

## IMPLEMENTING A LEARNING OUTCOMES APPROACH BASED ON THE INTERNATIONAL EDUCATION STANDARDS (IES™)<sup>1</sup>

**This version supersedes the Staff Questions and Answers Publication released in July 2015.**

Questions 1, 2, 9, 16, and 25 are new Questions and Answers in this version which were created in response to feedback from the 2015 public consultation on the Guiding Principles for Implementing a Learning Outcomes Approach.

Amendments made to other, previously published Questions and Answers in this version are considered editorial clarifications or alignments with other guidance material supporting the implementation of a learning outcomes approach.

This Questions & Answers (Q&A) publication has been developed by staff of the International Accounting Education Standards Board (IAESB).

The publication does not amend or override the IES™, the texts of which alone are authoritative. Reading this Q&A publication is not a substitute for reading the International Education Standards™. The Q&A publication is not meant to be exhaustive and reference to the standards themselves should always be made.

This publication does not constitute an authoritative pronouncement of the IAESB.

### Background

The revised IES and the implementation of a learning outcomes approach will serve the public interest by enhancing the development of professional competence needed to perform a role as a professional accountant.

A learning outcomes approach integrates learning outcomes, program design and assessment activities, as well as an evaluation process driving continuous improvement. It embodies the idea that learning and development experiences are most effective when based on what the individual needs to demonstrate. A learning outcomes approach therefore provides an effective approach to developing competence – an important objective of professional accounting education and development. An effective program is critical to the development of competent professional accountants thereby strengthening the quality of services they provide.

The Q&A below have been drafted to support the implementation of a learning outcomes approach in accordance with the requirements of the revised IES. A summary of the main features of the revised IES is provided in Table 1.

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<sup>1</sup> This publication is part of the guidance materials that support the implementation of a learning outcomes approach

**Table 1 - Main features of the revised IES in the implementation of a learning outcomes approach**

|  | <b>IES 2, Initial Professional Development – Technical Competence (2015)</b>   | <b>IES 3, Initial Professional Development – Professional Skills (2015)</b>          | <b>IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes (2015)</b>                  | <b>IES 5, Initial Professional Development – Practical Experience (2015)</b>      | <b>IES 6, Initial Professional Development – Assessment of Professional Competence (2015)</b> | <b>IES 7, Continuing Professional Development (2014)</b>                          | <b>IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)</b>   |
|--|--|--|---|---|---|---|--|
| <b>Effective date</b>                            | July 1, 2015   | July 1, 2015   | July 1, 2015  | July 1, 2015  | July 1, 2015  | Jan 1, 2014   | July 1, 2016   |
| <b>Competence areas specified</b>                | Financial accounting and reporting;<br>Management accounting;<br>Finance and financial management;<br>Taxation;<br>Audit and assurance;<br>Governance, risk management and internal control;<br>Business laws and regulations;<br>Information technology;<br>Business and organizational environment;<br>Economics; and<br>Business strategy and management. | Intellectual;<br>Interpersonal and communication;<br>Personal; and<br>Organizational | Professional skepticism and professional judgment;<br>Ethical principles; and<br>Commitment to the public interest. |   |   |   | Audit;<br>Financial Reporting;<br>Governance and risk management;<br>Business environment;<br>Taxation;<br>Information technology;<br>Business laws and regulations;<br>Finance and financial management;<br>Intellectual;<br>Interpersonal and communication;<br>Personal;<br>Organizational;<br>Commitment to the public interest;<br>Professional skepticism and professional judgment; and<br>Ethical principles |
| <b>Assigned Level of Proficiency</b>             | Intermediate (except for Economics)  | Intermediate   | Intermediate  |   |   |   |  |
| <b>Learning outcomes specified</b>               | Yes  | Yes  | Yes   |   |   |   | Yes  |
| <b>Stated measurement activities or approach</b> | IFAC member bodies shall design assessment activities that have high levels of reliability, validity, equity, transparency and sufficiency within professional accounting education programs   |  |   | Output-based approaches;<br>Input-based approaches; or<br>Combination approaches. |   | Output-based approaches;<br>Input-based approaches; or<br>Combination approaches. | The achievement of learning outcomes is an output-based approach to measuring CPD.   |

## Questions and Answers

### General

1. What is meant by a learning outcomes approach?

A learning outcomes approach focuses on the individual's demonstrated achievement of the learning outcomes at a targeted level of proficiency, rather than on the learning process.

A learning outcomes approach embodies the idea that learning and development experiences are most effective when based on what the individual needs to demonstrate.

