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Dear Sir,

Proposed Revised International Education Standard (IES) 3, *Initial Professional Development - Professional Skills (Revised)*

BDO is pleased to have the opportunity to comment on the above exposure draft issued by the International Accounting Education Standards Board (IAESB). We set out below our responses to the IAESB's questions in the explanatory memorandum accompanying the exposure draft.

We support the IAESB's project to redraft and revise where appropriate all of the IES's in accordance with the clarity drafting conventions as set out in the Framework for International Education Standards for Professional Accountants.

Responses to Specific Questions

1. Do you support the definition of professional skills?

We support the definition of professional skills; however we believe it would be helpful to the users of the IES if the definition matched the learning outcome competence areas in order to be consistent (e.g., use the category 'interpersonal and communication' instead of separating these out in the definition). We also believe that the definition should have a similar end point to that included within IES 2 - '...to perform a role to a defined standard.'

We note that the definition appears to have been duplicated somewhat in paragraph 1 and believe that this is unnecessary.

2. Do you support the removal of General Education from this IES?

We support the removal of General Education from this IES; however we believe that the project to address the need for implementation guidance on how general education can be used to develop the aspiring professional accountant, as mentioned on page 6 of the supplemental material, should be made a priority given the diversity of the requirements across the member bodies.

3. Is the objective to be achieved by an IFAC member body, stated in the proposed IES 3 (Revised), appropriate?

Yes, the objective is appropriate and is clear and consistent with the other revised IES objectives.

4. Do you agree with the adoption of a learning outcomes approach?

Yes, we support the move to a learning outcomes based approach as it provides a clear 'end-point' for IFAC member bodies to focus their efforts.

5. Table A of proposed IES 3 (Revised) provides learning outcomes for various competence areas of professional skills, are there any additional learning outcomes that you would expect from an aspiring professional accountant?

We agree with the learning outcomes listed overall, however we believe that learning outcomes related to professional scepticism and professional judgment should be more explicitly and prominently incorporated within Table A. We recognise that these learning outcomes are more important in the context of IES 8, however it is our belief that developing and defending their own viewpoints is an important aspect of the role of an aspiring professional accountant.

6. For Table A of the proposed IES 3 (Revised) are there any learning outcomes that you do not think are appropriate?

We believe the following amendments should be made to the proposed learning outcomes:

- In competence area 'Personal' we believe that learning outcome (ii) should state 'Set high standards of output...' as opposed to 'Set high standards of delivery' as it is more consistent with the expectation that everything that an aspiring professional accountant does is to a high standard. In relation to learning outcome (iv) we believe the statement 'Proactively anticipate...' should be changed to just 'Anticipate...' as that implicitly suggests the individual is behaving in a proactive manner. We recommend that consideration be given to whether this learning outcome should, in fact, be two distinct learning outcomes - one for anticipating challenges and another for behaving in a proactive manner as being proactive is a quality we would value in an aspiring professional accountant.
- In competence area 'Interpersonal and communication', we believe that learning outcome (iv) 'use negotiations to reach appropriate solutions and agreements' should be amended to read 'use negotiation skills to reach agreement' as 'appropriate' is subject to the judgment of the parties involved. We also believe that learning outcome (vi) requires additional clarification as we believe that it is unclear how an aspiring professional accountant would 'display sensitivity' in matters of 'cultural and language differences' and how IFAC member bodies would measure that this learning outcome had been met.
- In competence area 'Organizational' it is our opinion that learning outcomes (iii), (iv) and (v) could be merged in to one learning outcome such as 'Use effective people management, leadership and delegation skills to deliver work assignments'. We also believe that the current manner of stating learning outcome (v) lacks a documented purpose as can be seen in all the other outcomes. If the outcomes are not merged, we believe that this outcome should be changed to include a 'to' statement describing why it is important.

- 7. Are the minimum levels of proficiency included in the proposed IES 3 (Revised) appropriate for each professional skills competence area?**

Yes, we agree with the minimum levels of proficiency included in the proposed IES 3 (Revised).

- 8. Overall, are the requirements clear and appropriate? If not, what changes would you like to see?**

With the exception of certain comments included in our response to question 6, we believe that the requirements are clear and appropriate.

- 9. Do you anticipate any impact or implications for your organization, or organizations with which you are familiar, in implementing the new requirements included in this proposed IES 3 (Revised).**

No, we do not anticipate any impact or implications to our organization, or other organization that we are familiar with, as a result of this IES as we already place emphasis on these qualities during our recruitment processes and professional development programmes.

- 10. Are there any additional explanatory paragraphs needed to better explain the requirements of the proposed IES 3 (Revised)?**

Yes, we believe that there should be further clarification around the term 'regularly review'. We believe additional guidance (with examples) should be added explaining what this review would entail, how often it would need to be performed, and what is expected of the member bodies. In addition, paragraph A11 makes reference to 'degrees and courses', however as IES 1 has now removed the reference to undergraduate degrees we believe the same should also apply here.

It is also our opinion that explanatory paragraph A4 is redundant as paragraph 3 in the scoping section of the IES discusses the link between the other IPD IESs. As explanatory paragraph A4 only briefly discusses the content of each of the other IESs relating to IPD in passing, inclusion of this could give an unbalanced view of their content as significant portions of the IES are not mentioned.

- 11. 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, the criteria identified have been applied appropriately and consistently.

- 12. Are there any terms within the proposed IES 3 (Revised) which require further clarification? If so, please explain the nature of the deficiencies.**

Other than those mentioned previously, there are no other terms that we believe require further clarification.

Comments on other matters

As noted in our previous comment letters, we would support the development of an electronically integrated set of IESs which when linked directly to the glossary would enable the user (online or offline) to navigate successfully the suite of IESs. This would remove the need for the placing of occasional definitions in the text of each IES and would also enable the user of each IES to have an immediate source of information rather than having to seek a glossary.

We would also support continuing efforts to improve the availability of translations in respect of exposure drafts and final pronouncements.

Please contact me should you wish to discuss any of these comments.

Yours sincerely,
BDO International Limited

Wayne Kolins
Global Head of Audit and Accounting