



8 October 2011

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

Dear Sir/Madam

Proposed Redrafted International Education Standard (IES) 5 – Practical Experience Requirements for Aspiring Professional Accountants

The Institute of Chartered Accountants in Australia (ICAA) thanks you for the opportunity to comment on the Exposure Draft of the proposed redrafted IES 5: Practical Experience Requirements for Aspiring Professional Accountants.

We note the intention of the IAESB is to enable sufficient flexibility for member bodies to set practical experience requirements appropriate to their educational and professional context, however we do not support this draft's proposal to remove the minimum three-year time period.

It is our Institute's preference that the minimum of three years experience during the Initial Professional Development (IPD) stage is retained as an IFAC requirement. We deem this to be the minimum time period needed for aspiring professional accountants to develop required levels of professional competence in the workplace, particularly at progressive levels of responsibility.

By removing this standard minimum time period, there is the potential for individual member bodies to reduce their required period of IPD qualifying experience as a tool to increase enrolments and member progression. Such activity may overshadow the key objective of this standard which is to ensure candidates acquire appropriate and sufficient practical experience to demonstrate competence before assuming the role of the professional accountant.

Please refer over page for our responses to your specific questions which we trust will assist the IAESB in their finalisation of this standard.

Yours sincerely

Graham Meyer
Chief Executive Officer

Customer Service Centre
1300 137 322

NSW

33 Erskine Street
Sydney NSW 2000
GPO Box 9985
Sydney NSW 2001

Phone 61 2 9290 1344
Fax 61 2 9262 1512

ACT

L10, 60 Marcus Clarke Street
Canberra ACT 2601
GPO Box 9985
Canberra ACT 2601

Phone 61 2 6122 6100
Fax 61 2 6122 6122

Qld

L32, 345 Queen Street,
Brisbane Qld 4000
GPO Box 9985
Brisbane Qld 4001

Phone 61 7 3233 6500
Fax 61 7 3233 6555

SA / NT

L11, 1 King William Street
Adelaide SA 5000
GPO Box 9985
Adelaide SA 5001

Phone 61 8 8113 5500
Fax 61 8 8231 1982

Vic / Tas

L3, 600 Bourke Street
Melbourne Vic 3000
GPO Box 9985
Melbourne Vic 3001

Phone 61 3 9641 7400
Fax 61 3 9670 3143

WA

Ground, 28 The Esplanade
Perth WA 6000
GPO Box 9985
Perth WA 6848

Phone 61 8 9420 0400
Fax 61 8 9321 5141



Request for Specific Comments

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?

We believe these options as outlined in paragraph 11 offer sufficient alternatives for member bodies to effectively determine their preferred approach to measuring practical experience.

To ensure a consistent quality standard across all member bodies continues, we recommend that the requirement that the period of IDP practical experience is a minimum of three years is retained.

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? Yes we agree with this definition.

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

Yes the requirements of IES 5 are clearly set out in the exposure draft.

To ensure a consistent quality standard across all member bodies continues, we recommend that the requirement that the period of IDP practical experience is a minimum of three years is retained.

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

We consider the Explanatory Materials to be sufficiently clear and comprehensive in explaining the requirements of the Standard.

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

We agree the objective as stated in proposed standard paragraph 8 and the associated explanatory materials is appropriate.

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?

No. As per above comments – we believe the removal of the three year minimum time period may impede the achievement of the stated objective of this standard.

By removing this standard minimum time period, there is the potential for individual member bodies to reduce their required period of IPD qualifying experience as a tool to increase enrolments and member progression. Such activity may overshadow the key objective of this standard which is to ensure candidates acquire appropriate and sufficient practical experience to demonstrate competence before assuming the role of the professional accountant.

Question 7: Are there any terms within the proposed IES 1 which require further clarification? If so, please explain the nature of the deficiencies.

We do not consider any of the terms used in the proposed standard to require further clarification.

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