2. What are the benefits of implementing a learning outcomes approach?

Specific benefits shared by respondents to the Consultation Paper – *Guiding Principles for Implementing a Learning Outcomes Approach* with experience in implementing a learning outcomes approach include:

- A learning outcomes-based approach promotes the direct link between education and on-the-job capability;
- The process of identification of the learning outcomes promotes discussion of fundamental questions, such as: What type of professional accountant are we aiming to develop and what are their core development needs;
- An explicit statement of what the educational process aims to achieve helps to clarify the curriculum for both learners and educators and also provides a focus for teaching and learning;
- By providing an explicit statement of what the curriculum is setting out to achieve, outcome-based education emphasizes accountability. The learning outcomes provide details against which learners can be measured, and also facilitate a quality-assurance process;
- A learning outcomes-based approach promotes a learner-centred approach to learning and teaching. If learners are clear about what they are trying to achieve, they can take more responsibility for their own learning; and
- Innovation in teaching is possible and also encouraged by this approach. Different learning styles can be accommodated as well.

3. What is meant by a “program” (as referred to in the Guiding Principles)?

For the purposes of the Learning Outcomes Approach Implementation Guidance, the term “program” is a general term used to describe professional accounting education programs, practical experience, and Continuing Professional Development (CPD). These are defined as:

- Professional accounting education programs – programs designed to support aspiring professional accountants to develop the appropriate professional competence by the end of Initial Professional Development (IPD). They may consist of formal education delivered through degrees and courses offered by universities, other higher education providers, IFAC member bodies, and employers, as well as workplace training;

- Practical experience – workplace and other activities that are relevant to developing professional competence; and
- Continuing Professional Development (CPD) – Learning and development that takes place after IPD, and that maintains and develops professional competence to enable professional accountants to continue to perform their roles competently.

4. When does an aspiring professional accountant become a ‘professional accountant’?

IPD for the aspiring professional accountant continues until individuals can demonstrate the competence required for their chosen roles in the accountancy profession. Qualification, licensing or certification (“qualification”) is the formal recognition of an individual having attained a professional designation, or having been admitted to membership of an IFAC member body. Internationally, there are significant legal and regulatory differences that determine the point of qualification of professional accountants and it may occur from very early to very late in a career. Each IFAC member body can define the appropriate relationship between the end of IPD and the point of qualification for its members.

5. What is meant by the “role to be performed by the individual” (as referred to in the Guiding Principles)?

The role of a professional accountant exists in different areas of the accountancy profession, for example, accounting technician, auditor, financial accountant, management accountant, and taxation accountant. The role is performed to a defined standard and is important when determining the learning outcomes, program, and assessment activities which are relevant to work expected to be performed,

Professional accountants may take on new roles during their careers. For example, a professional accountant in business may want to become an accounting educator; or an accounting technician may want to become an auditor; or an auditor may want to become an audit engagement partner. In such cases, CPD that includes many of the same elements as IPD also develops the additional breadth and depth of (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes which may be necessary when moving into a new role..

6. Do the Guiding Principles refer to delivery as an element of a learning outcomes approach?

No. A learning outcomes approach does not specify delivery methods - the focus is on the demonstrated achievement of the learning outcomes rather than the learning process.

It is, however, acknowledged that the delivery of a learning activity has a significant impact on the success of any learning and development approach. Therefore delivery, as well as other aspects of the broader learning environment, including educator quality and timeliness of the program, merit due consideration as part of the ongoing evaluation and continuous improvement process.

7. What is involved in transitioning to a learning outcomes approach?

Each IFAC member body will develop its own approach to transitioning to a learning outcomes approach. It is recommended that the approach includes an analysis of impacted stakeholders and involves early engagement with those considered critical to the success of the approach.

Recommendations from IFAC member bodies when implementing a learning outcomes approach include:

- Position learning outcomes as the focal point when developing learning activities and assessment activities – well defined learning objectives or key learning points that substantiate a learning outcome(s) are key to getting the design and assessment activities right;
- Start with the proper identification of the target audience, establish the goal of the program, and develop learning outcomes that address the desired technical competence, professional skills, and professional values, ethics and attitudes based on the established goals;
- Identify target audiences and goals in consultation with stakeholders in the local marketplace to provide valuable insight into the specific needs of the market – learning outcomes explicitly outline performance expectations and identify what the learner is expected to know and do;
- Use or develop a competency framework;
- Structure curricula in a way that allows a sufficiency of learning outcomes which are clearly written, containing instructional verbs to express both the precise competency which needs to be demonstrated and the standard (level) at which performance against that competency can be measured;
- Map existing educational offerings to desired learning outcomes and perform a gap analysis;
- Link learning outcomes to the related assessments to sufficiently cover their breadth of content and intellectual depth;
- Define a process for the development of assessments – it may be beneficial to consult with an expert in this area, for example, a psychometrician;
- Establish an effective communications plan to address the change management of the transition working closely with all stakeholders, including examiners where appropriate, to ensure that the approach is well understood; this will assist in its acceptance and aid in its implementation;
- Appreciate that it will take time and resources;
- Make use of publically available reference material to support the:
  - Articulation of benefits of a learning outcomes approach,
  - Development of learning outcomes, for example, Bloom's Taxonomy, and
  - Achievement of congruence between design, assessment and desired education outcome.

