropriate level of explanation to ensure that interested stakeholders understand and apply the Standards properly. The new structure includes 4 major sections: Introduction, Objectives, Requirements, and Explanatory Material. These sections place greater emphasis on the obligations and requirements of an IFAC member body in the learning and development of a professional

accountant. In addition, the IAESB has also made amendments to the language of its Standards to improve the understanding of the requirements that IFAC member bodies undertake when implementing the Standards.

3. The IAESB issued an Exposure draft of IES 2 ["ED-IES 2"] on August 1, 2012, with the deadline for response of November 1, 2012. The IAESB received 33 comment letters on ED-IES 2 from respondents representing different interests, including IFAC member bodies, regional organizations, public accounting firms, regulators, accounting organizations, academics, and individuals. In addition, the IAESB Consultative Advisory Group (CAG) commented on the development of the Exposure Draft (ED) of the Revised IES 2 and the analysis of comments from the ED at the April 2012 and February 2013 CAG meetings, respectively. As a result of these comments, the IAESB has implemented a number of changes to finalize the text of the Revised IES 2. The following summarizes the more significant issues raised by respondents, and how the IAESB addressed them.

### Issues Raised During Exposure Period

4. Respondents raised a range of issues related to:
  - Title, Scope; and Objective;
  - Requirements; and
  - Explanatory Material and Terminology.

Changes made to ED-IES 2 since their exposure to the public, are now discussed in turn below.

#### Title, Scope and Objective

##### *Initial Professional Development*

5. Respondents from several categories (IFAC member bodies<sup>1</sup>, public accounting firms<sup>2</sup>, and professional organizations<sup>3</sup>) to the ED-IES 2 indicated that the scope of IES 2 needed further clarification. Some of these respondents suggested indicating that although IES 2 is concerned principally with initial professional development (IPD), inevitably these founding principles will also apply in continuing professional development (CPD).
6. To improve clarity of IES 2 and to reinforce the view that the learning and development of technical competence are to be achieved by the end of IPD is also relevant to continuing professional development, the IAESB has made the following amendments:
  - The title of ED-IES 2, Content of Professional Accounting Education Programs, was amended to the following, IES 2, *Initial Professional Development – Technical Competence* (Revised; "Revised IES 2"). The amendment to include IPD in the title reflects the IAESB's view that IPD is the learning and development through which individuals first develop competence to perform a role of a professional accountant. The title also recognizes that technical competence is required of an aspiring professional accountant by the end of IPD. Technical competence is the ability to apply professional knowledge to perform a role as a professional accountant to a defined standard. The technical competence of a professional

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<sup>1</sup> IFAC Member Bodies: ACCA, AICPA, CGA-Canada, CICA

<sup>2</sup> Public Accounting Firms: BDO

<sup>3</sup> Professional Organizations: FEE

accountant needs to be integrated with professional skills and professional values, ethics, and attitudes to demonstrate professional competence.

- Paragraph 1 of the Introduction section of the Revised IES 2 now explains that IES 2 prescribes the learning outcomes for technical competence that aspiring professional accountants are required to demonstrate by the end of IPD. In addition, a 2<sup>nd</sup> sentence that defines technical competence has been added to improve the reader's understanding of what technical competence is.
- Paragraphs 2 and 3 of the Introduction section of the Revised IES 2 provide additional explanation on technical competence by recognizing: (1) the responsibility of an IFAC member body (paragraph 2) and (2) how IESs 3 and 4 specify the competence areas and learning outcomes that describe the professional competence required of aspiring professional accountants by the end of IPD (Paragraph 3).

#### *Other Issues*

7. The IAESB made the following amendments to the wording of the scope paragraphs and objective statement to improve clarity:
  - The IAESB has included a new paragraph (Paragraph 4 of the Revised IES 2) in the Introduction section to identify the Framework (2009) and the IAESB Glossary of Terms as sources for the definitions and explanations of key terms.
  - Respondents from the following categories requested further clarification on the Objective paragraph: IFAC member bodies<sup>4</sup>, public accounting firms<sup>5</sup>, academic accounting associations<sup>6</sup>, professional organizations<sup>7</sup>, and individuals<sup>8</sup>. These comments included suggestions to: (1) to state the objective as “the objective of the IES”; and (2) to place greater emphasis on the responsibility of the aspiring professional accountant. The IAESB has considered these suggestions and made amendments to the Objective paragraph to (1) clarify that the objective is stated as “the objective of the IES,” and (2) identify the target audience of the objective as aspiring professional accountants having responsibility to develop and demonstrate technical competence to perform a role as a professional accountant.

