

INTERNATIONAL EDUCATION STANDARD
IES 3
PROFESSIONAL SKILLS AND GENERAL EDUCATION
CONTENTS

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Purpose and Scope of this Standard

1. This Standard (IES) prescribes the mix of skills that candidates require to qualify as professional accountants. Part of the purpose of this IES is to show how a general education, which may be gained in a variety of ways and within different contexts, can contribute to the development of these skills.
2. The aim of this IES is to ensure that candidates for membership of an IFAC member body are equipped with the appropriate mix of skills (intellectual, technical, personal, interpersonal and organizational) to function as professional accountants. This enables them to function throughout their careers as competent professionals in an increasingly complex and demanding environment.
3. The skills professional accountants require are grouped under five main headings:
 - (a) Intellectual skills
 - (b) Technical and functional skills
 - (c) Personal skills
 - (d) Interpersonal and communication skills
 - (e) Organizational and business management skills
4. This IES also addresses the non-business related studies that contribute to the development of these skills and may form part of general education. It does not cover professional accounting education, professional values, ethics and attitudes, practical experience requirements, or assessment of professional competence (please refer to IES 2, *Content of Professional Accounting Education Programs*, IES 4, *Professional Values, Ethics and Attitudes*, IES 5, *Practical Experience Requirements* and IES 6, *Assessment of Professional Capabilities and Competence*).

Introduction

5. Skills are part of the set of capabilities required by professional accountants to demonstrate competence. These capabilities include knowledge, skills, professional values, ethics and attitudes. Capabilities are an indication of potential competence that can be transferred across different environments. It is important to ensure that professional accounting education programs integrate the development of knowledge, skills, professional values, ethics and attitudes.
6. Rising expectations of employers, clients and the public as to what professional accountants contribute at work and toward society generally have prompted an increased emphasis on professional skills.
7. Various lists of skills have been classified and described in several ways. The lists set out in paragraphs 13–18 are not exhaustive.

8. Appropriate skills enable the professional accountant to make successful use of the knowledge gained through general education. These skills are not always acquired from specific courses devoted to them but, rather, from the total effect of the program of professional accounting education as well as practical experience, and further developed through lifelong learning. Professional skills will always be most effectively applied if used in an ethical manner (see IES 4, *Professional Values, Ethics and Attitudes*). Some skills are contained implicitly within education programs. It may be necessary to highlight how the various learning activities develop these skills.
9. Relevant skills can give professional accountants a competitive edge in the market place and are useful throughout an individual's career. Not all these skills will, however, be fully developed at the point of qualification. Some may be the focus of continuing professional development.
10. A good foundation of general education, although not an end in itself, is one way of helping candidates become broad-minded individuals who think and communicate effectively and who have the basis for conducting inquiry, carrying out logical thinking and undertaking critical analysis. This foundation will enable candidates to make decisions in the larger context of society, to exercise good judgment and professional competence, to interact with diverse groups of people, to think globally, and to begin the process of professional growth. The acquisition of these skills is more important than the way in which they are learnt.
11. Definitions and explanations of the key terms used in the IESs are set out in the *Framework for International Education Standards for Professional Accountants* and the *IAESB Glossary of Terms*.

Effective Date

12. This IES is effective from January 1, 2005.

Professional Skills

13. **Individuals seeking to become professional accountants should acquire the following skills:**
 - (a) **Intellectual skills**
 - (b) **Technical and functional skills**
 - (c) **Personal skills**
 - (d) **Interpersonal and communication skills**
 - (e) **Organizational and business management skills**
14. Intellectual skills are often divided into six levels. In ascending order, these are: knowledge, understanding, application, analysis, synthesis (to combine knowledge from several areas, predict and draw conclusions) and evaluation. It

is important that candidates have reached the highest levels at the point of qualification.

