

ILLUSTRATIVE EXAMPLE ON IES 1, *ENTRY REQUIREMENTS TO PROFESSIONAL ACCOUNTING EDUCATION PROGRAMS*

1. An Illustrative Example

From July 1, 2014 IFAC member bodies have been required to specify educational entry requirements for professional accounting education programs that provide a balance between offering individuals considering a career as a professional accountant a reasonable chance of success in a professional accounting education program and not creating excessive barriers to entry.

This is an illustrative example of a fictitious member body which highlights the factors that an IFAC member body may take into consideration when setting educational entry requirements. It also offers recommendations on how the educational entry requirements could be written. IFAC member bodies are encouraged to be cognizant of the fact that each element is inter-related with the other elements and what happens in one will have an impact on another.

The illustrated example provided does not include an exhaustive list of factors that contribute to a reasonable chance of success and IFAC member bodies should consider their own circumstances. The illustrative example below has focused on the main themes taken from the [Perspectives Paper](#).

The Scenario

Country A is a developing nation with a weak education system and other socio-economic issues. However, the country has a strong economy due to its thriving mining industry. The demand for professional accountants in Country A is high.

The Professional Accountants of Country A (PAA) is a professional accounting organization that offers a professional accounting qualification to aspiring professional accountants in the country.

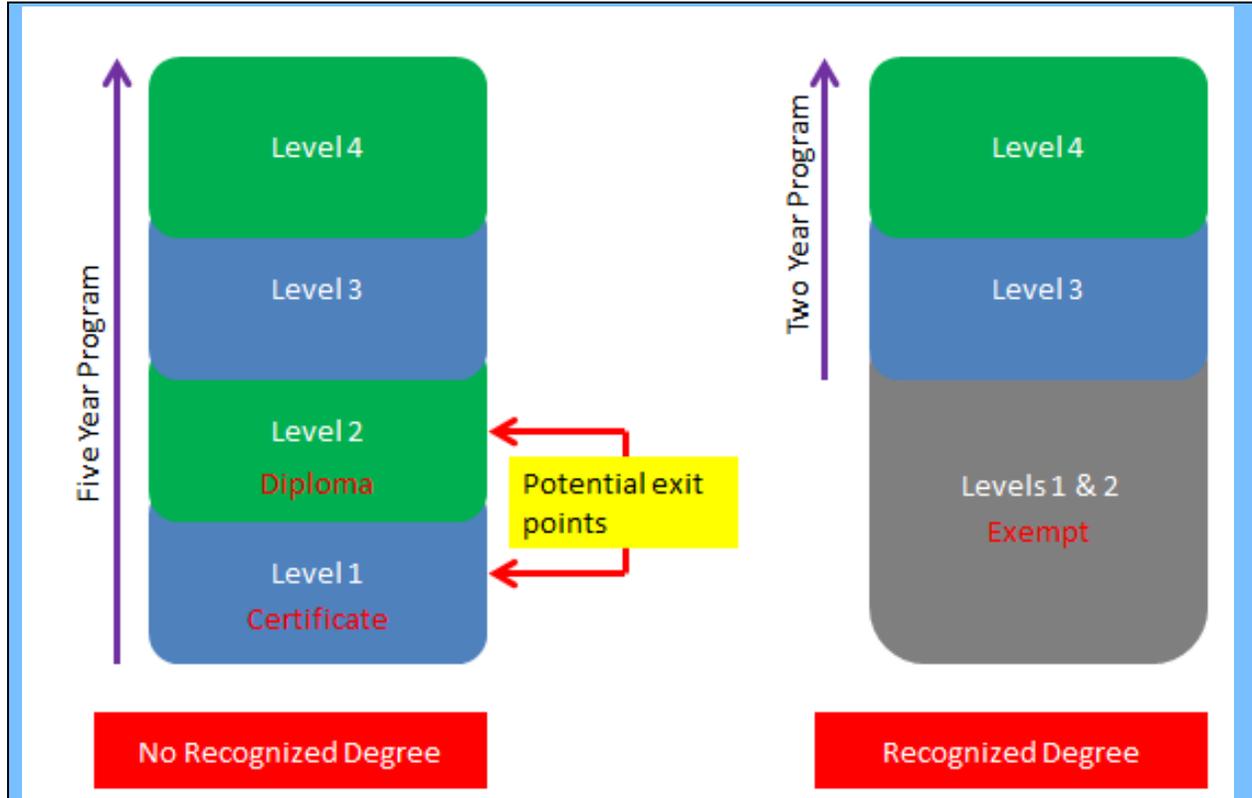
PAA requires aspiring professional accountants either to:

- complete a recognized undergraduate degree in accounting before they register for PAA's two year professional accounting education program, or
- undertake a five year PAA professional accounting education program.

In addition, aspiring professional accountants from both routes are required to complete a training contract in the office of a PAA designated professional accountant. The length of these training contracts depends on the route above. During the training contract aspiring professional accountants are required to complete a training log book to record their practical work experience.

