Introduction

7.1 The aim of this paper is to assist the CAG in its discussion on the development of guidance for International Education Standard (IES) 3, *Professional Skills and General Education*. More specifically, the paper aims to (1) provide background information on the progress of the project, and (2) identify issues for discussion by the CAG in order to inform the IAESB discussion at its December meeting on the coverage and priority of issues in the practice statement.

Background Information

7.2 The purpose of the project is to develop guidance in the form of a practice statement to assist member bodies in implementing IES 3, *Professional Skills and General Education*. More specifically, the project will develop guidance that will assist member bodies determine what should be realistically expected of a professional accountant in acquiring and demonstrating professional skills at the point of qualification and maintaining them over a lifetime.

7.3 The development of guidance for IES 3 was identified from the 2006 Strategic Review as a medium-priority project to be completed by the IAESB in the 2007-09 work program. The CAG also agreed that developing guidance for IES 3 was important, especially if it were to address the professional skills required by the many roles assumed by professional accountants, including accountants in business.

7.4 At its February 2008 meeting the IAESB agreed that the project should be progressed to develop a practice statement that would assist member bodies in the implementation of IES 3. As a result of their discussion IAESB members suggested that the guidance provides member bodies with assistance in the identification and assessment of a realistic set of professional skills for pre- and post- qualification programs in accounting education.

7.5 At its May 2008 meeting the IAESB approved a project proposal to develop guidance in the form of a practice statement to assist member bodies implement IES 3, subject to suggestions made by Board members as a result of their discussion.
The revised project proposal (See Appendix 1) provides a description of the project rationale, objectives, scope, resources required and timeline.

**Discussion**

**Revised Project Proposal**

7.6 Appendix 1 describes the project on developing guidance for professional skills in terms of its objectives, scope, resources, and timeline.

**Action requested:**

1) In your view does the current direction of the project meet the expectations of the project as summarized in the project proposal? If not, what changes would you suggest making to the project proposal (See Appendix 1)?

2) Do you agree with the timing and priority of this project in relation to the IAESB work program? If you disagree, what changes would you suggest?

**Project Issues**

7.7 Practice statements are expected to assist member bodies in by providing guidance on the implementation of a learning and development program for professional accountants by providing advice or guidance on how to achieve “good practice.”

**Action requested:**

3) In your view what topics require “good practice” to be identified and demonstrated in the practice statement on professional skills?

4) Do you agree that the scope of the practice statement should address a single set of professional skills, but include an in-depth discussion on the implications of instruction and assessment on the development of these skills? If you disagree, what approach do you suggest to narrow the scope of the project?

5) What would be examples of emerging professional skills which the practice statement should consider?

**Next Steps**

7.8 CAG comments/advice will be brought to IAESB December meeting to inform Board members’ discussion on the coverage and priority of issues to be addressed in developing a practice statement on IES 3, *Professional Skills and General Education.*
Appendix 1.

1. **Revised Project Proposal on International Education Practice Statement (IEPS) for IES 3, “Professional Skills and General Education”**.

2. **Project Rationale and Objectives**
   At the meeting of the IAESB in Beijing in October 2007, it was agreed that the provision of an IEPS supporting IES 3 on Professional Skills and General Education was a medium level priority in the strategic and operating plan 2007 – 2009.

   The publication of the IEPS will contribute directly to one of the outcomes identified in IFAC’s current strategic plan, that of helping to achieve an enhanced level of competence within the accountancy profession.

   IES 3 was published in October 2003 as one of the first in a series of International Education Standards.

   IES 3 prescribes the mix of skills that candidates require to qualify as professional accountants, and in particular shows how a general education can contribute to the development of these skills. The standard groups these skills under five main headings:
   - Intellectual skills
   - Technical and functional skills
   - Personal skills
   - Interpersonal and communication skills; and
   - Organisational and business management skills

   The development of a practice statement would provide guidance to member bodies to implement assessment of competence in the skills areas outlined in the standard.

   The timing of this project coincides with ongoing projects on the revision of the Framework and International Education Standards. Any issues resulting from this revision will be incorporated into the drafting guide.

3. **Scope of Project**
   In view of the increasing complexity and globalisation of the accounting profession it is important that professionally relevant skills are acquired by professional accountants

   A significant amount of study and research has been carried out around the world since the publication of IES 3, and many member bodies, as well as the major accounting firms, have begun to produce competency frameworks to describe the skills that a professional accountant needs to acquire. Indeed, one of the problems to be surmounted in this project will be to collate the results of much of this research and to focus on the most relevant research.

