

Comments on proposed Framework for International Education Standards

October 27, 2014

By The Institute of Chartered Accountants of Pakistan



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Chartered Accountants
of Pakistan

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David McPeak
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International Federation of Accountants
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Dear Mr. McPeak

The Institute of Chartered Accountants of Pakistan appreciates International Accounting Education Standards Board for giving it the opportunity to submit its comments on "Framework for International Education Standards".

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The following pages contain our comments for your kind consideration.

With best regards

Omair Jamal
Director Education and Training

Request for General Comments

The IAESB welcomes comments on all matters addressed in this proposed Framework for International Education Standards (See **Appendices 1 and 2**). Comments are most helpful when they refer to specific paragraphs, include the reason for the comments and, where appropriate, make specific suggestions for any proposed changes to wording to enable the IAESB to fully appreciate the respondent's position. Where a respondent agrees with proposals in the exposure draft (especially those calling for a change in current practice), it will be helpful for the IAESB to be made aware of this view.

Response to Request for General Comments

No general comment.

Question 1:

The IAESB is proposing to include the following definition of professional accountant in the updated Framework.

A professional accountant is an individual who achieves, demonstrates, and maintains professional competence in accountancy and who is bound by a code of ethics.

Is the definition of a professional accountant appropriate for users of the IESs? If not, please explain.

Response of Question 1:

The current definition (an individual who is a member of an IFAC member body) is easier to understand, but is not essentially a definition, as it was not conveying any features of a person to be classified as professional accountant. We believe that the definition, as much as possible, should be understandable without further referencing to other definitions and interpretations. We also believe that the condition for an individual to qualify for the definition to be a member of IFAC member body should be retained. Otherwise the holder of certain academic qualification may represent him or her as a professional accountant. We agree with the approach of IAESB with the following suggested change, which is being suggested to improve the ability of the definition to be self-explanatory and standalone:

"A professional accountant is an individual who is a member of IFAC member body who achieves, demonstrates, and maintains the ability to integrate and apply (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes in accountancy; and who is bound by a code of ethics."

Question 2:

The IAESB is proposing to include the following definition of general education in the updated Framework.

General education is a broad-based education through which fundamental knowledge, skills, and attitudes are developed.

Is the definition of general education appropriate for users of the IESs? If not, please explain.

Response of Question 2:

The definition of general education is appropriate, but would be more understandable if it includes few examples. A suggested definition is as follows:

"General education, which includes, but not limited to, history, culture, human behavior, social values; and is a broad-based education through which fundamental knowledge, skills, and attitudes are developed."

Question 3:

As indicated in the IAESB's Terms of Reference, the Board's authoritative documents are those pronouncements that are subject to due process for their development (See DUE PROCESS AND WORKING PROCEDURES—March 2010 for IAESB's due process).

The extant Framework is an authoritative pronouncement, meaning it establishes requirements for which IFAC member bodies must comply. Because the proposed draft of the Framework does not include any requirements and its primary purpose is to describe the learning concepts underpinning the IESs, the IAESB is proposing the revised Framework be non-authoritative. Do you agree with this change? If not, why?

Response to Question 3:

We do not notice any text suggesting that the extant framework establishes requirement for which IFAC member bodies must comply. However, it is an established principle that definitions and interpretations relating to any pronouncement of prescriptive nature are taken as part and parcel of such pronouncements. In case of IES, the Framework (extant or draft) contains very important concepts and interpretations, which form the basis for implementation of requirements laid down in IESs. Making it non-authoritative would result in exclusion of the Framework from scope of due process of IAESB. We do not agree with the proposal to make Framework non-authoritative. We suggest that the framework should remain a authoritative so that due process is applied.

Question 4: Is the updated Framework clear and easy to understand? If not, please explain.**Response of Question 4:**

The updated Framework is clear and easy to understand.

Question 5: Does the updated Framework appropriately align with the recently revised IESs (See <https://www.ifac.org/sites/default/files/publications/files/Handbook-of-International-Education-Pronouncements-2014.pdf>)? If not, what gaps or differences should be addressed?**Response of Question 5:**

The Framework appropriately aligns with the revised IESs.

Question 6: Are there any other terms within the Framework which require further clarification? If so, please explain the nature of the deficiencies.**Response of Question 6:**

There is no other term, which requires further clarification except for the concept of general education for which we submit our comments as follows:

The framework includes the following paragraphs to convey the concept of general education:

General Education

26. General education is a broad-based education through which fundamental knowledge, skills, and attitudes are developed. General education helps prepare an individual for entry into a professional accounting education program and supports lifelong learning and development.

27. General education helps aspiring professional accountants and professional accountants think and communicate effectively, as well as integrate technical competence, professional skills, and professional values, ethics, and attitudes to demonstrate professional competence. Examples of topics that general education may address include, but are not limited to, (a) an understanding of the flow of ideas and events in history, (b) the different cultures in today's world, and (c) a sense of the breadth of ideas, issues, and contrasting economic, or political and social forces in the world.

28. General education may be obtained in a number of different ways and within different settings. General education commences before entry into a professional accounting education program and extends into IPD and CPD. IPD and CPD build upon the foundation of general education.

Comments

General education plays a vital role in professional development. However, making it a part of the Framework is not aligned with the purpose of educational standard-setting undertaken specifically for accounting profession. Particularly, paragraph 28 needs further elaboration of IAESB's intention, as it suggests that general education extends into IPD and CPD. The qualification programs of any member body hardly incorporate any learning outcomes discussed in paragraph 27. General education in structured academic environment is usually acquired before the commencement of IPD. Further, an aspiring professional accountant gains required general education through self-initiated process, generally, based on the requirement of the role that an aspiring professional accountant performs.

The risk is that a disproportionate emphasis on general education may divert the focus of member bodies from the core area. Moreover, due to wider range of areas covered under general education, it would be difficult for IAESB to come up with any minimum requirement in respect of general education.

Inclusion of general education may create an impression among certain stakeholders that member bodies have direct or indirect responsibility to ensure the capabilities which may come under general education, which will be an inappropriate expectation from such professional bodies, which are specialized in accounting education only.

Question 7: Are there any other learning concepts relevant to the IESs that should be added to the Framework? If yes, please describe the concepts that should be added.

Response of Question 7:

There are no other learning concepts that should be added to the Framework.