



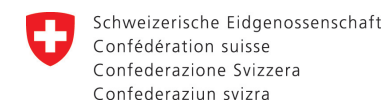
International Education Standards (IES) applied to Public Sector Accounting (PSA) Education

12 December 2017
Vienna, Austria



Public Sector Accounting and Reporting Program

PULSAR Program is co-funded by:



Overview of the session



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- **Overview of IES**
 - Introduction
 - Benefits
 - Standards
- **Application of IES to PSA**
 - Review of EduCop and FinCoP Survey Results related to PSA Education
 - Benchmarking of University Syllabus for Public Sector Financial Reporting against CIPFA
- **Analysis of Survey Results and Opportunities to strengthen PSA Education**

Introduction of IES



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- **IES** is issued by the International Accounting Education Standard Board (IAESB) of the International Federation of Accountants (IFAC) made up of 175 member bodies and associates in 130 countries. They do not necessarily apply to universities and Ministries of Finance but can be referred to for guidance.
- The **objective of IES** is to establish professional skills that aspiring professional accountants need to develop and demonstrate by the end of Initial Professional Development (IDP), in order to perform a role as a professional accountant.
- Professional accounting education builds upon general education, and imparts **professional knowledge, skills and values, ethics and attitudes**.
- **PULSAR** (made up of 13 countries) has 11 members and 3 associate members of IFAC that are Professional Accountancy Organizations (see [Annex 1](#)). They have to comply with the IFAC's Statement of Members Obligations that includes compliance with IES. However, there are variations in compliance and action plans have been made to fully comply. For example, EU-REPARIS countries had a PAO syllabus benchmarking study on IESs 2,4 & 8 and they scored between 55%-100%.

Benefits of IES



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- Increase the competence of the global accountancy profession, contributing to **strengthened public trust**.
- Contribute to the ability of the accountancy profession to **meet the needs of decision makers**.
- Promote **consistency** in accounting education.
- Develop skills for **life-long learning**.

IFAC International Education Standards



IES 1: Entry Requirements to Professional Accounting Education Programs (2014)

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)

IES 5: Initial Professional Development - Practical Experience Requirements (2015)

IES 6: Initial Professional Development -Assessment of Professional Capabilities and Competence (2015)

IES 7: Continuing Professional Development (2014)

IES 8: Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016)



