

**International Education Standards  
Implementation Support Module**

**Notes for Slide Presentation on  
IES 2, Initial Professional Development – Technical Competence (Revised)**

The following notes accompany the PowerPoint slides for this module and do not amend or override the International Education Standards (IESs), the text of which alone is authoritative. Reading these notes is not a substitute for reading the IESs. The notes are not meant to be exhaustive and reference to the IESs themselves should always be made.

## **SLIDE #2: Overview of Presentation**

1. As part of its initiative to clarify the suite of 8 IESs, the IAESB agreed a new structure to improve clarity of its IESs, which will improve their readability 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, objective, requirements, and explanatory material. These sections place greater emphasis on the obligations and requirements of an IFAC member body in supporting the learning and development of a professional accountant. In addition, the IAESB has also made amendments to the language of its IESs to improve the understanding of the requirements that IFAC member bodies undertake when implementing the IESs.
2. This presentation provides an overview of the content contained within IES 2, *Initial Professional Development – Technical Competence*. The presentation covers the following topics: introduction; objective; and requirements and explanatory material. The introduction describes the scope of IES 2 and answers the following questions:
  - What does IES 2 regulate?
  - Who is IES 2's target audience?
  - When does IES 2 become effective?
  - Why is IES 2 important from a public interest perspective?
3. This presentation also addresses IES 2's Objective statement by establishing the technical competence required to perform a role as a professional accountant and explaining how IES 2 protects the public interest.
4. Finally, the presentation covers the three requirements of IES 2 and explains the significant issues underlying each requirement.

## **SLIDE #3: Introduction - Scope**

### **What does IES 2 regulate?**

5. 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).
6. Technical competence is the ability to apply professional knowledge to perform a role to a defined standard.

## Notes for Slide Presentation on IES 2

7. An aspiring professional accountant is an individual who has commenced a professional accounting education program as part of IPD.
8. Initial Professional Development (IPD) is the learning and development through which aspiring professional accountants first develop competence leading to performing a role as a professional accountant.

### **Who is IES 2's target audience?**

9. This IES is addressed to IFAC member bodies. IFAC member bodies have responsibility for ensuring that IPD meets the requirements of this IES. In addition, this IES may be helpful to educational organizations, employers, regulators, government authorities, and any other stakeholders who support the learning and development of aspiring professional accountants.

### **When does IES 2 become effective?**

10. This IES is effective from July 1, 2015.

### **Why is IES 2 important from a public interest perspective?**

11. This IES is designed to protect the public interest by improving the quality of professional accounting education worldwide to enhance the competence and judgment of professional accountants.
12. Professional accounting education is education and training that builds on general education, and imparts professional knowledge, professional skills, and professional values, ethics, and attitudes.
13. Professional competence is the ability to perform a role to a defined standard.
14. IES 2 improves the quality of professional accounting education by prescribing requirements that (1) specify competence areas and learning outcomes to be achieved by aspiring professional accountants, (2) establish appropriate assessment activities to measure the achievement of learning outcomes; and (3) require reviewing and updating of the professional accounting education program designed to achieve learning outcomes.

## **SLIDE #4: Objective**

**IES 2 establishes the technical competence needed by aspiring professional accountants**

## Notes for Slide Presentation on IES 2

15. This IES establishes the technical competence of an aspiring professional accountant to protect the public interest, to enhance the quality of the work and services to clients and the public, as well as promotes the credibility of the accounting profession.
16. The achievement of technical competence by the end of IPD lays the base for performing a role as a professional accountant. Further development of technical competence is a focus of Continuing Professional Development (CPD), which is covered in *IES 7, Continuing Professional Development*.

### **SLIDE #5: Requirements and Explanatory Material**

#### **Prescribe learning outcomes to be achieved by aspiring professional accountants by the end of IPD**

17. This IES sets the competence areas, proficiency levels, and learning outcomes for technical competence to be achieved by aspiring professional accountants by the end of IPD, regardless of their intended future accounting specialization or role. IES 2 identifies 11 competence areas (e.g., financial accounting & reporting; management accounting; finance & financial management; taxation; audit & assurance; governance, risk management & internal control; business laws & regulations; information technology; business & organizational environment; economics; and business strategy & management) and each competence area with the exception of economics has an intermediate level of proficiency level. Economics has a foundation level of proficiency. A competence area is a category for which a set of related learning outcomes can be specified. A level of proficiency indicates the context in which the relevant learning outcomes are expected to be demonstrated.
18. Forty six learning outcomes have been identified within the 11 competence areas. Learning outcomes establish the content and the depth of knowledge, understanding, and application required for each specified competence area. They provide the base to enable professional accountants to develop specializations in different accounting roles, for example an audit engagement partner or taxation specialist. Learning outcomes can be demonstrated within the context of a work environment or professional accounting education program.
19. Together, the learning outcomes and the level of proficiency of the competence area provide information to help IFAC member bodies design their professional accounting education programs. In professional accounting education programs, an IFAC member body may: (a) include additional competence areas; (b) increase the level of proficiency for some competence areas; or (c) develop additional learning outcomes that are not specified in this IES. This may occur when an IFAC member body prepares aspiring professional accountants to work within a particular industry sector (for

## Notes for Slide Presentation on IES 2

example, the public sector) or for a particular role (for example, a management accountant or an auditor).

### **SLIDE #6: Requirements and Explanatory Material**

#### **Review & update professional accounting education programs**

20. Professional accounting education programs are designed to support aspiring professional accountants to develop the appropriate professional competence by the end of IPD. Such programs may include formal education delivered through qualifications and courses offered by universities, other higher education providers, IFAC member bodies, and employers, as well as workplace training.
21. The design of the professional accounting education programs may involve substantive input from stakeholders other than IFAC member bodies.
22. Professional accounting education programs are required to be reviewed and updated on a regular basis to reflect the rapidly-changing and complex environment within which professional accountants operate. A typical review cycle may be three to five years, but it may be appropriate to undertake a more frequent review, for example to take account of changes in legislation, regulations, and standards relevant to professional accountants.

### **SLIDE #7: Requirements and Explanatory Material**

#### **Establish assessment activities to measure achievement of technical competence**

23. *IES 6, Initial Professional Development—Assessment of Professional Competence*, provides the principles that apply to the design of assessment activities used to measure the achievement of technical competence and other elements of professional competence.
24. Various assessment activities can be used to measure the achievement of the technical competence of aspiring professional accountants. Appropriate assessment activities may include (a) written examinations consisting of questions requiring short answers, (b) case studies, (c) written essays, (d) objective testing, (e) workplace assessments, and (f) the evaluation of prior learning leading to the awarding of exemptions from aspects of IPD.