

## Final Pronouncement

February 2013

*International Education Standard (IES) 1*

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### Entry Requirements to Professional Accounting Education Programs (Revised)

**NOTE:** The IAESB's work on the IES Revision project is ongoing and IESs 2, 3, 4, and 8 have not been finalized. The revised IES 1 has been released to provide lead time for IFAC member bodies and other interested stakeholders to prepare for its implementation. The IES Revision project is scheduled to be completed by the end of 2013.

This document was developed and approved by the International Accounting Education Standards Board (IAESB).

The IAESB develops education standards, guidance, and information papers on pre-qualification education, training of professional accountants, and continuing professional education and development.

The objective of the IAESB is to serve the public interest by setting high-quality education standards for professional accountants and by facilitating the convergence of international and national education standards.

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# INTERNATIONAL EDUCATION STANDARD 1 (REVISED)

(EFFECTIVE ON JULY 1, 2014)

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## ENTRY REQUIREMENTS TO PROFESSIONAL ACCOUNTING EDUCATION PROGRAMS

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## Introduction

### Scope of this Standard (Ref Para A1 - A3)

1. This International Education Standard (IES) prescribes the principles to be used when setting and communicating educational requirements for entry to professional accounting education programs, while requirements relating to entry to the profession are covered by:
  - (a) IES 2, *Initial Professional Development—Technical Competence*,
  - (b) IES 3, *Initial Professional Development—Professional Skills*,
  - (c) IES 4, *Initial Professional Development—Professional Values, Ethics, and Attitudes*,
  - (d) IES 5, *Initial Professional Development—Practical Experience*, and
  - (e) IES 6, *Initial Professional Development—Assessment of Professional Competence*.
2. This IES is addressed to IFAC member bodies. IFAC member bodies have responsibility for setting and communicating entry requirements for professional accounting education programs. In addition, this IES will be helpful to educational organizations, employers, regulators, government authorities, and any other stakeholders who deliver and support delivery of professional accounting education programs.
3. This IES explains the principle of allowing flexible access to professional accounting education programs under the auspices of an IFAC member body, while ensuring that aspiring professional accountants have a reasonable chance of successful completion of professional accounting education programs. This IES explains (a) reasonable chance of successful completion, (b) the suitability of entry requirements, and (c) different forms of entry requirements.
4. This IES recognizes that entry requirements may vary by jurisdiction, due to (a) different pathways through professional accounting education programs, and (b) differences between various jurisdictions in governance and regulatory arrangements. This IES also recognizes that completion of a full, professional qualification is just one of a range of exit points from a professional accounting education program.
5. The definitions and explanations of the key terms used in the IESs and the *Framework for International Education Standards for Professional Accountants* are set out in the International Accounting Education Standards Board (IAESB) *Glossary of Terms*.

### Effective date

6. This IES is effective from July 1, 2014.

### Objective (Ref Para A4 - A6)

7. The objective of an IFAC member body is to establish fair and proportionate educational entry requirements to professional accounting education programs that protect the public interest through the setting and maintenance of high-quality standards.

## Requirements (Ref Para A7 - A12)

8. IFAC member bodies shall specify educational entry requirements for professional accounting education programs that will allow entrance only to those with a reasonable chance of successfully completing the professional accounting education program, while not representing excessive barriers to entry.
9. IFAC member bodies shall explain the rationale for the principles to be used when setting educational entry requirements to stakeholders, including relevant education providers and individuals considering a career as a professional accountant.
10. IFAC member bodies shall make relevant information publicly available to help individuals assess their own chances of successfully completing a professional accounting education program.

## Explanatory Material

### *Scope of this Standard (Ref Para 1 – 5)*

- A1. Professional accounting education programs are 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. The design of professional accounting education programs during IPD may therefore involve substantive input from stakeholders other than IFAC member bodies.
- A2. IFAC member bodies have varying levels of control over entry requirements to professional accounting education programs. For example, in some jurisdictions entry requirements may be set by universities or governments. There are various pathways into the accountancy profession. For example, (a) traditional degree level entry, (b) gaining experience by working in industry, and (c) entry from the secondary education level. Moreover, different jurisdictions and IFAC member bodies will have different labor market challenges.
- A3. There are a number of steps an IFAC member body may take to seek to meet its membership obligations. For example, this might be illustrated by a situation where a university rather than the IFAC member body sets entry requirements to a professional accounting education program. Here, the IFAC member body might work with the university to explain the purpose of the IES, and communicate that compliance with its requirements would enable students more easily to be considered for membership in the IFAC member body.

### *Objective (Ref Para 7)*

- A4. All IESs are designed to protect the public interest. This IES does this by dealing with entry requirements to professional accounting education programs, which are important to help individuals considering a career as a professional accountant make informed decisions about their education choices. These entry requirements also provide that access to professional accounting education programs is limited to those likely to succeed. Entry to the accounting profession is safeguarded by IESs 2, 3, 4, 5, and 6, which cover technical competence, professional skills, professional values, ethics, and attitudes, practical experience, and assessment, and which are designed to ensure that members of the accountancy profession achieve an appropriate level of professional competence.

