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Senior Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West
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Dear Mr. McPeak

We appreciate this opportunity to comment on the Exposure Draft of the Proposed Revised International Education Standard 3 Initial Professional Development – Professional Skills, (IES 3). We fully support the objectives of the IAESB's project to improve the clarity of its Standards, of which this Exposure Draft is a part, and we commend the IAESB in the work they have done on IES 3 to date.

General Comments

We appreciate the Board's approach of exposing IES 3 and IES 2 together, and alongside the re-exposure of IES 4 and the exposure of IES 8. This approach enables an understanding of the Board's approach to improving consistency among IESs 2, 3, 4, and 8 to support the adoption the learning outcomes approach across those standards. We fully support the Board in this drive to ensure consistency across these related standards and believe this will aid understanding and implementation.

We do, however, believe this also highlights a missed opportunity for the Board to consolidate and therefore rationalize the body of standards. We note there is now a significant degree of consistency in the requirements and explanatory material presented across the exposure drafts for IESs 2, 3 and 4, with the main content difference being the learning outcomes presented. In our view this demonstrates that consolidation of these three standards into a single standard setting out the learning outcomes required for IPD would now be relatively easy to achieve. A consolidated standard would provide IFAC member bodies with a clearer, more streamlined approach to identifying and understanding the requirements for professional accounting education in IPD. It is disappointing that the Board has not taken advantage of this opportunity.

Specific Questions

With respect to the specific questions outlined in the Explanatory Memorandum to the Exposure Draft our comments are as follows:

Question 1: Do you support the definition of professional skills?

Yes, we support the definition of professional skills.

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

Yes, we support the removal of general education from this IES, recognising that general education is undertaken in a wide variety of ways, often outside of professional accounting education programs, and over a period of time that is not typically equivalent to that of IPD.

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

In general we agree with the intention of the objective, but believe it could be better worded. As currently worded it suggests a passive role for the aspiring professional accountant who is provided with professional skills by the IFAC member body. In our view the aspiring professional accountant should be positioned as more active in developing the professional skills while the role of the IFAC member body is to support and enable this process. We suggest the following wording for consideration by the Board:

“The objective of an IFAC member body is that aspiring professional accountants develop the professional skills required to perform a role as a professional accountant.”

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

Yes, we agree with the adoption of a learning outcomes approach in this standard, consistent with the approach being taken in IESs 2, 4 and 8. We believe it would improve clarity if the IAESB were to include a definition of learning outcomes in its glossary of terms.

Question 5: Table A of the 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?

No, we have not identified any additional learning outcomes to add to those set out in Table A.

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

No, in our view all the learning outcomes set out in Table A are appropriate.

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

Yes, generally we agree that the minimum levels of proficiency included in the proposed IES 3 are appropriate. However we have the following specific comment:

- Personal
 - Learning outcome (b) (2) refers to setting 'high' personal standards, and we query whether this is appropriate wording to correspond to an Intermediate level of proficiency as we are unclear as to what an intermediate proficiency of high personal standards of delivery actually means in practice.

Question 8: Overall, are the requirements clear and appropriate? If not what changes would you like to see?

In general we believe the requirements are clear and appropriate, however we believe the requirement in Paragraph 8 related to the review of professional accounting education programs is unclear. The requirement does not provide sufficient direction on the nature, timing and extent of the review that would be required of IFAC member bodies to meet the requirement and the Explanatory Material on this point provides no further guidance.

Question 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 revised IES 3 (Revised)?

We believe there is likely to be an impact on the Deloitte network in some of our member firms who operate in jurisdictions where the current structure and content of IPD for aspiring professional accountants does not meet the standard required by the proposed IES 3 (Revised). The impact will be on our more junior staff levels in these jurisdictions as they are typically working with Deloitte while completing IPD. It may also impact those who are responsible for supervising their work during this time. The nature of the impact is likely to be in extended study and more specific requirements during practical experience gained during their work with Deloitte. The extent of this impact is difficult to assess since the changes to IPD will be largely driven by the relevant IFAC member body in that jurisdiction and will therefore vary considerably across our network.

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

Other than as noted above relative to the requirement in paragraph 8, we have identified no further need for explanatory paragraphs for the proposed IES 3 (Revised).

Question 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, we believe the criteria for requirements have been applied consistently and appropriately (although see our response to Question 8 above).

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

In Table A, under the competency area Personal, learning outcome (b) (i) refers to the ‘principles of lifelong learning’. We recommend further explanation on what this phrase means, and what these principles are, as we find no further guidance in the proposed revised IES 3, or in the IAESB’s Framework.

In addition, we believe it would be helpful to have greater clarity on the phrase “learning outcomes” since this is fundamental to an understanding of the revised IES.

Other matters

- *Effective date* – the proposed timeframe for the effective date is appropriate assuming the standard is approved at the same time as IES 2 and IES 4.

We also have the following additional comments related to specific paragraphs of the draft standard:

| Paragraph | Comment |
|-----------|--|
| A3 | We note that the description of intellectual skills refer to the ability to exercise good judgment, however there is no learning outcome related to this concept. |
| A3 | We recommend that the description of interpersonal and communication skills is edited as follows: “...the ability of a professional accountant to work <u>and interact</u> effectively with others.” |
| A3 | We recommend that the description of organizational skills is edited as follows: “...ability of a professional accountant to work effectively, <u>both individually and collectively</u> , with or within an organization to <u>obtain</u> the best <u>results or outcomes</u> from the people and resources available. |

Very truly yours,



Jens L Simonsen
Managing Director
Global Audit Services
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