

**FRAMEWORK FOR  
INTERNATIONAL EDUCATION STANDARDS FOR  
PROFESSIONAL ACCOUNTANTS**

**CONTENTS**

	Paragraph
Introduction .....	1–4
Purpose of the Framework .....	5–6
Authority and Scope of the Framework .....	7–9
Structure of the Framework .....	10
<b>PART ONE: EDUCATIONAL CONCEPTS</b>	
Competence .....	11–21
Initial Professional Development .....	22–25
Continuing Professional Development .....	26–29
Assessment: Measurement of the Effectiveness of Learning and Development .....	30–32
<b>PART TWO: IAESB PUBLICATIONS AND IFAC MEMBER BODY OBLIGATIONS</b>	
International Education Standards .....	33–36
Related IAESB Publications .....	37–40
IFAC Member Body Obligations Relating to IESs .....	41–42
<b>APPENDIX: IAESB DRAFTING CONVENTIONS</b>	



## Introduction

1. This *Framework for International Education Standards for Professional Accountants* (the “Framework”) establishes the concepts that the International Accounting Education Standards Board (IAESB) uses in its publications. It also provides an introduction to the IAESB publications and related IFAC member body obligations.
2. The accountancy profession serves the financial and, in some circumstances, the non-financial information needs of a broad range of decision makers, including (a) present and potential investors and creditors, (b) managers and employees within organizations, (c) suppliers, (d) customers, (e) governments and their agencies, and (f) the public. The accountancy profession’s ability to satisfy users’ information needs contributes to an efficient economy, creating value to society.
3. The IAESB’s mission is to “serve the public interest by strengthening the worldwide accountancy profession through the development and enhancement of education.” Enhancing education serves the public interest by contributing to the ability of the accountancy profession to meet the needs of decision makers. Enhancing education through developing and implementing International Education Standards (IESs) should increase the competence of the global accountancy profession, contributing to strengthened public trust.
4. Developing and implementing IESs can also contribute to other desirable outcomes, including:
  - Reduction in international differences in the requirements to qualify and work as a professional accountant;
  - Facilitation of the global mobility of professional accountants; and
  - Provision of international benchmarks against which IFAC member bodies can measure themselves.

## Purpose of the Framework

5. The Framework is intended to assist IFAC member bodies, as they have direct or indirect responsibility for the education and development of their members and students. It should also enhance the understanding of the work of the IAESB by a wide range of stakeholders including:
  - Universities, employers, and other stakeholders who play a part in the design, delivery, or assessment of education programs for accountants;
  - Regulators who are responsible for oversight of the work of the accountancy profession;

- Government authorities with responsibility for legal and regulatory requirements related to accounting education;
  - Accountants and prospective accountants who undertake their own learning and development; and
  - Any other parties interested in the work of the IAESB and its approach to developing publications on accounting education.
6. The intended benefits of the Framework include:
- The development of IESs that are consistent, because they are based on a common set of concepts relevant to education;
  - A more efficient and effective standard-setting process, because the IAESB debates issues from the same conceptual base; and
  - Increased transparency and accountability of the IAESB for its decisions, because the concepts underlying the Board’s decisions are known.



### **Authority and Scope of the Framework**

7. The IAESB uses the International Federation of Accountants’ (IFAC) definition of professional accountant: an individual who is a member of an IFAC member body.<sup>1</sup> The IAESB achieves its mission primarily by developing and publishing IESs and promoting the use of those standards through IFAC member bodies.
8. Members of IFAC member bodies work in every sector of the economy and in many different areas of accountancy, including auditing, financial accounting, management accounting, and tax accounting. The IAESB establishes the learning and development principles for the education of professional accountants. The IAESB may also establish requirements for roles that are widely practiced or are of specific public interest internationally.<sup>2</sup> The Audit Professional<sup>3</sup> is an example of one such role.
9. The IAESB will apply the concepts set out in the Framework when developing IESs. In the absence of a specific IES, IFAC member bodies and other interested parties should also apply these concepts when designing, delivering, and assessing education for professional accountants.

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<sup>1</sup> Terminology in accounting education is not universal; different countries use the same term in different ways. Readers of IAESB publications should consult the IAESB Glossary of Terms to determine how the IAESB uses a particular term.