#### **Requirements**

8. In general, respondents from all of the categories agreed with the content of the 3 requirements of the Revised IES 2, subject to consideration of proposed editorial amendments to the wording of each requirement to improve clarity. The significant changes resulting from these amendments are discussed in the following sections.

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<sup>4</sup> IFAC Member Bodies: ICAS, IDW, ICPAI, JICPA, AICPA, CGA-Canada

<sup>5</sup> Public Accounting Firms: EYG, KPMG

<sup>6</sup> Academic Accounting Associations: IAAER

<sup>7</sup> Professional Organizations: FEE

<sup>8</sup> Individuals: Altaf Noor Ali

*Learning Outcomes for Technical Competence*

9. The IAESB CAG raised concerns that proficiency levels used in Table A could be misinterpreted by readers. As a result the IAESB decided to (1) change the format of the table by including the level of proficiency within the column describing the competence areas, and (2) include a footnote to the table that indicates the level of proficiency for a competence area identifies the level to be achieved by the end of IPD.

Financial Accounting and Reporting

10. Respondents (BDO, PWC, and CPA Canada) requested that the proficiency level of Advanced for the competence area of financial accounting and reporting should be changed to the Intermediate level. IAESB CAG members expressed mixed views as to whether the level of proficiency for financial accounting and reporting should be advanced or intermediate, with most CAG members appearing to favor the advanced level. The IAESB considered these comments and decided to set the proficiency level at intermediate for the competence area of financial accounting and reporting. The assignment of the intermediate level of proficiency to the competence area of financial accounting and reporting rather than the advanced level recognizes that further development by professional accountants occurs during their careers, while providing IFAC member bodies with the flexibility to specify a level of proficiency that is needed for their own professional accounting education programs. In addition, the activity verb and the wording of each learning outcome statement have been selected to reflect the core competence needed in the area of financial accounting and reporting with the view that aspiring professional accountants will further develop their professional knowledge, skills, professional values, ethics, and attitudes to meet the required competence for their roles as a professional accountant. The descriptors of the levels of proficiency help IFAC member bodies design their professional accounting education programs for a variety of professional accounting roles and specializations by providing the context in which the learning outcomes should be achieved. The IAESB has included explanation in paragraph A12 of the Explanatory Material section to address the use of proficiency levels for the competence areas and learning outcomes. The IAESB also indicated that further development in this competence area can only be achieved through practical experience that is achieved in work situations that are characterized by high levels of ambiguity, complexity and uncertainty. The IAESB recognized that it is not realistic to expect all aspiring professional accountants who are preparing for a role as a professional accountant to be able to obtain practical experience in work situations characterized by high levels of ambiguity, complexity, and uncertainty by the end of IPD.
11. Respondents (KPMG and IDW) suggested that the learning outcomes (ii) and (iv) on the application of IFRSs and the preparation of financial statements needed to be broadened in scope to cover jurisdictions in which organizations might not be subject to specific laws and regulations in financial accounting and reporting. The IAESB agreed with this view and amended learning outcomes (ii) and (iv) to read "... IFRSs or other relevant standards."
12. The IAESB decided to include a new learning outcome (v) that addresses the interpretation of financial statements and disclosures. The IAESB also decided to delete the learning outcome on classifying financial data indicating that this activity was already captured in the learning outcome (iv) on preparing financial statements. In addition, an editorial improvement was made to learning outcome (v) of financial accounting and reporting to improve the clarity. This editorial improvement does not substantially change the content of learning outcome (v), but emphasizes the need of interpretation by aspiring professional accountants of reports that include non-financial data.

### Management Accounting

13. IAESB CAG members and several respondents (e.g., AICPA, CICA, and IAAER) suggested that more learning outcomes on quantitative methods should be included in the professional accounting education program. The IAESB agreed that management accounting was a competence area where a new learning outcome (ii) should be included to reflect the use of quantitative techniques to analyze cost behavior and drivers of costs. The IAESB also agreed with FEE's suggestion that learning outcome (v) on performance of products and business segments should only include the verb, "evaluate", because it includes the action of comparing. In addition minor editorial improvements were made to learning outcomes (i), (iii), and (iv) of management accounting to improve the clarity. These editorial improvements do not substantially change the content of these learning outcomes.