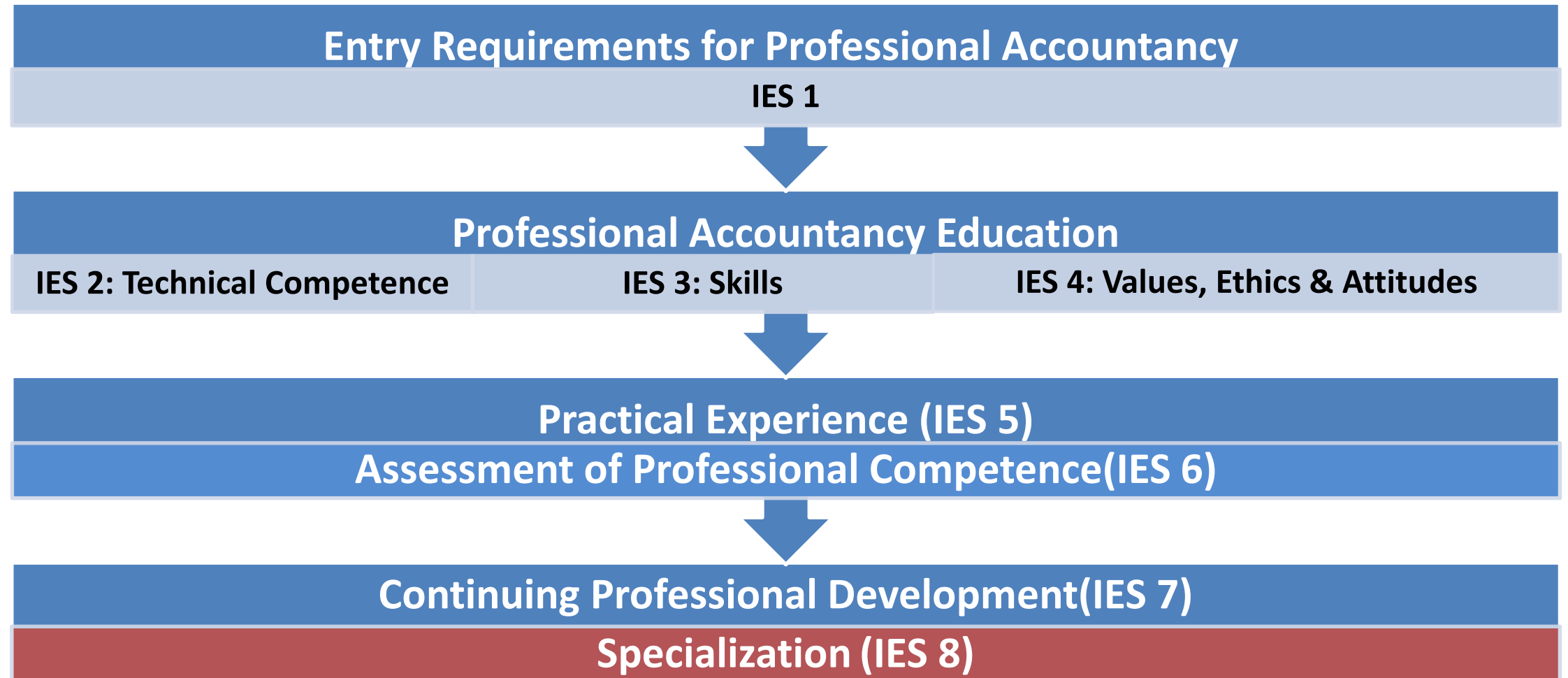
Initial Professional Development

Continuous Professional Development

IES: A set of interlinked standards covering initial and continuous professional development



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IES 1: Entry Requirements to Professional Accounting Education Programs (2014)

This IES establishes the principles to be followed when setting and communicating educational requirements for entry to professional accountancy education programs. Such **programs should have suitable entry requirements** which are neither too high by posing unnecessary barriers to entry, nor too low. Candidates should have a reasonable chance of successfully completing the program. For example, some programs require completion of a degree from a university or equivalent higher education institution.

IES 2: Initial Professional Development – Technical Competence (2015)

This standard prescribes the **learning outcomes for the technical competences that aspiring professional accountants** should be able to demonstrate on completion of the program, which is often referred to as IPD. These competence areas include essential accountancy knowledge (such as financial accounting and reporting) and other business disciplines (e.g. business strategy and management).

IES 3: Initial Professional Development – Professional Skills (2015)

Professional skills that are required to demonstrate competence as a professional accountant, include achieving the requisite **learning outcomes for intellectual, interpersonal and communication, personal and organizational skills**. For example, a learning outcome for intellectual skills is to recommend solutions to unstructured , multi-faceted problems.

IES 4: Initial Professional Development – Professional Values, Ethics, and Attitudes (2015)

This IES stipulates the professional values, ethics, and attitudes that aspiring professional accountants are expected to demonstrate. These include: **learning outcomes associated with professional skepticism and professional judgment; ethical principles; and commitment to the public interest.** For example, a learning outcome of ethical principles is identifying ethical issues and determining which ethical principles to apply.

IES 5: Initial Professional Development – Practical Experience (2015)

This standard establishes the practical workplace experience that aspiring professional accountants should achieve during IPD **under the supervision of appropriately qualified providers.** This experience should reinforce the technical competence and other professional skills that candidates are expected to achieve. Professional Accounting Organizations may adopt an input-based, output-based or combination approach to measure the achievement of practical experience requirements. **If an input-based approach is used, the practical experience requirement should be for a minimum of three years.**

IES 6: Initial Professional Development – Assessment of Professional Competence (2015)

As a prerequisite of completing IPD, this standard establishes the requirement for **assessing the professional competence of aspiring professional accountants.** The **assessment should be based on verifiable evidence** with high levels of reliability, validity, equity, transparency, sufficiency and may include a series of examinations, a single multidisciplinary examination, or a series of examinations and workplace assessments conducted throughout IPD.