Intellectual skills enable a professional accountant to solve problems, make decisions and exercise good judgment in complex organizational situations. These skills are often the product of a broad general education. The required intellectual skills include the following:

- (a) The ability to locate, obtain, organize and understand information from human, print and electronic sources;
 - (b) The capacity for inquiry, research, logical and analytical thinking, powers of reasoning, and critical analysis; and
 - (c) The ability to identify and solve unstructured problems which may be in unfamiliar settings.
15. Technical and functional skills consist of general skills as well as skills specific to accountancy. They include:
- (a) Numeracy (mathematical and statistical applications) and IT proficiency
 - (b) Decision modeling and risk analysis
 - (c) Measurement
 - (d) Reporting
 - (e) Compliance with legislative and regulatory requirements
16. Personal skills relate to the attitudes and behavior of professional accountants. Developing these skills helps individual learning and personal improvement. They include:
- (a) Self-management
 - (b) Initiative, influence and self learning
 - (c) The ability to select and assign priorities within restricted resources and to organize work to meet tight deadlines
 - (d) The ability to anticipate and adapt to change
 - (e) Considering the implications of professional values ethics and attitudes in decision making
 - (f) Professional skepticism
17. Interpersonal and communication skills enable a professional accountant to work with others for the common good of the organization, receive and transmit information, form reasoned judgments and make decisions effectively. The components of interpersonal and communication skills include the ability to:

- (a) work with others in a consultative process, to withstand and resolve conflict;
- (b) work in teams;
- (c) interact with culturally and intellectually diverse people;
- (d) negotiate acceptable solutions and agreements in professional situations;
- (e) work effectively in a cross-cultural setting;
- (f) present, discuss, report and defend views effectively through formal, informal, written and spoken communication; and
- (g) listen and read effectively, including a sensitivity to cultural and language differences.

18. Organizational and business management skills have become increasingly important to professional accountants. Professional accountants are being asked to play a more active part in the day-to-day management of organizations. While previously their role might have been limited to providing the data that would be used by others, today, professional accountants are often part of the decision-making team. As a result, it is important that they understand all aspects of how an organization works. Professional accountants therefore need to develop a broad business outlook as well as political awareness and a global outlook.

Organizational and business management skills include:

- (a) Strategic planning, project management, management of people and resources, and decision making
- (b) The ability to organize and delegate tasks, to motivate and to develop people
- (c) Leadership
- (d) Professional judgment and discernment

General Education

19. **All professional education programs should include some portion of general education.**
20. A broad general education can contribute significantly to the acquisition of professional skills (see also IES 1, *Entry Requirements to a Program of Professional Accounting Education*). General education requirements vary greatly from program to program and from country to country. General education focuses on the development of non-professional knowledge, intellectual skills, personal skills, interpersonal and communication skills, and organizational and management skills.

21. A broad general education can encourage lifelong learning and provide a foundation on which to build professional and accounting studies. It may consist of:
- (a) an understanding of the flow of ideas and events in history, the different cultures in today's world and an international outlook;
 - (b) basic knowledge of human behavior;
 - (c) a sense of the breadth of ideas, issues and contrasting economic, political and social forces in the world;
 - (d) experience in inquiry and evaluation of quantitative data;
 - (e) the ability to conduct inquiry, carry out logical thinking and understand critical thinking;
 - (f) an appreciation of art, literature and science;
 - (g) an awareness of personal and social values and of the process of inquiry and judgment; and
 - (h) experience in making value judgments.
22. A general education may be gained in a number of different ways and within different settings. General education may take place at any stage in a degree program with the balance of the program devoted to professional accountancy topics, including accounting, finance and related knowledge, organizational and business knowledge and information technology knowledge (see IES 2, *Content of Professional Accounting Education Programs*). General education may also be fully integrated into accountancy degree programs, with provision for the acquisition of key skills spread throughout the program.
23. Candidates may also take non-accountancy degrees and then acquire the necessary knowledge of professional accountancy subjects through studying for the examinations set by professional bodies. Candidates may also acquire key skills through experience at work, combined with studying for the examinations. This combination would include elements of general knowledge and skills and thus develop the competence and capabilities, including the underlying technical knowledge, required to qualify as a professional accountant.
24. How these skills can be acquired may, therefore, differ from one IFAC member body to the next. Implementation of this IES depends on the cultural environment in which each body operates and the prevailing educational infrastructure. As a result, part of general education may be acquired during a broad and perhaps extended period of secondary education prior to higher education.