### Finance and Financial Management

14. IAESB CAG members and several respondents (e.g., EYG, IRBA, and IAAER) suggested that a learning outcome on valuation approaches should be included in the professional accounting education program. The IAESB agreed that a new learning outcome (vi) should be included to reflect the ability to explain valuation approaches. The IAESB has improved the clarity of learning outcome (i) by specifying the various sources of financing available (e.g., bond, equity, and treasury markets) rather than just indicating capital markets. In addition, minor editorial improvements were made to learning outcomes (iii) and (v) of finance and financial management to improve the clarity and consistency in using terminology. These editorial improvements do not substantially change the content of these learning outcomes.

### Taxation

15. The IAESB has decided that the learning outcome on referral to taxation specialists is better positioned with the learning outcomes of professional skills because the need to determine when to refer to expertise is relevant to many areas, not just taxation. In addition, minor editorial improvements were made to learning outcomes (i), (ii), and (iii) of taxation to improve the clarity and consistency in using terminology. These editorial improvements do not substantially change the content of these learning outcomes.

### Audit and Assurance

16. IAESB CAG members indicated that the learning outcomes and the intermediate level of proficiency for auditing and assurance may be suitable for aspiring professional accountants who were not intending to become auditors, but for those who would be taking on an audit role the intermediate level would not be sufficient. Some CAG members supported changing the level of proficiency for auditing and assurance from intermediate to advanced level. The IAESB considered these comments, but decided to set the proficiency level at intermediate for the competence area of audit and assurance. In making this decision the IAESB recognized that the level of proficiency needs to be suitable for aspiring professional accountants no matter what their intended role.
17. The assignment of the intermediate level of proficiency to the competence area of audit and assurance rather than the advanced level recognizes that those professional accountants who take on the audit role will further develop their level of competence during their careers. As explained in paragraph A13 when member bodies prepare professional accountants for a particular role such as auditing they may (1) include additional competence areas; (2) increase the level of proficiency for

some competence areas; or (3) develop additional learning outcomes that are not specified in this IES. In addition, the activity verb and the wording of each learning outcome statement have been selected to reflect the core competence needed in the area of auditing and assurance with the view that aspiring professional accountants will further develop their professional knowledge, skills, professional values, ethics, and attitudes to meet the required competence for their roles or specializations as a professional accountant. The descriptors of the levels of proficiency help IFAC member bodies design their professional accounting education programs for a variety of professional accounting roles and specializations by providing the context in which the learning outcomes should be achieved. The IAESB also indicated that further development in this competence area can only be achieved through CPD and practical experience that is achieved in work situations that are characterized by high levels of ambiguity, complexity and uncertainty. The IAESB has recognized the importance of CPD and has identified the learning outcomes required of an engagement partner in the revised IES 8.

18. The IAESB CAG and several respondents (e.g., AICPA, CICA, and IAAER) suggested that more learning outcomes on quantitative methods should be included in the professional accounting education program. The IAESB agreed that auditing and assurance was a competence area that required quantitative methods and included new learning outcome (iv) to reflect the use of quantitative methods in the audit engagement.
19. IDW requested that the learning outcome on audit risk should be clarified by aligning it with ISA 315. The IAESB agreed and reworded learning outcome (iii) to assess the risks of material misstatement of financial statements.
20. Respondents (BDO, IRBA, and PWC) requested that the learning outcome on the activities of an audit of financial statements should be clarified because its coverage was too narrow and could be misinterpreted. IAESB agreed to reword the learning outcome (i) to include the objectives and stages involved in performing an audit of financial statements.
21. Respondents (ICAI and KPMG) requested that the activity verb of the learning outcome (ii) on laws and regulations relevant to an audit engagement should be reviewed by changing the activity verb to “apply” and specifying the audit of financial statements. The IAESB agreed to amend the verb “identify” to “apply” and change the phrase “audit engagement: to “audit of financial statements” so as to align learning outcome (ii) with the learning outcomes specified in IES 8 and to ensure appropriate progression for technical competence. The IAESB CAG also requested that the activity verb of learning outcome (iv) on quantitative methods be changed to “apply.” The IAESB agreed with this request and changed the activity verb to reflect application of quantitative methods in audit engagements.