The two routes to qualification are therefore as follows:

- The graduate route - undergraduate with a recognized degree – three year training contract during which aspiring professional accountants undertake a two year professional accounting education program.



- The non-graduate route - no undergraduate degree completed (no recognized degree) - five year training contract during which aspiring professional accountants undertake a five year professional accounting education program.

The University of Country A is the only institution that offers the recognized degree and this is delivered in two modes (1) a three year full-time program and (2) a four year part-time distance program.

The university has a limited number of professional accounting teaching staff and can only accept a limited amount of full-time students. The majority of students are therefore part-time.

PAA offers both a distance learning and blended learning mode for the professional accounting education program.

The professional accounting education program has four levels and takes five years to complete if all four levels are undertaken. Aspiring professional accountants need to complete one level before they can progress to the next.

- Aspiring professional accountants who complete level 1 can be awarded with a Certificate from PAA and those who further complete level 2 can exit with a Diploma from PAA.
- Graduates with a recognized undergraduate degree are exempt from the first two levels and they study for the remaining two levels (levels 3 and 4) over a two year period. No award is given by PAA for any aspiring professional accountant that completes level 3. However, all aspiring professional accountants that complete level 4 and satisfy the practical work experience requirements as recorded in the log book are eligible for membership of PAA.

The professional accounting education program is delivered and assessed by a training division of PAA. At the completion of each level of the professional accounting education program, participants are required to pass a summative examination.

PAA has developed an on-line platform for the delivery of the distance learning program and this is supplemented with some face to face lectures for the blended delivery model. Aspiring professional accountants have the opportunity to undertake formative assessments throughout each level of the professional accounting education program; however, they can only register to sit for the summative examinations if 75% of the formative assessments have been attempted. Summative examinations are offered once a year and aspiring professional accountants may attempt the examinations as many times as they wish; however, they must complete each level of the professional qualification before they progress to the next.

Consideration of Entry Requirements

As there are two routes into the qualification it is appropriate for PAA to set two sets of entry requirements. It is also necessary for PAA to recognize that there are no part-qualified exit routes for those entering into the graduate route and therefore only those candidates who are likely to complete both levels 3 and 4 should be accepted.

Although PAA does not have direct control over the university's program or the degree entry requirements, PAA works closely with the university in order to influence recruitment into the recognized degree program and to ensure alignment between the teaching-learning model at the university and the first two levels of the professional accounting education program offered by PAA in their non-recognized degree program.

PAA may consider entry requirements in the following manner.

The aspiring professional accountant

Factors that may influence an aspiring professional accountant's "reasonable chance" of successfully completing the professional accounting education program may include:

- Cognitive ability
- Ability to apply oneself
- Motivation to study
- Previous academic performance, either in totality or in specific subjects, at school or in the case of the graduate entry at university.

PAA's considerations

PAA can consider recent progression and overall completion rates of its professional accounting education program and undertake an analysis of the profiles of those who are successful in the program against those who are not with a view to identifying those factors that lead to the successful completion of the various levels within the program. PAA could use the following as part of its application process to permit access to the program:

The graduate route (recognized degree program)

- Set a minimum degree classification for entry. The findings of a literature review suggest that degree classifications supersede any earlier primary or secondary school performance measurements and performance in this academic environment is likely to indicate cognitive ability, ability to apply

oneself, motivation to study. It may be that PAA further requires certain grades in core subjects throughout the university program. Students would need to supply PAA with their academic transcript so that their respective grades can be verified prior to admission.

- If candidates did not meet the degree requirement then it may be possible to grant access to candidates who meet other minimum performance measurements. These other minimum performance measurements can be used to supplement a lower degree classification, such as grades in specific subjects studied as part of the university course, or Grade Point Average (GPA) /specific grades from school if these appear to influence the ability to complete the qualification. Request that aspiring professional accountants submit their academic results with the application form so that past performance can be reviewed to determine if other performance measurements are met.

The non-graduate route (no recognized degree program)

- Set a minimum overall GPA from school or set minimum standards in specific subjects like mathematics and language (vernacular). This decision is based on the analysis that PAA undertook to identify which particular aspects of an individuals' background predict their future success. This analysis was also undertaken for the two exit stages at the end of levels one and two respectively as well as the final exit level. Only aspiring professional accountants who have a very good chance of achieving at least the Certificate level will be granted entry. Aspiring professional accountants would be required to submit their academic transcript from school in order to gain access.
- If aspiring professional accountants have not achieved these minimum academic requirements but have relevant work experience, PAA may grant access on the basis of recognition of prior learning undertaken in the workplace. PAA may, however, require these individuals to undertake a basic skills assessment.
- Aspiring professional accountants may also be required to write a motivational essay as demonstration of their commitment to the program.

The next section refers to the contextual and environmental factors that are likely to influence or promote progression and overall completion rates and these also require consideration by PAA.

Direct environmental factors

Factors that may influence an aspiring professional accountant's "reasonable chance" of successfully completing the program:

- Amount of time available for study;
- Peer networks; and
- Finances including government support.

