



22 October 2014

Mr David McPeak
Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, New York 10017
USA

Dear David

Proposed Framework for International Education Standards (2014)

ICAEW welcomes the opportunity to comment on the revised Framework for International Education Standards.

General Points

ICAEW remains of the view that the IAESB will have reached the limit of its useful new work following the publication of IES 8 in late 2014 and therefore must review this exposure draft from that starting point.

As stated in our response to the 2014-16 Strategy and Work Plan on 18 September 2013, and in accordance with the views expressed by the GAA, ICAEW's position is that the actioning of work streams based upon the fact they have been included in previous work plans is unnecessary and that on a cost/benefit assessment we would prefer to see the IAESB placed on a care and maintenance basis only.

ICAEW sees the proposed revision of the Framework as non-essential work which should not be taken forward at this time. However, in the interests of on-going constructive engagement with IFAC, ICAEW has provided comments and answers below, not least because we believe that some of the proposals are damaging and risk undermining confidence in the important previous work of the IAESB.

We would recommend the retention of the word 'accountant' in the title of the Framework document for clarity. Although the audience for the document has been broadened the title has been shortened. We would recommend an alteration to something along the lines of 'Framework for International Education Standards for Aspiring and Professional Accountants'.

ICAEW believes that the publication of this document should have been held back until after the release of IES 8 as it is difficult to have a complete view of how the concepts set out in the Framework support the IESs prior to publication of what is certainly the most commented upon Standard.

Answers to specific questions

Question 1: Is the definition of a professional accountant appropriate for users of the IESs? If not, please explain.

No, we do not agree with the proposed revised definition of a professional accountant. The linkage to membership of an IFAC member body is fundamental to the coherence of the IESs and associated publications. The said definition does not exist in the abstract but through IFAC's work to date. Whilst the removal of the recommendation that a professional accountant is a member of an IFAC body broadens the scope of who can be covered by the definition, the lack of requirement to be a member of an IFAC professional accountancy body opens this definition up to too wide a group of people. In addition, there is no clarity on the code of ethics the accountant should be bound by and whether this is a personal code or that of a specific group. We would suggest: 'A professional accountant is an individual who achieves, demonstrates and maintains professional competence in accountancy through membership of a professional accountancy body which is an IFAC member body and who is bound by a recognised code of ethics'.

Question 2: Is the definition of general education appropriate for users of the IESs? If not, please explain.

No. We have two reservations about the proposed definition.

Firstly, we do not think that it is appropriate to refer to general education, which commences before professional training, as something which fosters "fundamental knowledge, skills and attitudes". We think the most that should be claimed for and expected of general education would be that it forms an introduction or context.

Secondly, we do not agree with the concept that general education extends into CPD (paragraph 28). General education should be an introduction and supplement to initial professional development and training. CPD on the other hand is developed throughout a qualified career and in response to the specific changing professional, technical and personal needs of the individual.

Question 3: The extant Framework is an authoritative pronouncement, meaning it establishes requirements for which IFAC bodies must comply. Because the proposed draft of the Framework does not include any requirements and its primary purpose is to describe the learning concepts underpinning the IESs, the IAESB is proposing the revised framework be non-authoritative. Do you agree with this change? If not, why?

Yes. We agree that the Framework should be non-authoritative.

ICAEW supports the move to the Framework becoming non-authoritative and not specifying requirements for member bodies. We feel that this change is important and welcome and that it supports and underscores our previous advice that IAESB should not be developing further work streams or setting additional requirements for IFAC member bodies at this time. We believe that the IAESB should instead be placed on a care and maintenance basis until such time as new requirements are needed.

Question 4: Is the updated Framework clear and easy to understand? If not, please explain.

The Framework is clear linguistically but, as explained above, its coherence is compromised at certain points, for instance by being based on a definition of professional accountant which is detached from IFAC membership and by being issued before IES 8 has been finalised.

Question 5: Does the updated Framework appropriately align with the recently revised IESs? If not, what gaps or differences should be addressed?

We agree that the Framework is appropriately aligned with the IESs that have been released. However, it is not possible to confirm if the Framework will align with all of the Standards until IES 8 has been released in its final form.

Question 6: Are there any other terms within the Framework which require further clarification? If so, please explain the nature of the deficiencies.

We have to reserve final judgement on this until the publication of the revised IES 8.

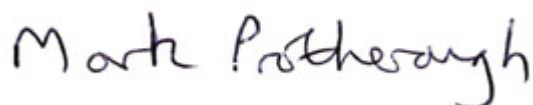
We would also question paragraph 31 referring to 'one result of demonstrating this professional competence may be admission to membership in an IFAC member body.' ICAEW believes that a professional accountant should see membership of an IFAC member body as a key objective behind their obtaining professional competence.

Question 7: Are there any other learning concepts relevant to the IESs that should be added to the Framework? If yes, please describe the concepts that should be added.

It is not possible to be certain on this until the revised IES 8 is published.

We hope the above remarks are helpful. If you would like to discuss this response in more detail, please do not hesitate to contact Jonathan Jones, Head of Policy and Strategy, Learning and Professional Development, on jonathan.jones@icaew.com or +44 (0) 1908 248 292.

Yours sincerely,

A handwritten signature in dark ink that reads "Mark Protherough". The signature is written in a cursive, slightly informal style.

Mark Protherough
Executive Director, Learning and Professional Development