#### Business Laws and Regulations

22. Respondents (FEE, ICPAI, and SAIPA) requested that the proficiency level for the competence area of business laws and regulations should be increased from foundation to intermediate because of the importance of laws and regulations to the practice of accounting and auditing. IAESB CAG members expressed mixed views on whether the level of proficiency for business laws and regulations should be at the foundation or intermediate level. The IAESB considered these comments and decided to change the level of proficiency to intermediate to reflect the importance of laws and regulations to work situations in accounting and auditing that are characterized by moderate levels of ambiguity, complexity, and uncertainty.



23. The IAESB has decided that the learning outcome on referral to specialists is better positioned with the learning outcomes of professional skills because the need to determine when to refer to expertise is relevant to many areas, not just business laws and regulations.
24. FEE requested that the activity of the learning outcome on laws and regulations relevant to a professional accountant should be reviewed by changing the activity verb because of its importance in providing accounting and auditing services to the public, including clients. The IAESB agreed with this view and amended the verb “explain” to “apply.”
25. CGA-Canada requested that the learning outcome on forms of business should be reviewed because not all forms of business are legally distinct entities. The IAESB agreed with this view and amended learning outcome (i) to “different forms of legal entities.”

#### Information Technology

26. The IAESB decided to delete the learning outcomes on information systems’ continuity plan and on information systems because they can be adequately captured by learning outcomes already present in the competence area of governance, risk management and internal controls.
27. Respondents (DTT, KPMG, and IRBA) requested that the activity verb and wording of the learning outcomes on general computer and application controls be reviewed to reflect the terminology used in the auditing environment. The IAESB decided to collapse the two learning outcomes on general computer controls and application controls into one learning outcome that focuses on analysis of the adequacy of general information technology controls and relevant application controls.
28. The IAESB CAG requested that a new learning outcome should be included on business analytics and its support of decision-making. The IAESB agreed with this view and included learning outcome (iii) on using business analytics to support decision making. The IAESB also included a new learning outcome (ii) to recognize the need for aspiring professional accountants to explain how information technology contributes to data analysis and decision making.

#### Business and Organizational Environment

29. The IAESB decided to delete the learning outcome on the processes that internationalize an organization because its meaning is captured by learning outcomes on the environment in which an organization operates and on the features of globalization which are already present in the competence area of business and organizational environment. In addition, minor editorial improvements were made to learning outcomes (i) and (iii) of business and organizational environment to improve the clarity. These editorial improvements do not substantially change the content of these learning outcomes.

#### Business Strategy and Management

30. Respondents (ICAEW and AAT) and the IAESB CAG requested that a new learning outcome on business strategy should be included because of the important role that professional accountants have in developing and implementing business strategy. The IAESB agreed with this view and has included learning outcome (iv) to explain the processes used in developing and implementing business strategy.
31. IDW and the IAESB CAG requested that the activity verbs for learning outcomes on factors influencing organizational strategy and on theories of organizational behavior be reviewed to provide a better alignment with the identified proficiency level. The IAESB agreed with this view and

changed the verb from “explain” to “analyze” in learning outcome (iii) on factors influencing organizational strategy and changed the verb from “compare” to “explain” in learning outcome (v) on theories of organizational behavior.

32. IAAER requested that the learning outcome on the purpose and importance of functional areas should be amended to include operational areas because of the important dependency between operations and accounting and management accounting systems. The IAESB agreed with this view and broadened the scope of learning outcome (ii) by including both functional and operational areas within an organization.

#### Governance, Risk Management, and Internal Controls

33. Respondents (CPA-Australia and FEE) requested that some of the learning outcomes in this competence area could be clarified by amending their wording. The IAESB reviewed these suggestions and agreed the following changes to improve the clarity of these learning outcomes: include the following phrase “and those charged with governance” in learning outcome (i) on principles of good governance; replace the word “structure” with “framework” in learning outcome (ii) on components of an organization’s governance; include the phrase “related to financial reporting” in learning outcome (iv) on components of internal control. In addition, minor editorial improvements were made to learning outcome (iii) of governance, risk management, and internal controls to improve clarity. These editorial improvements do not substantially change the content of this learning outcome.

