

International Education Standards Implementation Support Module

Notes for Slide Presentation on IES 3, Initial Professional Development – Professional Skills (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 3, *Initial Professional Development – Professional Skills*. The presentation covers the following topics: introduction; objective; and requirements and explanatory material. The introduction describes the scope of IES 3 and answers the following questions:
 - What does IES 3 regulate?
 - Who is IES 3's target audience?
 - When does IES 3 become effective?
 - Why is IES 3 important from a public interest perspective?
3. This presentation also addresses IES 3's Objective statement by establishing the professional skills required to perform a role as a professional accountant and explaining how IES 3 protects the public interest.
4. Finally, the presentation covers the three requirements of IES 3 and explains the significant issues underlying each requirement.

SLIDE #3: Introduction: Scope

What does IES 3 regulate?

5. IES 3 prescribes the learning outcomes for professional skills that aspiring professional accountants are required to demonstrate by the end of Initial Professional Development (IPD).
6. For purposes of this standard, professional skills have been categorized under (a) intellectual, (b) interpersonal and communication, (c) personal, and (d) organizational skills that a professional accountant integrates with technical competence and professional values, ethics, and attitudes to demonstrate professional competence.

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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 3'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 3 become effective?

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

Why is IES 3 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 3 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 3 establishes the professional skills needed by aspiring professional accountants

15. This IES establishes the professional skills 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 development of professional skills by the end of IPD lays the base for performing a role as a professional accountant. Further development of professional skills 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 professional skills to be achieved by aspiring professional accountants by the end of IPD, regardless of their intended future accounting specialization or role. IES 3 identifies 4 competence areas (e.g., intellectual, interpersonal & communication; personal; and organizational) and each competence area has an intermediate level of proficiency level. 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. Twenty four learning outcomes have been identified within the 4 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 levels of proficiency of the competence area provide information to help IFAC member bodies design their professional accounting education programs. An IFAC member body, however, may: (a) include additional competence areas; (b) increase the level of proficiency for some competence areas; or (c) develop additional learning outcomes that are

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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 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 professional skills

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 professional skills and other elements of professional competence.
24. Various assessment activities can be used to measure the achievement of the professional skills of aspiring professional accountants. Appropriate assessment activities may include practical experience and work-based simulations or group exercise. Practical experience enables participation in activities such as: (a) keeping a diary, (b) participating in 360 degree assessments, (c) compiling portfolios of evidence of achievement of learning outcomes, or (d) being monitored by a practical experience supervisor.

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25. Examples of approaches to designing the assessment of professional skills to achieve high levels of reliability, validity, equity, transparency, and sufficiency might include:
- (a) Specification of learning outcomes that are clear and detailed in order to minimize ambiguity and increase the reliability and transparency of the assessment;
 - (b) Training of workplace assessors in order to achieve consistency between assessors and equity between candidates; and
 - (c) Creation of work-based simulations in order to provide sufficient, equitable, and reliable assessments of professional skills.