



**CONSIGLIO NAZIONALE  
DEI DOTTORI COMMERCIALISTI  
E DEGLI ESPERTI CONTABILI**

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**MINISTERO DELLA GIUSTIZIA**

*Il Direttore Generale f.f.*

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Rome, 21 September 2011

**Mr David McPeak  
Technical Manager  
International Accounting Education Standards Board (IAESB)  
International Federation of Accountants  
277 Wellington Street West  
Toronto Ontario Canada M5V 3H2**

Email: davidmcpeak@ifac.org

Dear Mr McPeak,

**Re: Comments on the IAESB Consultation Paper on the Proposed IES 1 (Revised) Entry Requirements to Professional Accounting Education**

CNDCEC (the Consiglio Nazionale dei Dottori Commercialisti e degli esperti contabili) is pleased to provide you below with its comments on the Proposed IES 1 (Revised) Entry Requirements to Professional Accounting Education.

**General comments**

CNDCEC supports the IAESB's project to improve the clarity of its standards including the proposed revision of IES 1, issued in June 2011, and welcomes the consideration of the concepts of "output based approach" and "flexibility". However, these concepts should not lead to substantial differences in the level of quality. A quantitative, input based criterion, although is not in itself sufficient, allows a clear and measurable assessment, while an output based criterion, may as well highlight the auspicated end result, but does not provide a measurable and comparable indications. To this regard, some provisions in the Explanatory Material, mainly paragraphs A6 and A8, are unclear and could be reviewed.

From the title of IES 1 (“Entry Requirements to Professional Accounting Education”) our understanding is that the standard is focused on minimum requirements to access the education programs to become professional accountants. i.e. it does not state the requirements to become a qualified professional accountant. However, in concrete, the standard does not set any specific level of access to that education, but it only deals with the models that MBs can adopt to set those criteria and the way the requirements should be brought to the public’s attention.

In order to avoid any misunderstanding, it might be helpful to add a short reference in the introduction of the standard (maybe after paragraph 1) highlighting that there is a significant difference between “Professional Accounting Education Programs” (IES 2) and the entry requirements to such programs (IES 1).

CNDCEC believes that IAESB, and more broadly IFAC, should not limit the standard and its guidance to a simple description of “transparency” criteria for the access to education. MBs should be asked not only to put in place criteria which are well written and clear but also to move towards a rigorous attention to the level and basic knowledge that applicants (interested in starting education) need in order to exercise the profession in a qualified manner, and not only in order to successfully pass the examination at the end of IPD.

We believe that the standard should more courageously set a minimum requirement with regard to the nature and level of secondary education that entrants to professional (or to higher) education should already possess at the beginning. We are all aware of the growing complexity of the regulatory context in which the professional service is provided; the economic and financial prolonged crisis call for a very rigorous preparation of professional accountants. They need to develop his professional judgment, be flexible, specialize, adapt to continuous changing regulations, grow and support growing. We, as MBs of IFAC, have a duty to educate (or cooperate with others in education) accountants, who are not mere technicians but are professional accountants that bring intellectual value into their services’ rendering.

An interested person may read the criteria set by the MB (fully complying with current ies1) and assess its success probabilities to complete the program and also pass the exam, but this does not make him a professional accountant that will be able to deal with the complexity and liabilities that are enshrined in a professional assignment. This can only be achieved if the education program is not only well structured in content (IES 2), but is preliminarily based on a selective approach, already at the entry point. Persons who access the education program need already to possess a wide and strong general education and learning abilities.

Finally, it might be useful to clear that training is also out of the scope of IES 1, as some MBs might interpret and argue that practical education is part of an “education program”. In our understanding this part of the education is covered by IES 5.

#### **Responses to questions raised in the IAESB consultation on IES 1 (revised)**

***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?***

CNDCEC agrees with the requirements in paragraph 7. We emphasise that both elements in the statement are equally important. The flexibility cannot be a justification for practices that would be perceived either as a pure business approach to education or as a wish to restrict the access to the profession for competitive or other reasons. The interrelationship with public interest might be highlighted.

It is also suggested to clarify that the requirement aims at helping potential entrants to understand and assess their chances and to decide whether or not to start studying.

The concept of “reasonable chance to successfully complete the education programme” is briefly addressed in the Explanatory Material of the standard but as mentioned in the introduction it needs to be referred to a much more extended concept. It is not only to be related to the “success in completing the programme” but rather to the ability of acting as a professional accountants, as auditor, as a provider of intellectual services, with all the complexities and the liability it implies.

The concept of “excessive barriers” is also not explained. Although these barriers can appear at different stages in education, it could be useful to provide some comment in the explanatory material. The expression “unnecessary restriction to entry” in paragraph A4 could be developed.

***Question 2 – Do you envisage any difficulties in complying with the requirements of IES 1? If so, how would you propose addressing them?***

The entry to an education programme is obviously not comparable to the completion of the full education programme of a professional accountant leading to membership of a Professional Body. However, the standard should avoid that a too wide diversity at the outset leads to an even wider difference in quality at a later stage.

Our understanding is that the standard is mostly addressed to MBs that directly manage their own education programme. As mentioned above it would be useful to clear that practical education (training, as part of IPD) is not covered by this standard, as it is the subject matter of IES 5.

***Question 3 – What is the impact in implementing the requirements of IES 1 to your organization?***

We do not expect any direct impact of the amendment to CNDCEC.

***Question 4 – Are the Explanatory Materials sufficiently clear and comprehensive? If not, what changes do you suggest?***

No specific observations.

***Question 5 – Is the objective to be achieved by a member body, stated in the proposed revised IES 1, appropriate?***

In some countries, IFAC member bodies have shared responsibilities in education with government authorities or education organisations. Paragraph A2 in the Explanatory Materials reflects these situations but does not really add any explanation. It could be possible to provide guidance on how far the member bodies have to monitor the part of education which is placed under the responsibility of others.

***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?***

Yes.

**Question 7: Are there any terms within the proposed IES 1 which require further clarification? If so, please explain the nature of the deficiencies.**

We share some doubts about the proposed concept and definition of “Professional Accounting Education”.

We recognise that the Framework establishes a difference between the “Accountancy Profession” and “Professional Accounting Education”. However we also note that the glossary does not provide any definition of accountancy with a reference to the profession (most cases in the framework) or to activities, as paragraph 8 of the Framework does (“...many different areas of accountancy, including auditing, financial accounting, management accounting and tax accounting”).

Another clarification may be required in A1, where professional accounting education is described as “education *and training*”. It is not sufficiently clear, whether “training” is used in the sense of “practical experience”, which would mean that the meaning of professional accounting education would cover both education and practical experience. This interpretation would however not be in line with A2 of IES 5, where IPD is explained as including general education, professional accounting education, practical experience and assessment – meaning that practical experience is not part of the professional accounting education.

Yours sincerely,

Francesca Maione