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THE
INSTITUTE OF
CHARTERED
ACCOUNTANTS
OF SCOTLAND



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Dear David

IES 5: Practical Experience Requirements for Aspiring Professional Accountants

The Institute of Chartered Accountants of Scotland (ICAS) welcomes the opportunity to comment on the IAESB's Exposure Draft of changes to International Education Standard (IES) 5 – Practical Experience Requirements for Aspiring Professional Accountants.

General Comments

The revised IES 5 is comprehensive and covers everything we would expect, both in terms of content and approach to practical experience.

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, we believe that input, output and combination approaches offer sufficient alternatives for IFAC member bodies to establish their preferred approach to measuring sufficient and appropriate practical experience. It is also consistent with the approach set out in IES 7 and this is helpful to IFAC member bodies..

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?

The recognition that supervisors and mentors can both be involved in the support and direction of practical experience is helpful. In the definition provided, however, it is unclear what the distinction between a "mentor" and a "supervisor" is. If the supervisor is likely to be someone more involved on a day-to-day basis with the aspiring professional accountant, it would be helpful if this could be made clearer. It would be worthwhile reviewing both definitions again to establish what the intended differences between a "mentor" and "supervisor" should be.

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

With the exception of Requirement para 10 and para 18, the requirements set out in IES 5 are clear and appropriate. The terms “sufficiency” and “appropriateness” are suggested additional definitions and are reflected in the Objective at para 8. Para 10 refers to practical experience of sufficient duration and intensity. It is not clear that intensity and appropriateness mean the same thing and it would potentially be more helpful if the term “appropriate” was included in para 10. This would also link better with the paragraphs relating to assessment/measurement of practical experience.

Para 18 refers to IFAC member bodies assessing the sufficiency of practical experience but equally important should be the appropriateness of the practical experience.

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

Having defined the terms “sufficiency” and “appropriateness,” they don’t seem to appear in the Explanatory Materials. To maintain the relevance and link, it would be helpful if these terms could be included. An example is 14 (c) which refers to “appropriate” practical experience but not “sufficient”.

Other comments:

- A1(e) – could be reworded;
- A4(c) – it is not clear if this is suggesting that different practical experience requirements would be applicable and acceptable for different employers within the same IFAC member body.
- A8 – first and second sentence seem appropriate. The remainder of this paragraph seems too detailed and specific for explanatory material.; and
- A13 – could explanatory material make comment on frequency of periodic review? Periodic review is very vague and gives no guidance as to what might be a reasonable period between “periodic reviews.” Also its not clear whether there is any expectation that an IFAC member body should undertake a periodic review of the practical experience being achieved although A14 (a) refers to establishing a system which monitors and reports the practical experience.
- A9 – the link from A9 to para 13 is unclear and may be better linked to para 10 or para 11.

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

The objective of ensuring that aspiring professional accountants acquire appropriate and sufficient practical experience to demonstrate competence in the role of a professional accountant is appropriate. The wording currently used, however, is clumsy particularly the phrase “in the role of a professional accountant before assuming that role” and could be improved.

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, the criteria have been applied appropriately and consistently subject to the comment related to question 3 above.

Question 7: Are there any terms within the proposed IES 5 which require further clarification? If so, please explain the nature of the deficiencies.

As noted above, the definitions of “mentor” and “supervisor” require to be reviewed again.

Yours sincerely

A handwritten signature in black ink that reads "Ann Lamb". The signature is written in a cursive style. Below the signature is a long, horizontal, slightly curved line that serves as a decorative underline.

Ann Lamb
Director, Policy
ICAS