8. Who are the likely stakeholders to be impacted in implementing or in transitioning to a learning outcomes approach?

The stakeholders impacted by the implementation of, or transition to a learning outcomes approach to professional accounting education programs will vary by IFAC member body and a jurisdiction-based analysis is encouraged. Impacted parties however may be reasonably expected to include:

- Businesses employing professional accountants or aspiring professional accountants,
- Regulators,
- Higher education and professional education providers contributing to the provision of programs, and
- Government.

9. Are there other reference materials on the Learning Outcomes approach or related areas?

There is much publicly available reference material on the subject of learning outcomes, designing and developing learning and developing opportunities to achieve them, and assessment activities used to measure them.

The IAESB has also published on its website a number of examples from IFAC member bodies which demonstrate a number of aspects of a learning outcomes approach.

## Design-related

10. Why are competence areas specified?

Competence areas are categories for which a set of related learning outcomes can be specified. Competence areas, as a result, help to provide a logical construct which can be of use in designing programs, curricula, and assessment activities.

11. Why are proficiency levels specified for IPD?

There are three levels of proficiency described by IESs 2, 3, and 4<sup>2</sup> – foundation, intermediate and advanced.

Proficiency levels describe the context or work situation in which the learning outcomes are expected to be achieved, which is important for the design of programs and assessment activities. Context characterized by low ambiguity, complexity, and uncertainty is associated with the foundation proficiency level. As ambiguity, complexity and uncertainty increase to moderate and high, the proficiency level increases to intermediate and advanced respectively.

For example:

- a. In order to demonstrate technical competence in financial accounting and reporting as prescribed in IES 2 (intermediate proficiency level) an individual is required to ‘prepare financial statements including consolidated financial statements’.

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<sup>2</sup> IES 2, Initial Professional Development – Technical Competence (2015); IES 3, Initial Professional Development – Professional Skills (2015); IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes (2015).

The complexity of accounting for an organization's consolidation varies according to the nature, number, and the geographic dispersion of its subsidiaries.

More specifically, an organization with subsidiaries that report in a different currency from the parent company requires the use of judgment in evaluating the appropriate functional currency, and the related impact on intercompany transactions and balances. This represents a level of complexity and judgmental application of accounting principles which is not applicable in a group comprising only domestic subsidiaries. Accordingly, this example is better aligned with an intermediate or advanced level of proficiency.

- b. In order to demonstrate professional skills in the area of intellectual skills as prescribed in IES 3 (intermediate proficiency level), an individual is required to identify when it is appropriate to consult with specialists to solve problems and reach conclusions.

Applied to a procedure such as estimating the fair value of investment securities, the work situation can be characterized by low levels of complexity when the securities can be valued using quoted market prices. In such a situation, there is a low level of judgment to conclude that use of specialists to determine the fair value is not needed.

If the work situation is characterized by less well-known investment securities that are not publicly traded, there is more judgment involved in evaluating whether an estimate of fair value requires the use of a specialist, and is therefore indicative of a higher level of proficiency.

12. Are proficiency levels specified in IES 8?

No. Proficiency levels are not attached to the competence areas in revised IES 8. This IES is written on the premise that Engagement Partners have already developed the professional competence to assume that role; however, the changing environment requires Engagement Partners to develop and maintain professional competence throughout their careers.

13. In a program, do the prescribed courses or subjects need to match the competence areas listed in the IES?

No. Whether the learning outcomes are addressed within the construct of the competence areas as listed in the revised IES is at the discretion of the program provider. The competence areas listed in the revised IES do not have to be identical to the names of courses or subjects. For example, in developing technical skills in Information Technology, a specific information technology course or subject may not be required in a program. Rather, the competence could be developed through embedding information technology content and assessment activities throughout other courses or subjects such as management accounting and auditing. Similarly, developing interpersonal and communication skills may not require a course or subject on communication. Rather, interpersonal and communication content and activities could be embedded throughout a program.

14. Can an organization responsible for a program change proficiency levels, learning outcomes, and the competence areas?

Yes. The stated learning outcomes and related proficiency levels provide a base that can be built upon to reflect the professional competence needed for a specific role. The levels of proficiency can be increased but not decreased. Learning outcomes can be added but cannot be removed.

Competence areas provide a suggested logical construct within which a set of related learning outcomes can be categorized. As such, it may be appropriate to group and label the prescribed learning outcomes differently to suit different program structures.

15. In what ways might an organization responsible for a program expand the scope of the technical competence, professional skills, and professional values, ethics and attitudes prescribed in the IES?

