

**INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
OF RWANDA (ICPAR)**

PO Box 3213 Kigali Tel. +250784103930;

[www.icparwanda.com](http://www.icparwanda.com)

Email: [icparwanda@gmail.com](mailto:icparwanda@gmail.com)

---

From: ICPAR  
To: IAESB  
Subject: **Comment on Proposed Revised International Education Standard  
IES 1, Entry Requirements to Professional Accounting Education**

**Dear Sirs,**

We congratulate the IAESB for the great work that is going on to improve the clarity of its standards and in particular IESs in accordance with its new clarity drafting conventions. We believe this is a timely initiative and we support it.

We here by submit our comments as below:

**Question 1:**

Is the requirement in Paragraph 7 clear, particularly the concept of “a reasonable chance of successfully completing” balanced with “not putting in place excessive barriers to entry”? If not, what changes would you suggest?

*It will be useful to share practical examples or indicators of circumstances that will show one has a reasonable chance of successfully completing. Similarly, indicators should be provided for assessing when there are excessive barriers to entry. What may seem as excessive barriers in some jurisdictions may be a reasonable entry requirement in others eg in some emerging economies, the education system is not yet very well developed to the extent of the number of those that have access to quality education, while in other economies, access to education is universal and sometimes free of charge. Bright school leavers in some jurisdictions may not afford degree programs and sometimes due to affordability challenges, the only option is to pursue an accounting course. In the end, individuals in the latter case have acquired skills that have enabled them contribute to economic development of their countries while at the same time taking a decent shot at their dreams as individuals.*

*Introducing such provision across all IFAC members may have limitations. We observe as follows,*

- a) *The proposed requirement we believe, gives a lot of room for IFAC member bodies to justify their decision by way of specifying such requirements, which can undermine IFAC’s objective to seek appropriate, clear and consistent implementation of the standard by the member bodies.*

- b) *Our understanding is that the provision for members bodies to determine the entry criteria should be reasonably uniform and objective in such a way that what e.g Rwanda, Kenya, Uganda, The UK, USA, Tanzania, Senegal, Brazil, Nigeria, Canada, Zambia, China etc is using is based on a principle that avoids a situation where one member body has a lower/visibly different entry criteria. The proposed approach seems to give a lot of room for IFAC member bodies to justify their decision by way of specifying materially varied requirements, which can undermine IFAC's objective to seek appropriate, clear, principle based and consistent implementation of the standard by the member bodies/stakeholders. We believe achieving reasonable worldwide uniformity of practice and application of these guidelines is paramount to realization of the goal of strengthening public confidence in IFACs contribution to the global accounting profession.*
- c) *Subjectivity in making recommendations of who should be admitted into the qualification program should be avoided. This has to do with Institutes and their local country specific challenges and opportunities and IFAC should play a role in promoting objective principles and practices.*
- d) *The recommended use of prior work experience may not in itself be useful entry criteria unless the implication is that its substantial purpose is to contribute to IES 5: practical experience requirements. Many individuals known to us have laboured for years and years to pass the professional accounting exams with little progress yet they enrolled after working for a few or more years.*
- e) *We believe an element of self assessment (based substantially on personal career goal) by the candidate should be emphasized subsequent to provision of complete information about the consequences of enrolling for a demanding accounting program.*
- f) *Different jurisdictions and institutes are at different levels of development and their economies face different sets of skilled manpower challenges. Consequently those jurisdictions have unique proposals of how to effectively address those challenges. Introducing the proposed requirements may pose a complexity challenge in implementation but more importantly obstruct progress on addressing the economic (manpower) gulfs these economies are trying to bridge. For example the proposals such as the example of requiring that one for instance have a degree before joining CPA course may not appeal to aspirations of developing/emerging economies where even university education is yet to develop enough. For example when Pakistan decided to recognize ACCA as equivalent to a master's degree, they were simply stating that this might work for the particular challenge they are addressing. In various African countries, a CPA or ACCA holder is exempted 50% of the Bachelor of Commerce units. We concur with some observers that a bachelors degree holder in accounting can rarely hold a candle light to a Certified Public Accountant on matters accounting- so why not recognize CPA as a superior training in accounting to a degree ( we refer to examples you have used intimating that one of the recommended practices will be to have a degree as a pre-requisite for entry into CPA program – we have fairly considered that whereas the board has not explicitly stated this is going to be the case, repeated use of such an example looks like the “thin end of a wedge”) . Emerging economies in particular are solving a fairly different set and level of problems...for example some of the complex IFRSs make little sense in some emerging economies*

*where complex financial instruments have never been used/traded.....not to mention that they are thus not auditable (ISAs) in those economies. This might explain why the financial crisis did not have a severely negative impact of emerging economies (which were not exposed to complex financial dealings) as compared to developed nations – US, Europe- where the economies are sophisticated.*

**Question 2:**

Do you envisage any difficulties in complying with the requirements of IES 1? If so, how would you propose addressing them?