<sup>2</sup> A role is a function that has a specific set of expectations attached – see the IAESB Glossary of Terms.

<sup>3</sup> A professional accountant who has responsibility, or has been delegated responsibility, for significant judgment in an audit of historical financial information—see the IAESB Glossary of Terms.

## **Structure of the Framework**

10. The remaining sections of this Framework are in two parts. Part One deals with the educational concepts of (a) competence, (b) initial professional development, (c) continuing professional development, and (d) assessment used by the IAESB when developing IESs. Part Two describes the nature of IESs and related publications, as well as related IFAC member body obligations.

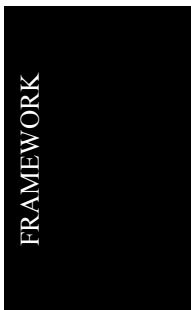
## PART ONE: EDUCATIONAL CONCEPTS

### Competence

11. The overall objective of accounting education is to develop competent professional accountants.
12. Competence is defined as the ability to perform a work role to a defined standard with reference to working environments. To demonstrate competence in a role, a professional accountant must possess the necessary (a) professional knowledge, (b) professional skills, and (c) professional values, ethics, and attitudes.
13. For example, a desired competence for a professional accountant working in a financial accounting role may be the ability to produce a set of company accounts in full accordance with International Financial Reporting Standards (IFRSs) and national legal and regulatory requirements. Knowledge of IFRSs, as well as skills and judgment to assess their relevance to the situation, are needed to complete this task.
14. The definition of competence (a) emphasizes the ability of individuals to perform to standards expected of professional accountants, and (b) requires an appropriate level of knowledge, skills, values, ethics, and attitudes to achieve that competence. The appropriate level of competence will vary, depending on such factors as the complexity of the environment, the complexity of tasks, the variety of tasks, required specialist knowledge, influence on the work of others, reliance on the work of others, level of autonomy, and required level of judgment.
15. For example, an audit manager planning an engagement will require different competences than a more junior member of the engagement's audit team. A tax accountant responsible for the tax transactions of multinational groups will require different competences than a tax accountant dealing with companies that operate in only one jurisdiction.

### Learning and development

16. An individual becomes competent through learning and development. The term "learning and development" is used by the IAESB to incorporate all the different processes, activities, and outcomes contributing to the achievement of competence.
17. Competence can be achieved through a number of different forms of learning and development. The primary types of learning and development are defined by the IAESB as follows:



*Education*<sup>4</sup>

Education is a systematic process aimed at acquiring and developing knowledge, skills, and other capabilities within individuals, a process that is typically but not exclusively conducted in academic environments.

*Practical experience*

Practical experience refers to workplace activities that are relevant to developing competence.

*Training*

Training is used to describe learning and development activities that complement education and practical experience. It has a practical bias, and is usually conducted in the workplace or a simulated work environment.

18. In addition to education, practical experience, and training, the term learning and development includes activities such as (a) coaching, (b) networking, (c) observation, (d) reflection, and (e) self-directed and unstructured gaining of knowledge.
19. Learning and development is an ongoing process of acquiring, maintaining, and renewing competence at an appropriate level throughout a professional accountant's career. The extent to which each of the different forms of learning and development are used may vary.
20. For example, in the early stages of development as a professional accountant, education may be emphasized more than in later stages of development. Over time, the balance may shift more to learning and development through practical experience and training.
21. In a constantly changing work environment, both learning to learn and a commitment to lifelong learning are integral aspects of being a professional accountant. Thus, the IESs address both Initial Professional Development (IPD) and Continuing Professional Development (CPD).

**Initial Professional Development**

22. IPD is learning and development through which individuals first develop competence leading to performing a role in the accountancy profession.
23. IPD includes general education, professional accounting education, practical experience (as defined in paragraph 17), and assessment, as follows:

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<sup>4</sup> The IAESB uses the term "education" in its own title and publications; however, its terms of reference include the entire learning and development process.

*General education*

Broad-based education to develop the skills necessary as a foundation for coping with the demands of professional accounting education and practical experience.

*Professional accounting education*

Education and training that builds on general education, and imparts (a) professional knowledge, (b) professional skills, and (c) professional values, ethics, and attitudes.

