

CIPFA response to IAESB consultation on the IES 5 Exposure Draft

Introduction

In general, The Chartered Institute of Public Finance and Accountancy (CIPFA) welcomes the redrafting of International Education Standard 5, Practical Experience Requirements for Aspiring Professional Accountants.

Request for specific comments

Question	Comment
<p>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?</p>	<p>The approaches do offer sufficient alternatives. CIPFA's approach is a combination one, which we feel is essential for ensuring that the necessary range of competences is covered.</p> <p>In terms of inputs, CIPFA require evidence of at least 400 days of relevant workplace experience. We feel this is a more appropriate measure than an elapsed time measure such as 'a minimum of three years' as it focuses on time spent specifically on relevant activities, and this excludes time where no practical experience is being gained (eg sick leave, study leave, maternity/paternity leave, training courses).</p> <p>In terms of outputs, CIPFA requires evidence of six different, relevant activities as part of the practical experience requirements. This enables some focus on key competences, such as communications skills via an oral presentation.</p>
<p>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?</p> <p>If not, what amendments would you propose to the definition?</p>	<p>There is some inconsistency in having references to 'mentor or supervisor' several parts of the background text and the standard itself, but referring to 'mentor' only in other places (eg in the paragraph headed 'Practical experience to be recorded in a verifiable and consistent form'. Similarly, there are some inconsistencies in the use of related verbs – eg A12 refers to 'mentors or supervisors... mentoring'. If these roles are to be distinguished consistently throughout the text, this needs to be reflected in careful use of the various terms, including a clear definition of each in the glossary. It would have been helpful to have the definition of 'mentor' included in the consultation document to compare with that of 'supervisor'.</p> <p>The definition of 'supervisor' proposed for the glossary uses verbs that suggest a fairly 'light-touch' approach to the role – ie 'guiding', 'advising', 'assisting'. These are appropriate, as</p>

	they still allow for the responsibility for acquiring experience to rest with the aspiring accountant. However, they are at odds with the use of 'direct'/'direction' in the standard, which suggests a much more controlling role by the mentor or supervisor than would be appropriate. The terms used in the definition should therefore be extended into the standard, and replace the instances of 'direct' etc
Question 3: the requirements of IES 5 clear for IFAC member bodies?	Yes, subject to some amendments suggested against other questions.
Question 4: Are the examples and explanation in Explanatory Materials section sufficient in explaining the requirements of the Standard?	Yes.
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 comments on 'mentor' and 'supervisor' above.

Further comments

In the absence of assessments as a means of testing whether competence has been achieved, the need for *verification* is important in ensuring that practical experience has actually been acquired. It would be helpful to have additional guidance on what forms of verification would or would not be appropriate in this context and how member bodies can ensure that