   The volume of research validates the need for an IAESB Practice Statement to assist member bodies in this area.
The guidance should recognise the diversity of general education amongst member bodies’ constituencies, and seek to set out an achievable set of skills in sufficient detail to assist member bodies to converge their requirements in this area.

The practice statement should also recognise that professional skills are a requirement for qualification not only as a professional accountant, but also that some professional skills are the focus of continuing professional development while others should be developed at an advanced level to be applied in an audit environment.

The task force will consider the following list of issues when developing the practice statement:

- Explaining how various learning activities that are contained implicitly within education programs develop professional skills which are a requirement for qualification;
- Clarifying who is doing the assessment when training and education programs are considered;
- Considering whether the practice statement should address one set of skills, but include an in-depth discussion on the aspects of instruction, assessment and development of these skills or address a wide spectrum of accounting roles when developing content for the practice statement; and
- Discussing emerging professional skill sets.

4. **Indicate the Type of Materials to be Published**

   The practice statement will be published by the IAESB as part of its library of pronouncements and will be available in published paper form and on the web.

   It can be seen that a description of a wide set of skills could run in quantity to many pages, if not a book. One of the measures of the success of this project will be in the ability to restrain the length of the document to a reasonable length commensurate with giving sufficient detail to assist member bodies in describing to their students the necessary skills.

5. **Resources Required and Proposed Timeline.**

   The probable members of the Task Force are
   
   Mark Spofforth, Chair
   Mike Walsh (an external member and the author of the original IES 3)
   Robert Jelly
   Kristrun Ingolsdottir
   Annette Hedbern
   Nishan Fernando
   Steve Tschan
   Abdul Rahim Suriya
   Omair Jamal
A “Plain language” editor will be engaged at the point of exposure draft and final publication to provide a review to increase readability and understandability of the document.

Meetings
To achieve the objectives, a limited review of published academic research will be undertaken, together with a survey of any competency frameworks already published by member bodies and/or firms.

It is anticipated that three meetings of the Task force will be required, including some telephone conference meetings.

Project timetable
The following schedule identifies the project activities and estimates how they will be progressed to complete the project.

<table>
<thead>
<tr>
<th>Event</th>
<th>Meeting/Date</th>
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<tbody>
<tr>
<td>CAG Teleconference Discussion of Project Proposal</td>
<td>May 2008</td>
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<tr>
<td>Agree Project Proposal</td>
<td>IAESB May 2008 meeting</td>
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<tr>
<td>Task Force meeting</td>
<td>June 2008</td>
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<tr>
<td>CAG Discussion of Issues</td>
<td>CAG September 2008 meeting</td>
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<tr>
<td>IAESB Discussion of Issues</td>
<td>IAESB December 2008 meeting</td>
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<tr>
<td>Task Force teleconference</td>
<td>January 2009</td>
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<tr>
<td>CAG Discussion of Issues</td>
<td>CAG February 2009 meeting</td>
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<tr>
<td>1st Draft Discussion</td>
<td>IAESB March 2009 meeting</td>
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<tr>
<td>Task Force teleconference</td>
<td>April 2009</td>
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<tr>
<td>Approval of ED</td>
<td>IAESB June 2009 meeting</td>
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<tr>
<td>Task Force teleconference</td>
<td>June 2009</td>
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<tr>
<td>ED Release</td>
<td>June - September 2009</td>
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<td>Summary/Analysis of ED Comments</td>
<td>CAG September 2009 meeting</td>
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<tr>
<td>IAESB Analysis of ED Comments</td>
<td>IAESB October 2009 meeting</td>
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<tr>
<td>Task Force Meeting/teleconference</td>
<td>November 2009</td>
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<tr>
<td>Approval of Final Version of Guidance</td>
<td>IAESB February 2010 meeting</td>
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6. List Important Sources of Information That Address the Matter Being Proposed
The following list of references is relevant to this project:

7. Factors That May Add To Complexity or Length of Project

The following are issues that the task force will have to consider:
• Identifying and summarizing the relevant literature to draw upon given the large volume of research literature that exists in this area;
• Ensuring appropriate communications among Framework and Revision of IESs task forces, as well as other Boards, Committees and IFAC Communications department.