

Joint comments, French professional bodies, CNCC and CSOEC, on Revised IES 3 - 31/10/2012

IAESB

Proposed International Education Standard (IES 3) Initial Professional Development – Professional Skills (Revised)

Introduction

The two French professional bodies representing auditors, « **Compagnie Nationale des commissaires aux comptes** » (CNCC) and professional accountants, « **Conseil Supérieur de l'Ordre des Experts-comptables** » (CSOEC) welcome this consultation launched by the IAESB on its set of Education standards, and more particularly on the Revised International Education Standard n°3 “Initial Professional Development – Professional Skills”. They both bring their support to the outcomes-based approach adopted by the IAESB in the Revised IES 3.

Through this position letter, both bodies would like to first give their answers to the “requests for specific comments”, aimed at collecting the respondents’ opinions on significant issues related to the approach taken by the IAESB regarding technical competences and then also give some comments on the explanatory material part.

Answers to questions “Request for specific comments”

The IAESB is proposing to define professional skills as the intellectual; personal, interpersonal, communication, and organizational skills that a professional integrates with technical competence and professional values, ethics, and attitudes to demonstrate professional competence.

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

Yes, the CNCC and the CSOEC share the IAESB’s definition of professional skills.

The extant IES 3 prescribed general education as a mandatory component of developing professional skills. The IAESB views general education as important to the development of professional competence. General education is, however, often undertaken outside a professional accounting education program and has therefore deleted any reference to general education within the proposed IES 3 (Revised). The IAESB does recognize the need for general education in the development of the aspiring professional accountant and has used the Framework (2009) document to highlight the importance of general education as a component of IPD.

Joint comments, French professional bodies, CNCC and CSOEC, on Revised IES 3 - 31/10/2012

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

The CNCC and the CSOEC do not really support this choice. If general education is often undertaken outside a professional accounting program, it is not always the case. For example, a master in accounting curriculum usually has a part of general education like mathematics, statistics, psychology, sociology, behavioural sciences, foreign languages, etc. IES 3 and the Framework recognize the importance of general education and we totally support this idea. Therefore, general education should be addressed in IES 3 even if it is not part, in a narrow sense, of professional education programs.

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

Yes, the CNCC and the CSOEC agree with the objective to be achieved stated by the IES 3 (Revised).

The IAESB has decided to adopt a learning outcomes approach to describing professional competence in the proposed IES 3 (Revised), rather than prescribing a list of skill areas as provided in the extant IES 3. The learning outcome approach is consistent with current good practice in skills development work and with the IAESB's principles based approach. The requirement of the extant IES 3 on skills (a list of topic areas) has been replaced with a requirement in the proposed IES 3 (Revised) that specifies the learning outcomes and minimum proficiency levels. The IAESB believes that this will help IFAC member bodies to clearly define the required outcomes of their professional accounting education programs.

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

The CNCC and the CSOEC generally agree with this adoption, but want to add some important comments.

The learning outcomes approach is a more relevant way for employers but also a more difficult way to set standards because it leaves room for ambiguity and interpretations. The use of very ambiguous words like relevant, appropriate, adequate, etc. is an evidence of the ambiguity of the concepts. It is always possible to argue that a very superficial curriculum is complying with the standards. We are not sure that it will contribute to the reduction of international differences and facilitate global mobility.

The output based approach is not familiar in all parts of the world and in the academic world. Professors are specialized by disciplines like financial accounting, management control, taxation, etc.

The IES should somewhere reconcile the two approaches. (See example of such a reconciliation matrix, below page 10)

Joint comments, French professional bodies, CNCC and CSOEC, on Revised IES 3 - 31/10/2012

IESs 2, 3 and 4 cover the professional competence required of aspiring professional accountants upon completion of their professional accounting education program.

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?

The CNCC and the CSOEC do not suggest any fundamental additional learning outcomes. It is very difficult to be more precise about intellectual skills.

Nevertheless, we suggest to add at least one item: logical reasoning. This skill can be developed and assessed by studying mathematics or statistics but also law, for instance.

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

No.

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

Yes.

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

The CNCC and the CSOEC appreciate the IAESB's efforts to clarify and facilitate the approach of the professional skills for the member bodies.

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 do not anticipate any significant impact.

The whole French accounting curriculum of "Expertise comptable" (Accounting professional) has been totally redesigned in 2006 and updated in 2010 considering all IESs, the European Audit Directive and the European Common Content.

The specific route to become "Commissaire aux comptes" (Auditor) has just been renewed and should be published within a few months. This curriculum also considers the European accounting education criteria and the IESs

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

No.

The proposed IES 3 (Revised) has also been redrafted according to the guidelines provided in the IAESB Drafting Conventions.

Joint comments, French professional bodies, CNCC and CSOEC, on Revised IES 3 - 31/10/2012

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.

(*) The IAESB has identified the following criteria for determining the requirements of a Standard:

- The requirement is necessary to achieve the objective stated in the Standard;
- The requirement is expected to be applicable in virtually all situations to which the Standard is relevant; and
- The objective stated in the Standard is unlikely to have been met by the requirements of other Standards.

In determining the requirements of a Standard, the IAESB will consider whether the requirements are proportionate to the importance of the subject matter of the Standard in relation to its objective.

The criteria, which are intended only to assist the IAESB in appropriately and consistently determining requirements, may be refined as further experience is gained.

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.

No.

The CNCC and the CSOEC particularly appreciate § A 15.

Other comments

Appendix

IES 2, 3 and 4 have the same appendix. As it has not a prescriptive content but aims only to clarify concepts, would it not be preferable to move this appendix as an appendix of the Framework instead of duplicating it?