An organization can:

- Increase the proficiency level for competence areas. For example, an organization responsible for a program could require economics to be at an intermediate proficiency level or financial accounting and reporting to be at an advanced proficiency level; or
- Develop additional learning outcomes. An organization responsible for a program could include the requirement to "prepare a corporate governance statement" as a learning objective under the competence area of governance, risk management, and control.

16. What is meant by instructional design (as referred to in the Guiding Principles)?

Instructional design is the practice of creating "instructional experiences which make the acquisition of knowledge and skill more efficient, effective, and appealing." <sup>3</sup>.

#### **Assessment-related**

17. What measurement approaches are stated in the IES?

A summary of the measurement approaches by IES is included in Table 1.

18. What is the difference between an input-based and an output-based approach?

An output-based approach is one that requires the demonstration of professional competence through the achievement of learning outcomes. In contrast, an input-based approach establishes an amount of learning activity required for professional accountants to develop and maintain professional competence.

19. Do all learning outcomes need to be assessed?

Yes. Professional competence is demonstrated by evidencing the achievement of all of the stated learning outcomes.

20. Do assessment activities have to match the competence area?

No, the competence areas were included in the IES to provide a way to organize learning outcomes. There is no requirement to have assessment activities attached to the specified competence area, but all learning outcomes need to be assessed.

21. Do all learning outcomes need to be assessed with separate assessment activities?

No. Individual assessment activities do not need to be set for each learning outcome. It is often possible to assess several learning outcomes with a single assessment activity. Assessment

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<sup>3</sup> Merrill, M.D.; Drake, L.; Lacy, M.J.; Pratt, J. (1996). "Reclaiming Instructional design (PDF). Educational Technology 36 (5):5-7

activities are designed to gather sufficient evidence to satisfy the demonstration of professional competence through the achievement of learning outcomes.

22. What types of assessment activities can be used to assess professional competence?

Assessing professional competence is a complex task and draws on the outcomes of a range of assessment activities. Examples of assessment activities often used in combination include written examinations, oral examinations, objective testing, computer-assisted testing, workplace assessment of competence by employers, and a review of a portfolio of evidence on completion of workplace activities.

The selection of appropriate assessment activities is at the discretion of the organization responsible for the program; however, assessment activities generally vary depending on whether they are assessing technical knowledge, professional skills or professional values, ethics and attitudes, or a combination thereof.

The assessment of technical knowledge gained is commonly assessed through written examinations, case studies, and objective testing, whereas the assessment of professional skills and professional values, ethics and attitudes is more commonly assessed through workplace assessments, work-based simulations or group exercises in which the individual's performance can be observed. The assessment of professional attitudes may also include written examinations, case studies, and objective testing.

The verbs used in the learning outcomes are intended to assist in the identification of the form of evidence that could be used to satisfy the assessment requirement.

23. How are the results of assessment activities used?

An individual's performance in assessment activities is compared to a defined standard or benchmark to determine whether the learning outcomes have been achieved, and whether evidence is available to support the demonstration of professional competence.

The collective results of the assessment activities undertaken for a program are evaluated to identify potential opportunities to improve the design, delivery, and assessment of the program.

24. How can an examination be designed to evidence the achievement of learning outcomes?

Learning outcomes can be disaggregated to consist of multiple learning objectives or key learning points to support the design of an examination.

Examination questions can be written at this disaggregated level with an expectation that a learning outcome can be achieved without answering each question related to the learning objective or key learning point correctly.

For example, multiple examination questions can be designed to address a learning outcome with the expectation that a learning outcome can be achieved based on the successful completion of a defined number or proportion of those questions.

**Governance-related**

25. What is meant by governance (as referred to in the Guiding Principles)?

Governance is an organization's internal oversight of its program(s). In some jurisdictions, the organization may choose to be supported by external parties in the oversight of its programs or may be monitored by external parties, for example, where there is mandatory accreditation.

26. How often should programs be evaluated?

IFAC member bodies and other organizations with responsibility for a program should consider a specified review cycle and requirements for reviewing the program. A review can be undertaken regularly with a frequency, for example, of between 3 – 5 years. It may be that changes in the external and internal environment require a program review earlier within the planned review cycle. Review considerations include:

- Achievement of program objectives, structure, and content of the program;
- Progression of individuals through to completion of the program;
- Effectiveness of the delivery and assessment approaches employed; and
- Stakeholders' feedback on the quality of the program.

27. Is documentation necessary to evidence the performance of program reviews?

Basing reviews of programs on verifiable evidence may satisfy the needs of third parties who oversee or regulate an IFAC member body. It will also increase the confidence of stakeholders that programs are achieving their intended objective and contributing towards the enhanced competence of professional accountants.

Verifiable evidence is that which is objective, capable of being proven, and stored in written or electronic form.

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