



## International Federation of Accountants

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March 7, 2011

David McPeak  
Technical Manager, International Accounting Education Standards Board

By Email: [davidmcpeak@ifac.org](mailto:davidmcpeak@ifac.org)

Dear David,

### **SMP Committee Comments on Proposed Redrafted International Education Standard 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence**

#### **INTRODUCTION**

1. The International Federation of Accountants (IFAC) Small and Medium Practices (SMP) Committee welcomes the opportunity to comment on the exposure draft (ED) of the proposed IAESB redraft of IES7 issued on December 10, 2010.
2. Our committee is wholly supportive of the IAESB's project to improve the clarity of its standards, including redrafting all of its IESs in accordance with the clarity drafting conventions. In writing this letter we hope to help the IAESB achieve its objectives in this area.

#### **BASIS FOR THIS SUBMISSION**

3. The views expressed in this letter represent the general views of the SMP Committee. Our committee boasts substantial experience of accounting and audit, especially of SMEs. Its members are drawn from 18 IFAC member bodies from some 17 countries from all regions of the world. Compiling a single response that wholly satisfies all of our members is impracticable, owing to their diversity. Not surprisingly, the views expressed by members varied, often reflecting a particular national stance. Therefore, when formulating its views the committees have sought to take a global, public interest position. This perspective may not always be consistent with individual national laws, regulations and interests.

#### **GENERAL COMMENTS**

4. We are generally satisfied that the requirements set out in the ED are consistent with the current IES 7. However, we do have reservations about the ease with which Member Bodies will be able to satisfactorily recognize the learning needs of SMPs, and the constraints they face in fulfilling those needs, when implementing the standard in their jurisdictions.
5. In order to meet the demands of their SME clients, SMP practitioners often need not only to be technically proficient but also capable of providing a wide range of business advice beyond the traditional boundaries of accounting, auditing and tax.

Additionally, by the size and nature of their firms, SMP practitioners also need to be practice managers and entrepreneurs in their own right.

6. SMP practitioners therefore need to have a wide range of skills in order to function effectively. At the same time, SMPs generally do not have the capacity to develop and deliver their own internal training programs in order to sufficiently develop and maintain these skills. Whilst external resources may help fill this learning gap (particularly in respect of technical skills), the importance of workplace learning in the SMP environment is likely to be substantial.
7. We therefore question whether the standard gives sufficient recognition to the importance of workplace learning and would ask the IESBA to consider whether this may be best addressed by modifying the balance and focus of the Explanatory Material within the ED or, alternatively, by developing implementation guidance. We would be happy to assist in this regard.

*Request for Specific Comments*

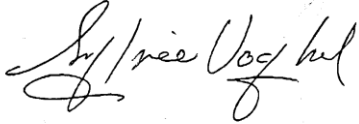
8. **Question 1 – Is the objective to be achieved by a member body, stated in the proposed redrafted IES 7, appropriate?**
9. **Response 1 –** Yes, we believe so.
10. **Question 2 – Have the criteria identified by the IAESB for determining whether a requirement should be specified been applied appropriately and consistently, such that the resulting requirements promote consistency in implementation by member bodies?**
11. **Response 2 –** Yes, we believe so.
12. **Question 3 - Are there any terms within the proposed redrafted IES 7 which require further clarification? If so, please explain the nature of the deficiencies.**
13. **Response 3 –** Subject to the IAESB’s consideration of the comments we raise in paragraphs 4-7, we believe the terminology within the proposed redrafted standard is sufficiently clear.

**CONCLUDING COMMENTS**

14. We hope the IAESB finds this letter helpful in finalizing the redrafted standard. In turn, we are committed to helping the IAESB in whatever way we can to assist in the implementation of the standard and so we look forward to strengthening the dialogue between us.

Please do not hesitate to contact me should you wish to discuss matters raised in this submission.

Sincerely,

A handwritten signature in black ink, reading "Sylvie Voghel". The signature is written in a cursive style with a large initial 'S' and a decorative flourish at the end.

Sylvie Voghel,  
Chair, SMP Committee