*Yes we envisage challenges as outlined in 1 above. We propose adoption of a more stable basis that is controversy free and less amenable to material variations. We believe that the standard setters will be irresistibly convinced that one of the aims of IFAC is to achieve common high quality and principle based practices across its members/stakeholders and that any proposals made do take into account the fair principle of accommodating inevitable regional differences when proposing/developing standards.*

*The current requirement of having a qualification that is equivalent to entry requirements to degree program seems to at least address this concern. Any new propositions we believe must avoid dilution of this principle. Countries/jurisdictions should be permitted to set higher standards relative to their state of development and access to resources. The proposed approach should be optional for those with technical ability and access to resources and tools.*

*IFAC should consider diversifying its membership structure to recognize those that aspire to higher standards and recommended practices to motivate jurisdictions to work harder at improving their practices. We can offer some ideas on this if requested.*

*We propose that the IESs be revised to make them robust and wholesome by taking on board quintessential elements of a classic accounting degree program that are missing in most CPA programs/IESs. By bringing those elements in the IESs, CPA holders will be more ready to take on the challenges in a dynamic business environment.*

*This proposal may sound radical but it's the way to go from the point of view of a changed world where opportunities have become more like moving targets.*

**Question 3:**

What is the impact in implementing the requirements of IES 1 to your organization?

*Please refer to 1 above. Further in most emerging economies, we believe the current entry requirements are fairly relevant and objective and the new proposal should be additional (optional) guidance. It is our understanding that for example, many Institutes in the developed world already have the degree as a prerequisite for joining a professional accounting*

*qualification program. We have offered a proposal in number two a above for IFAC to consider rethinking the membership structure to incentivize others to achieve this status.*

*For such developed institutes, converting to the proposed requirement will be a formality. For the rest, it will be a major huddle it terms of changing legal requirements, hiring expensive qualified staff, managing the psychology of change, restructuring costs and most of all failing to properly comply with the new requirements and also most likely fail to add any significant value given the nascent state of development of emerging economies. It might be a distraction and disruption of the ongoing work to get these Institutes working properly. We believe it would be a costly distraction relative to any perceived underlying benefit.*

*We urge that some thoughts come forward to share a good sense of how these challenges will be practically addressed and how the proposed solutions/ideas will fit in the decision making process of different jurisdictions to ensure desired results are achieved.*

**Question 4:**

Are the Explanatory Materials sufficiently clear and comprehensive? If not, what changes do you suggest?

*As in 1,2 and 3 above*

*We also feel not mentioning general education at all in the Explanatory Materials is an omission. It is our fair view that general education is an indicator of possible chance of success at the professional accounting examinations. However it's hard to have a basis for rating general education in different countries. In the end we still believe the proposals should be an improvement of current practice without removing the equivalent entry to degree program requirement.*

**Question 5:**

Is the objective to be achieved by a member body, stated in the proposed revised IES 1, appropriate?

*It is appropriate but the approach proposed for addressing the objective is not necessarily clear nor even a confirmed priority methodology for the different jurisdictions as there doesn't seem to be sufficient evidence applicable that the current requirement in IES 1 have caused significant quantifiable harm to the accounting profession globally.*

*We ask: What is the real opportunity cost of continuing with the current entry requirements provisions in IES 1? What specific analysis was done to arrive at the outlined diagnosis and thus the specific proposed prescription? How does this link with and satisfactorily serve interests of end users (employers, regulators, students etc in different jurisdictions)?*

**Question 6:**

Have the criteria identified by the IAESB for determining whether a requirement should be

specified been applied appropriately and consistently, such that the resulting requirements promote consistency in implementation by member bodies?

*Without some reference to general education entry requirements at least as a benchmark we think they might reduce rather than promote consistency.*

**Question 7:**

Are there any terms within the proposed IES 1 which require further clarification? If so, please explain the nature of the deficiencies

*The term 'fair and proportionate entry requirements' would in our view benefit from some further definition.*

Yours Sincerely,

Ambrose Nzamalu,  
**Professional Standards Officer**  
**For chief Executive**