PAA's considerations

PAA may consider the following as part of its application/information process to help inform aspiring professional accountants:

- Inform aspiring professional accountants of the time commitments of the professional accounting education program (i.e. study time, length of program) and indicate where and when the blended

learning face-to-face classes are scheduled. Create an on-line diagnostic tool for individuals to enable them to assess their available time versus the actual time required.

- Provide opportunities for peer networks through on-line platforms.
- Inform aspiring professional accountants of the financial commitment required of them for the duration of the professional accounting education program. Ensure that all aspects of the program are included, e.g. learning materials, books, computers, wifi access, attendance at face-to-face classes, assessment costs. Assist individuals to consciously and diligently review their own finances.
- Provide links on the web-site to bursaries and other opportunities for funding or financial support to the aspiring professional accountant, such as employer support.
- Inform aspiring professional accountants about how the education provision of PAA is funded as other IFAC member bodies that are well funded may be able to accept candidates with lower entry grades by offering additional support.

Institution/program factors

Factors implicit in the professional accounting education program that may influence an aspiring professional accountant's chance of success include the following:

- Course design, delivery and support; and
- Career decisions.

PAA's considerations

PAA may consider the following in relation to its entry requirements:

- Resources available to present the professional accounting education program. This will impact on the number of aspiring professional accountants the program can efficiently and effectively accommodate.
- The nature of the learning materials and assessments. The use of formative assessments as a diagnostic tool may be introduced so that additional support mechanisms can be put in place to support those individuals who are struggling. PAA may consider setting specific grades as opposed to simply requiring that candidates attempt 75% of the formative assessments before candidates are allowed to sit the summative assessments.
- Include a section on the web-site that provides information on career opportunities once the professional accounting qualification is obtained.

Work environment factors

A factor that may influence an aspiring professional accountant's chance of success is,

- Employer support including time to study for and complete the assessments.

PAA's considerations

PAA may consider the following when setting its entry requirement:

- PAA could ensure that all professional firms that employ the aspiring professional accountants throughout their training contract provide sufficient study time, both to attend classes and study the

material and undertake the assessments, in order to give each candidate a reasonable chance of success. This requirement could be part of the training firm authorization.

PAA's Final Entry Requirements and Information that PAA Will Publish

Requirement	Justification
Graduate route	
Must have a specific overall degree grade which equates to an average mark of 60% or if the overall degree grade is less than 60% must achieve a mark of at least 60% in final year modules in financial accounting, management accounting and audit.	Demonstration of the aspiring professional accountant's previous academic performance.
Non-graduate route	
Must have a final school leaving certificate or equivalent.	Demonstration of the aspiring professional accountant's previous academic performance.
Must achieve a mark of at least 65% for final school year in Mathematics and English.	Demonstration of proficiency in subjects that have been linked to successful performance in the professional accounting education program.
Aspiring professional accountants without a school leaving certificate but who have three years of experience working in an accounting environment will be required to undertake a basic skills proficiency assessment. Only candidates with a score of 75% will be accepted.	Provides an opportunity for those who did not have the resources to complete a final school leaving certificate to enter the program, i.e., flexible routes. However, reading, writing and mathematics skills must be on a par with those who have school leaving certificates.
Aspiring professional accountants will be required to submit a motivational essay as part of their application.	Provides an opportunity to assess the aspiring professional accountant's writing capability and gauge how motivated they are towards the program.
All aspiring professional accountants	
All aspiring professional accountants will be required to complete a time management and study skills program at the beginning of the professional accounting education program.	Given the weak schooling system, most aspiring professional accountants and particularly those on the non-graduate route would not have had the opportunity to learn time management or study skills. As candidates will be balancing their work commitments with their study requirements and engaging in a type of delivery to which they are unaccustomed such as distance learning or blended learning this discipline needs to be

	embedded early in the professional accounting education program.
PAA will publish, on its website, its completion results, professional accounting education program competency framework and provide an overview of the financial and time commitment required of aspiring professional accountants.	To create awareness of the time commitment, especially for the distance program aspiring professional accountants. It also assists students in understanding what the professional accounting education program is about and what outcomes will be required of them.
PAA will publish on its website the names of firms or organisations that have bursary opportunities or equivalent.	To assist those aspiring professional accountants who require financial assistance.

Other Interventions PAA Could Consider to Ensure Successful Completion of the Program:

- Development of an early warning system to identify ‘at risk’ individuals (for example, aspiring professional accountants struggling with the material or formative assessments).
- Draft a policy that holds aspiring professional accountants to a “learning agreement” that may include the monitoring of individual activity on the distance learning platform and the number of face-to-face classes they must attend if undertaking the blended learning route. In terms of assessment, aspiring professional accountants should not only submit a certain percentage of the formative assessments but within these assignments individuals should be required to meet minimum standards before they are granted access to the formal summative assessment.
- Design interactive and engaging distance learning materials that embrace and utilize technology so that the benefits of the approach are fully achieved.
- Provide rapid response on-line support by tutors.
- Set up a platform for aspiring professional accountants to interact with each other.

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This document was prepared 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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