- A5. This IES serves the public interest by addressing issues relating to the provision of sufficient numbers of high-quality aspiring professional accountants. It does this by setting out principles for entry requirements for professional accounting education programs that are neither too high (causing unnecessary barriers to entry to the profession), nor too low (causing individuals to believe falsely they have a likelihood of completing the education successfully). Such entry requirements may help with the efficient use of resources and assist individuals considering a career as a professional accountant to make informed career decisions.
- A6. IFAC member bodies can contribute to efficient and effective career decisions by informing individuals considering a career as a professional accountant of the technical competence, professional skills, and professional values, ethics, and attitudes expected of those successfully completing professional accounting education programs. Individuals are only able to make informed decisions when provided with the necessary information. IFAC member bodies may collect and analyze the data on an ongoing basis so that advice to individuals considering a career as a professional accountant can be based on reliable information. The information to be provided by IFAC member bodies may cover:
- (a) Varying entry points to professional accounting education programs;
  - (b) Encouraging individuals considering a career as a professional accountant to commence a professional accounting education program only when they have considered their chances of successful completion;
  - (c) Pass rates relating to the qualification;
  - (d) Transparent information regarding the expectations and costs associated with professional accounting education programs; and
  - (e) Self-diagnostic tools such as competency maps setting out the skills, knowledge, and attitudes to be acquired on successful completion of the professional accounting education program.

*Requirements (Ref Para 8 -10)*

- A7. Determining a reasonable chance of successful completion is a matter of judgment, depending on number of factors. The intention is to (a) help individuals considering a career as professional accountant be as fully informed as possible when deciding to embark on professional accounting education programs, and to (b) encourage those providing professional accounting education programs to share as much helpful and relevant information as possible. The phrase may be understood differently by each IFAC member body as regards different professional accounting education programs. IFAC member bodies may set out the key factors for reasonable chance of successful completion, such that the entry requirements for any professional accounting education program provide individuals considering a career as a professional accountant with the necessary foundations to enable them to develop the required competence of a professional accountant. This may involve taking into account factors such as (a) the economic, business, and regulatory environment, (b) the prerequisite knowledge required, (c) the expected learning to be acquired, (d) the role of the accountant, and (e) any other relevant factors.
- A8. The entry requirements may be justified with reference to the technical competence, professional skills, and professional values, ethics, and attitudes needed to successfully complete a professional accounting education program. This does not preclude requiring a university degree, or the

qualifications needed to commence a university degree. When setting entry requirements, the IFAC member body may consider whether they are appropriate in each case, and are neither excessive nor trivial. An excessive barrier to entry may include prescribing specific subject qualifications from certain institutions, or a minimum length of specific work experience. The purpose of avoiding such excessive barriers is to allow flexibility of access to professional accounting education programs, not to dilute standards either of professional accounting education programs themselves or of the accounting profession. Rather, there is a range of entry and exit routes for professional accounting education programs, and different ways of achieving IPD.

- A9. IFAC member bodies may adopt different entry requirements, because professional accounting education programs vary by jurisdiction and type. For example, some professional accounting education programs may have as entry requirements only a good level of numeracy and literacy. Conversely, the entry requirements of professional accounting education programs for certain specialized roles may specify that an individual must hold a university degree or equivalent.
- A10. Aspiring professional accountants may have developed their (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes through various pathways, including work experience, study, or qualifications. The flexibility of pathways to professional accounting education programs in no way dilutes the rigor of that education, nor of the standards required of aspiring professional accountants to complete IPD. IFAC member bodies may reflect these different pathways by adopting flexible entry requirements that accommodate all those with a reasonable chance of successfully completing a professional accounting education program. The purpose of this flexibility is to allow broad access to professional accounting education programs; it is not intended to create different categories of professional accountant. An example of this flexibility can be found where an IFAC member body specifies a prequalification entry requirement (e.g., a university degree or equivalent), but allows direct entrance to its professional accounting education program for those without a university degree if they have, for example, a period of relevant practical experience.
- A11. An IFAC member body may prescribe specific criteria used to determine that individuals meet the entry requirements to a professional accounting education program. These may include qualifications, courses, entry tests, or experience. Entry requirements may include the assessment of one (or a combination) of qualifications, experience, or other requirements deemed appropriate by the IFAC member body. This information could be made widely available by, for example, publishing it in the brochures for professional accounting education programs; or by including it on the website of the IFAC member body.
- A12. IFAC member bodies can help individuals considering a career as a professional accountant consider their chances of successfully completing a professional accounting education program by encouraging them to consider the content covered, its level, and methods of assessment of the program.

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ISBN: 978-1-60815-147-9

Published by:







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