

## **NBAA (TANZANIA) COMMENTS ON EXPOSURE DRAFT ON IES 5, PRACTICAL EXPERIENCE REQUIREMENTS FOR ASPIRING PROFESSIONAL ACCOUNTANTS**

### *Request for Specific Comments*

We request the IAESB to develop an illustrative example/check list of the important items that should be covered in the development of the aspiring professional accountant's competence. This will assist in the consistent application of IES 5 by all IFAC member bodies.

### *Request for Specific Comments*

The IAESB is particularly interested in comments on the matters set out below. Paragraphs 11 to 14 of the Requirements section describe the obligation of IFAC's member bodies to measure practical experience. More specifically, Paragraph 11 sets a requirement for the IFAC member body to establish their preferred approach to measure practical experience using one of the following three approaches: output-based; input-based; or a combination of input-based and output-based approaches. Paragraphs 12-14 set requirements for each of these 3 approaches.

**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?**

**ANS: YES**

Member bodies should be left to choose the appropriate approach to adopt (from the three approached). The appropriate approach will depend on the circumstances.

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

**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**

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

**ANS: NO.**

More clarity required example, in the case of Tanzania especially on the timing for the requisite practical experience. For sometime in the past, practical experience was strictly taken to mean that obtained after the candidate acquired his/her CPA(T) full professional qualification. However, according to page 12 of the exposure draft (refer A3 (c)); practical experience may be obtained after a program of accounting education, or concurrently with such a program. The dilemma that an IFAC member body like NBAA, may face is when does a program of accounting start?

Now take the case of an aspiring professional accountant in Tanzania who has taken the following path before getting his/her full professional qualification (CPA(T)). He/ she first pursued a three year degree course from one of the Universities and thereafter he/she successfully obtained CPA(T) qualification after attending some recognized review courses and sitting for CPA(T) examinations. Supposing the candidate obtained some practical experience (with both input and output based during/after the undergraduate studies), (as indeed is the case in some of the Universities in Tanzania) the question then is; will that experience (pre-qualification), count at least as part of the requirement of IES? IAESB should make more clarification here in order to avoid confusion and have similarity in the application of this standard.

The Explanatory Materials section provides further explanation on the Scope and Requirements of IES 5.

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

**ANS: NO**

For the case of Tanzania, aspiring professional accountants are employees in the different sectors of the economy (such as the public sector, industry, academic/training institutions, audit firms etc). Most of the mentors are their bosses/supervisors. It is important that a mentor should also be a link between an aspiring professional accountant and the employer. This is because the employer may have his expectations which must be fulfilled.

The proposed IES 5 has also been redrafted according to the guidelines provided in the IAESB Drafting Conventions.

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

**ANS: YES.**

But the interest of the employers should also be taken on account (**Refer comments on question 4 above**).

**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?**

**ANS: YES.** But the IAESB to develop an illustrative example/check list of the important items that should be covered in the development of the aspiring professional accountant's

competence. This will assist in the consistent application of IES 5 by all IFAC member bodies.

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

**ANS: NO**