



October 6, 2011

Posted via website (www.ifac.org)

Technical Manager
International Accounting Education Standards Board
277 Wellington Street West, 4th Floor
Toronto, Ontario M5V 3H2 CANADA

Re: IES 5, Practical Experience Requirements for Aspiring Professional Accountants

CMA Canada welcomes the opportunity to comment on the above-referenced document. We have reviewed the "IES 5, Practical Experience Requirements for Aspiring Professional Accountants" and provide our comments in relation to the guidelines provided. Our responses are enclosed in Attachment A.

With 50,000 members around the world, CMA Canada grants a professional designation in strategic management accounting[®] and is responsible for standards-setting, accreditation, and the continuing professional development of Certified Management Accountants (CMAs). CMAs provide an integrating perspective to business decision-making, applying a unique blend of expertise in accounting, management and strategy to identify new market opportunities, ensure corporate accountability, and help organizations maintain a long-term competitive advantage. To optimize the performance of global enterprises and build strategic management accounting skills, CMA Canada offers innovative executive development programs, advanced online courses, and internationally recognized knowledge management publications.

We thank you for the opportunity to provide our comments and trust they will be given consideration in finalizing the standard.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Benn", with a stylized flourish at the end.

Richard Benn, FCMA, C.Dir.
Executive Vice President

Attachment

The Society of Management Accountants of Canada
La Société des comptables en management du Canada

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**CMA Canada Comments on Exposure Draft:
IES 5, Entry Requirements to Professional Accounting Education**

Responses to Questions

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?

The option to utilize an outcome-based, input-based or combination of the two provides good flexibility and is sufficient for effectively meeting the requirements of the standard.

Paragraph 15 of the Requirements section requires that practical experience be conducted under the direction of a mentor or supervisor.

With respect to this requirement, we would suggest that further consideration be given to how this is structured. As an example, many professional accounting candidates will be employed by SMEs where there may be no professional accountant on staff. The work they perform within a SME organization will meet the practical experience requirements and in many instances may actually provide a broader demonstration of competencies than would typically be experienced in a larger organization. In this example, a mentor would suffice, however organizing and managing a large contingent of mentors to fulfill this requirement will have its drawbacks, particularly in the area of cost and logistics.

It would be helpful to add an option that would allow the professional body to monitor and counsel candidates on practical experience in an alternative fashion than that stipulated in the Exposure Draft. CMA Canada has a two year professional program that utilizes "moderators" who deliver part of the program. The moderators have direct contact with each candidate and provide feedback on how they are progressing within the program. In addition, practical experience progress reports are monitored by CMA staff members. The moderators in combination with CMA staff would be in an excellent position to provide the guidance necessary to ensure that candidates are accumulating the appropriate practical experience to meet the requirements for certification. They would also be in a position to provide advice to the candidates.

We would therefore suggest the requirements of paragraph 15 be modified to allow for practical experience to be conducted under alternative but acceptable methods that will ensure that candidates fulfill the practical experience requirements in a satisfactory manner.

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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 definition of a supervisor is clear and appropriate.

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

Yes.

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

The Explanatory Materials section is very helpful. In our view, it could be further enhanced by providing appropriate examples. In the sections that explain the input-based, output-based and combination approaches, examples might serve to enhance and illustrate the intent of each approach and avoid undue interpretation by accounting bodies.

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?

The requirements of IES 5 as written are clear and concise. However, as noted previously, the requirement for monitoring practical experience through mentors or supervisors may be unduly restrictive as presented and not reflect alternatives that are equally effective in meeting the objective of standard.

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

The first question posed to readers on page 7 of the ED refers to “outcome-based” approaches to assessing practical experience. Elsewhere in the document it is referred to as “output-based”. This is a minor inconsistency but should be addressed.

In the glossary of terms there is a definition of “Work Log”. The definition states “*A record of assignments and tasks completed, including hours worked by the aspiring professional accountant*”. This definition seems overly prescriptive. We would suggest that tracking a candidate’s work by the number of hours is not necessary and can be effectively reported and monitored in terms of weeks and/or months depending on the circumstances.