*Assessment*

Measurement of professional competence developed throughout learning and development.

24. There are significant legal and regulatory differences in the point of qualification (or licensing) internationally; qualification may occur from very early to very late in a career. Each IFAC member body may define the appropriate link between the end of IPD and the point of qualification (or licensing) for its members.
25. IPD continues until individuals can demonstrate the competence required for their chosen roles in the accountancy profession.<sup>5</sup> One result of demonstrating this competence may be the admission to membership in an IFAC member body. IPD goes beyond knowledge of principles, standards, concepts, facts, and procedures at a given point in time. It includes the ability to integrate (a) professional knowledge, (b) professional skills, and (c) professional values, ethics, and attitudes. Such competences enable individuals to identify issues, know what knowledge is relevant, and know how to apply that knowledge and professional judgment to resolve issues ethically.

**Continuing Professional Development**

26. Change is a significant characteristic of the environment in which professional accountants work. Pressures for change come from many sources, including (a) globalization, (b) advances in technology, (c) business complexity, (d) societal changes, and (e) the expansion of stakeholder groups, including regulators and oversight bodies. Change requires professional accountants to maintain and develop new and/or more specialized knowledge and skills throughout their careers.

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<sup>5</sup> There are significant legal and regulatory differences in the point of qualification (or licensing) internationally; qualification may occur from very early to very late in a career. Each IFAC member body may define the appropriate link between the end of IPD and the point of qualification (or licensing) for its members.

27. Throughout their careers, professional accountants (a) change and expand the scope of their competence, (b) develop their expertise, and (c) generally improve their competence. The competence gained during IPD is continually renewed, modified, and/or expanded through CPD.
28. CPD is learning and development that maintains and develops capabilities to enable professional accountants to perform their roles competently. CPD provides continual development of the (a) professional knowledge, (b) professional skills, (c) professional values, ethics and attitudes, and (d) the competence achieved during IPD.
29. In addition, professional accountants may take on new roles during their careers that require new competences. For example, a professional accountant in business wants to become an accounting educator; or an accounting technician wants to become an audit professional. In such cases, CPD that includes many of the same elements as IPD may be necessary for roles that require additional breadth and/or depth of knowledge, skills, and values.

**Assessment: Measurement of the Effectiveness of Learning and Development**

30. Different measurement approaches can be employed to assess the effectiveness of learning and development. They include:

*Input measures:* An input-based measure focuses on the investment made in learning and development, for example, the number of hours an individual is expected to attend a course or the subject areas covered. Input-based measures have traditionally served as proxies for measuring the development of competence, primarily because they are easy to measure and verify. They do not, however, measure the competence developed.

*Process measures:* A process-based approach focuses on the design and delivery of learning and development, for example, a course curriculum that is regularly reviewed and updated. As with the input-based measures, process measures are proxies for the competence developed.

*Output measures:* An output-based approach focuses on whether the professional accountant has developed the specified competence. Competence can be assessed by a variety of means, including workplace performance, workplace simulations, written examinations, and self-assessment. Competence-based assessment begins with the creation of competence statements<sup>6</sup> as benchmarks.

31. In choosing a measurement approach, the following characteristics should be considered:
  - (a) Validity—whether it measures what needs to be measured;

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<sup>6</sup> Also known as competency frameworks, competency profiles, competency models, competency maps, or functional maps.



- (b) Reliability—whether it consistently produces the same result, given the same set of circumstances; and
  - (c) Cost effectiveness—whether the benefits outweigh the costs of measurement.
32. Output measures, being directly focused on competence, are rated as highly valid. They can be challenging to implement without substantial investment in measurement systems, leading to concerns over their cost-effectiveness. Because of the inherent compromise between validity, reliability, and cost effectiveness, a mix of input, process, and output measures is often adopted. However, output measures are the measures most closely linked with the objective of accounting education – the development of competence.