#### Economics

34. Respondents (BDO, FEE, and ICAEW) requested that the activity verb and wording of the learning outcome on key indicators of macroeconomic activity should be reviewed to reflect the assigned proficiency level. The IAESB agreed with this view and changed the activity verb to “describe” and changed the wording of learning outcome (ii) to reflect the effect of changes in key macroeconomic indicators on business activity. In addition, minor editorial improvements were made to learning outcome (iii) of economics to improve clarity. These editorial improvements do not substantially change the content of this learning outcome.

#### *Review of Professional Accounting Education Programs*

35. In general, respondents from each of the categories (e.g., IFAC member bodies, public accounting firms, academic accounting associations, professional organizations, and individuals) supported the new requirement on regular reviews and updates of the professional accounting education programs, subject to requests for further clarification in the Explanatory Material section. Several respondents (CIPFA, ICPAU, ICPCI, DTT, KPMG, and PWC) required further clarification on the timing and frequency of reviewing professional accounting education programs. SAICA requested that the requirement be rewritten to acknowledge that not all IFAC member bodies have direct control over the professional accounting education program in their jurisdiction. In addressing these issues the IAESB has provided additional explanation in the Explanatory Material section on the timeframe for the review cycle and provides examples of factors that might trigger more frequent reviews (Paragraph A15 of the Revised IES 2). The IAESB recognizes the shared responsibility with other organizations which some IFAC member bodies may have over the professional accounting education programs. The IAESB, however, has decided not to rewrite the requirement in this IES because the obligations of IFAC member bodies under these circumstances are

discussed in IFAC's Statement of Membership Obligations (SMO) 2, *International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB*.

### *Assessment of Technical Competence*

36. In general, respondents from each of the categories (e.g., IFAC member bodies, public accounting firms, regulators, academic accounting associations, professional organizations, and individuals) supported the requirement on assessment, subject to requests for further clarification in the Explanatory Material section. FEE questioned whether it might be better to consolidate the coverage of assessment in IES 2 into IES 6. Other respondents (e.g., HKICPA and CICPA) suggested that the coverage of assessment in both IESs 2 and 6 could be enhanced to provide more guidance on the selection and mix of assessment methods and their design with respect to size, maturity, and culture of organization so as to effectively assess technical competence. A few respondents (e.g., ICAI, CNCC-CSOEC, and ICPAI) provided editorial suggestions to improve the clarity of the requirement. The IAESB considered these comments, but decided not to make any changes to the content of the requirement because measuring the achievement of technical competence was viewed by the IAESB as an important element of professional competence and assessment activities should be included in the development of the aspiring professional accountant. The IAESB has provided further guidance in the Explanatory Material section by providing the following examples of appropriate assessment activities that can enhance evaluation by examinations: case studies, written essays, objective testing, workplace assessments and the use of prior learning to award exemptions (Paragraph A16 of the Revised IES 2). The IAESB will also look for ways to provide additional guidance through either existing or new guidance on the design of assessment activities and the use of workplace assessment to evaluate technical competence.
37. Minor editorial improvements were made to Requirement Paragraph 7 of the Revised IES 2 to improve the clarity and consistency. These editorial improvements do not substantially change the content of these paragraphs.

### **Explanatory Material and Terminology**

38. Respondents of ED-IES 2 requested that the Explanatory Material section should be amended to provide additional explanation of the Requirements. The suggested amendments include: (1) improving the clarity of the scope section by defining IPD, identifying the components of IPD, explaining how technical competence achieved in IPD links to CPD; and explaining the breadth and depth of professional competence; (2) improving the clarity of Explanatory Material on the Objective statement; and (3) clarifying Explanatory Material section to improve the understanding of the three requirements of IES 2.
39. In response the IAESB addressed these requests to improve the clarity of the Explanatory Material section and terminology being used in IES 2, as follows:
- Paragraphs A1 to A3 of Explanatory Material section of Revised IES 2 are included to define IPD and explain how technical competence links to CPD. More specifically, Paragraph A1 has been amended to include a definition of IPD and indicates what it includes. Paragraph A2 is a new paragraph that provides further understanding of IPD by explaining when IPD begins and ends. Paragraph A3 is also a new paragraph which recognizes that technical competence developed in IPD lays the base for further development through CPD and its coverage in IES 7, *Continuing Professional Development*.

