



October 5, 2011

Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West, 4th Floor
Toronto, Ontario M5V 3H2 CANADA

Re: Proposed Revised International Education Standard IES 5, Practical Experience Requirements for Aspiring Professional Accountants

Thank you for this opportunity to comment on the proposed revised International Education Standard 5 on Practical Experience Requirements for Aspiring Professional Accountants (“the revised IES 5”).

Our comments are based on consultation with a number of our members across Canada both at the CICA and the Provincial Institutes of Chartered Accountants/Ordre des Comptables Agréés du Québec who have responsibility for pre-qualification education programs.

Overall, we congratulate the IAESB on the revised IES 5. The recognition of different approaches to measure practical experience of aspiring professional accountants and the revisions to allow IFAC Member Bodies to establish a preferred approach are not only consistent with the Framework (2009) which recognizes input, process and output approaches to measure the effectiveness of professional accounting education in developing competence, these changes provide for the diversity of valid approaches to the measurement of practical experience adopted by IFAC Member Bodies.

It is within this overall context of a job well done, that we provide the attached detailed comments, intended to assist the IAESB in maximizing the clarity and consistency of the revised IES 5.

Sincerely yours,

Tashia Batstone, CA
Chair, Professional Learning Committee
Chief Executive Officer, Institute of Chartered Accountants of Newfoundland and Labrador

Question 1: Do you find that the outcome-based, input-based, and combination approaches offer sufficient alternatives for effectively meeting the standard’s requirement for IFAC member bodies to establish their preferred approach to measure practical experience?

Yes. But as noted in our response to Question 4 below, the IAESB should consider providing guidance material outside of the revised IES 5 on approaches to the measurement of practical experience by IFAC member bodies. Additional guidance would provide additional clarity and consistency in the application of the revised Requirements.

Question 2: In considering the role of the supervisor in directing the aspiring professional accountant’s practical experience, the IAESB is proposing to define a supervisor as follows: “is a professional accountant who is responsible for guiding and advising aspiring professional accountants and for assisting in the development of the aspiring professional accountant’s competence.” Do you agree with this definition? If not, what amendments would you propose to the definition?

In considering the role of a supervisor in directing an aspiring professional accountant’s practical experience, we believe that there are three specific responsibilities that need to be addressed:

- a. the direct supervision of the aspiring professional accountant on a specific assignment or task - supervising the aspiring professional accountant’s preparations for and undertaking of a particular assignment or task (call this, Direct Supervision - the Supervisor is in a position to provide input on the work assignments of the aspiring professional accountant);
- b. ensuring that the aspiring professional accountant receives the relevant practical experience required to develop the competencies expected of an aspiring professional accountant (call this, Counseling – the Supervisor is in a position to exert direct influence on the work assignments of the aspiring professional accountant); and
- c. guiding and advising the aspiring professional accountant in the development of his/her professionalism/ethical behavior/professional skills and the competencies of a professional accountant (call this Mentoring - the Supervisor is in a position to review the aspiring professional accountant’s progress in the development of competence as a professional accountant).

The IAESB’s definition of “Supervisor” appears to be based on, indeed it appears to have been made synonymous with, the definition of “Mentor” in the current IAESB Glossary of Terms. In taking this approach, we believe that the IAESB has missed an opportunity to clearly define the role of Supervisor.

Rather than making any modification to the proposed definitions but to improve the clarity of the role of a supervisor, we would suggest the following modification to the second sentence of Paragraph A11 in the Explanatory Material:

They may be responsible for the direct supervision of the aspiring professional accountant on a specific assignment or task, supervising the aspiring professional accountant’s preparations for and undertaking of a particular assignment or task, planning the practical experience period, ensuring that the aspiring professional accountant receives the relevant practical experience required to develop the competencies expected of an

aspiring professional accountant and ~~provide for providing~~ guidance to aspiring professional accountants in the development of competence as a professional accountant.

Question 3: Are the requirements of IES 5 clear for IFAC member bodies?

Generally, yes. We have only one comment re: clarity of the requirements.

Mentor or Supervisor

It appears that the words “mentor” and “supervisor” are intended to be synonymous. They are repeated as “mentor or supervisor” throughout the revised IES 5. We do not agree with this approach – in our view, mentorship is only one aspect of supervision - but we understand that others may not define/interpret mentorship as we do. To avoid confusion we would suggest that the Proposed Conforming Amendment for “Supervisor” include the phrase “Synonymous with Mentor” and similarly that the existing definition of “Mentor” include the phrase “Synonymous with Supervisor”.

There are also places in the revised IES 5 where “mentor” or “supervisor” appears on its’ own where to be consistent, both words should appear. For example:

Should Read:

The heading “ Mentors and Mentoring ” on page 11	Mentoring or Supervision
Paragraph A1 (e)	Having an opportunity to develop at progressive levels of responsibility while under appropriate levels of <u>mentorship</u> <u>or</u> supervision.
The heading “ Mentors and Mentoring ” on page 14	Mentoring or Supervision
Paragraph A12	IFAC member body mentors or supervisors may be assisted in performing the <u>supervision/mentorship</u> function by others...
There may be other examples. The document should be closely read for this.	

Question 4: Are the examples and explanation in Explanatory Materials section sufficient in explaining the requirements of the Standard?

Paragraph A1

We would include as the number one objective of practical experience:

- (a) real world application of knowledge and skills (versus simulated environments)

Paragraph A3(b)

Bullet A3(b) in our view is not clear as to exactly what a member body should be considering in determining “an appropriate balance” between education and practical experience. The implied distinction between education and practical experience in A3(b) is not accurate. Academic or professional education programs are certainly capable of addressing more than just “professional accountancy knowledge”. And “practical skills” are not limited to the practical experience component as might be suggested by the last sentence of this bullet.

Is the point of A3(b) that a member body should consider the efficiency and effectiveness of demonstrating/assessing required competencies in either or both of the education and practical experience components of IPD, in determining “an appropriate balance”?

Or

Is the point of A3(b) that a member body should consider whether certain competencies are better demonstrated or can only be demonstrated in the workplace e.g. some professional skills, in determining “an appropriate balance”?

Or is it something else? Or is it all of the above?

Paragraph A8, Input-Based Approach

The last sentence of Paragraph A8 provides examples of the input-based approach to measure practical experience. The last example in that sentence is:

“...or a minimum of five years total of combined accounting education and practical experience.”

The IAESB needs to be clear in this example as to the requirement for some amount of practical experience. As written, it could imply that five years of accounting education e.g. an undergraduate and graduate degree in accounting may be sufficient, with no practical experience. This would be inconsistent with the Requirements (Paragraph 9) and with Paragraph A3 (b).

Additional Guidance

The IAESB should consider providing guidance material on approaches to the measurement of practical experience by IFAC member bodies – output-based approaches, input-based approaches, and combinations of

input-based and output-based approaches. Examples of good practice would assist IFAC member bodies in the application of the Requirements.

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

Yes.

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 5 which require further clarification? If so, please explain the nature of the deficiencies.

See discussion above re: Mentor.