## **PART TWO: IAESB PUBLICATIONS AND IFAC MEMBER BODY OBLIGATIONS**

### **International Education Standards**

33. IESs establish standards for IFAC member bodies for both IPD and CPD.
34. The IESs address the principles of learning and development for professional accountants. The IESs prescribe good practice in learning and development for professional accountants; they should be incorporated into the educational requirements of IFAC member bodies.
35. The IAESB is conscious of (a) the diversity of culture and language, educational, legal, and social systems globally, and (b) the variety of roles performed by professional accountants. Therefore, the IESs may be complied with in a variety of different ways. The IAESB recognizes that, in implementing the IESs, IFAC member bodies may choose to emphasize one type of learning and development over another. Each IFAC member body needs to determine how best to implement the requirements of the IESs. The IAESB also recognizes that individual IFAC member bodies may adopt learning and development requirements that go beyond the IESs.
36. The IESs are written in accordance with the set of drafting conventions that appear in the Appendix to this document.

### **Related IAESB Publications**

37. In support of the IESs, the IAESB issues two other types of publications: International Education Practice Statements (IEPSs) and International Education Information Papers (IEIPs). It may also issue additional support material from time to time.

### **International Education Practice Statements (IEPSs)**

38. IEPSs assist in implementing generally accepted good practice in learning and development for professional accountants. IEPSs may interpret, illustrate, or expand on matters related to IESs. In this function, IEPSs assist IFAC member bodies to implement and achieve good practice, as prescribed by the IESs. The IEPSs may also include commendable methods or practices, including those recognized as current best practice, that IFAC member bodies may wish to adopt.

### **International Education Information Papers (IEIPs)**

39. IEIPs may critically assess emerging learning and development issues and practices. The aim of such IEIPs is to (a) promote consideration of these issues, and (b) encourage comment and feedback. In this way, they may be useful forerunners of IESs and IEPSs. Alternatively, the IEIPs may simply be

descriptive in nature. In this function, they promote awareness of learning and development issues or practices relating to the accountancy profession.

*Additional Support Material*

40. From time to time, the IAESB may issue additional material, such as toolkits or interpretation guidance, to assist IFAC member bodies in achieving good practice in learning and development, as prescribed by the IESs.

**IFAC Member Body Obligations Relating to IESs**

41. Individual IFAC member bodies determine the competences and criteria for membership that are appropriate to the professional accountancy roles their members undertake. The IFAC Statements of Membership Obligations (SMOs) set out the obligations of IFAC members and associates. Obligations related to the IESs may be found in SMO 2, International Education Standards for Professional Accountants and Other IAESB Guidance, on the IFAC website.
42. Some IFAC member bodies are subject to the requirements of law or regulation within their jurisdictions. IESs cannot legally override educational requirements or restrictions placed on individual IFAC member bodies by such laws or regulations. In cases where IESs set a higher requirement than laws or regulations, the IFAC member body should use its best endeavors to persuade those responsible to incorporate the essential elements of IESs into those laws or regulations.

## **IAESB DRAFTING CONVENTIONS**

### **Language and Structure**

The sole approved text of an Exposure Draft, IES, IEPS, or other form of guidance is that published by the IAESB in the English language. In developing the IESs, the selection of appropriate wording will be guided, wherever possible, by these *IAESB Drafting Conventions*. Definitions found in the IESs and IEPSs will be included in a separate document, entitled the IAESB Glossary of Terms. The Glossary is intended to support translation, interpretation, and application. The definitions are not intended to override definitions of other documents that may be established for other purposes, whether in law, regulation or otherwise.

The structure of the IESs shall be organized to include the following as separate sections: Introduction, Objectives, Requirements, and Explanatory Material.

#### *Introduction*

The introductory material includes information regarding the purpose and scope that provides context relevant to a proper understanding of each IES.

#### *Objectives*

The IESs contain a clear statement of the objectives to be achieved by the IFAC member body. The objectives assist an IFAC member body to understand what needs to be accomplished, and to decide whether more needs to be done to achieve the objectives.

#### *Requirements*

The objectives are supported by clearly stated requirements that are necessary to achieve the objectives. The requirements apply where the IES is relevant. Requirements are always expressed using the term “shall.”

#### *Explanatory Material*

The explanatory material provides additional explanation and guidance to the requirements. The material is intended to explain more fully what a requirement means, and may include examples of how to meet the requirements. The explanatory material does not in itself impose any additional requirements; its purpose is to assist in their application.