- Paragraph A4 of the Explanatory Material section of Revised IES 2 has been amended to provide further explanation of professional competence by indicating that its coverage goes beyond knowledge of principles, standards, concepts, facts, and procedures; but that it integrates and applies technical competence, professional skills, and professional values, ethics, and attitudes.
  - Paragraph A6 of the Explanatory Material section has been included to indicate what learning outcomes are intended to do and to explain how learning outcomes can be demonstrated.
  - Paragraph A7 of the Explanatory Material section of the Revised IES 2 has been amended to explain the Objective statement by describing reasons for establishing the technical competence which aspiring professional accountants need to develop and demonstrate.
  - Paragraphs A8 to A12 have been included in the Explanatory Material section of Revised IES 2 to explain the requirement on learning outcomes required for an aspiring professional accountant to achieve technical competence by the end of IPD. More specifically, Paragraph A9, a new paragraph, has been added to explain how the learning outcomes are to be achieved within a professional accounting education program. Paragraphs A10 to A11 have been amended to explain how the proficiency levels and learning outcomes relate to the competence areas and the design of professional accounting education programs. Finally, Paragraph A12 has been amended to identify what are the criteria to identify an approach to learning and development for technical competence to supplement the content of Table A.
  - Paragraph A13 has been included as a new paragraph to explain the design of professional accounting education programs. This paragraph indicates that professional accounting education programs include formal education and workplace training. It also recognizes the importance of obtaining substantive input from stakeholders other than IFAC member bodies.
  - Paragraph A14 has been amended to provide guidance on the frequency of the review cycle and factors that might trigger the need for a review of the professional accounting education program.
  - Paragraphs A15 to A16 have been added to the Explanatory Material section of Revised IES 2 to explain the requirement on assessment. More specifically, paragraph A15 identifies the assessment principles from IES 6, *Initial Professional Development – Assessment of Professional Competence* to be used in designing assessment activities to assess technical competence. Paragraph A16 has been amended to recognize that the evaluation of prior learning which would lead to the awarding of exemptions from aspect of IPD.
40. Minor editorial improvements were made to Paragraphs A5 and A8 of the Revised IES 2 to improve the clarity and consistency. These editorial improvements do not substantially change the content of these paragraphs.

**Respondents on Exposure Draft (August 2012)**

<b>ACRONYM</b>	<b>FULL NAME OF ORGANIZATION</b>
AAT	Association of Accounting Technicians, United Kingdom
ACCA	The Association of Chartered Certified Accountants, United Kingdom
AICPA-PCEEC	American Institute of Certified Public Accountants' Pre-certification Education Executive Committee
Altaf Noor Ali	Chartered Accountant (Pakistan)
BDO International	BDO Global Coordination B.V.
CAI	Chartered Accountants Ireland
CGA Canada	Certified General Accountants Association of Canada
CICA	The Canadian Institute of Chartered Accountants
CICPA	The Chinese Institute of Certified Public Accountants
CIPFA	The Chartered Institute of Public Finance and Accountancy
CNCC-CSOEC	Compagnie Nationale des Commissaires aux Comptes + Conseil Supérieur de l'Ordre des Experts-Comptables
CPA-Australia	CPA Australia
CPA-Ireland	CPA Ireland
DTT	Deloitte Touche Tohmatsu
EYG	Ernst & Young Global
FEE	Federation des Experts Comptables Europeens
HKICPA	Hong Kong Institute of Certified Public Accountants
IAAER	International Association for Accounting Education & Research
ICAA	The Institute of Chartered Accountants in Australia
ICAEW	The Institute of Chartered Accountants in England and Wales
ICAI-India	The Institute of Chartered Accountants of India
ICPAK	Institute of Certified Public Accountants of Kenya
ICPAS	Institute of Certified Public Accountants of Singapore
ICPAU	Institute of Certified Public Accountants of Uganda
IDW	Institut der Wirtschaftsprüfer
IRBA	Independent Regulatory Board for Auditors
JICPA	The Japanese Institute of Certified Public Accountants

IES 2, INITIAL PROFESSIONAL DEVELOPMENT – TECHNICAL COMPETENCE (REVISED)

Juvenal	Denise Silva Ferreira Juvenal
KPMG International	KPMG International
NZICA	New Zealand Institute of Chartered Accountants
PWC	PricewaterhouseCoopers
SAICA	The South African Institute of Chartered Accountants
SAIPA	South African Institute Of Professional Accountants

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