IES 7: Continuing Professional Development (2015)

After completing IPD, professional accountants are expected to develop and maintain their level of professional competence through a CPD program. This can be achieved by following an input-based, output-based or combination approach. CPD is a continuation of Initial Professional Development (IPD) therefore CPD is learning that develops and maintains professional accountants ability to continue to perform their roles competently.

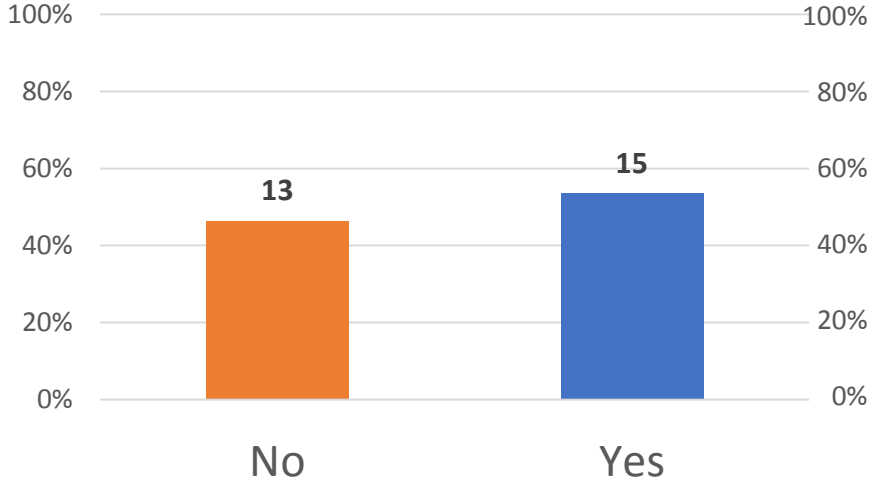
IES 8: Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016)

Professional accountants performing the role of Engagement Partners (referred to in some jurisdictions as the “signing partner” or “statutory auditor”) are expected to maintain and develop the professional competence to function in this particular role. This IES establishes the learning outcomes for engagement partners. For example, a learning outcome for audits is to develop an appropriate audit opinion and related audit report, including a description of key audit matters, as applicable.

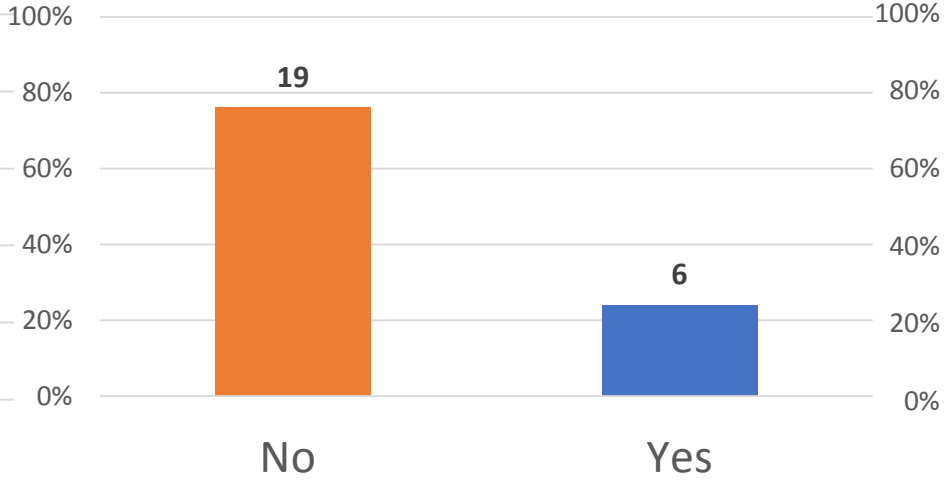
Application of IES to PSA – Review of EduCoP Survey Results



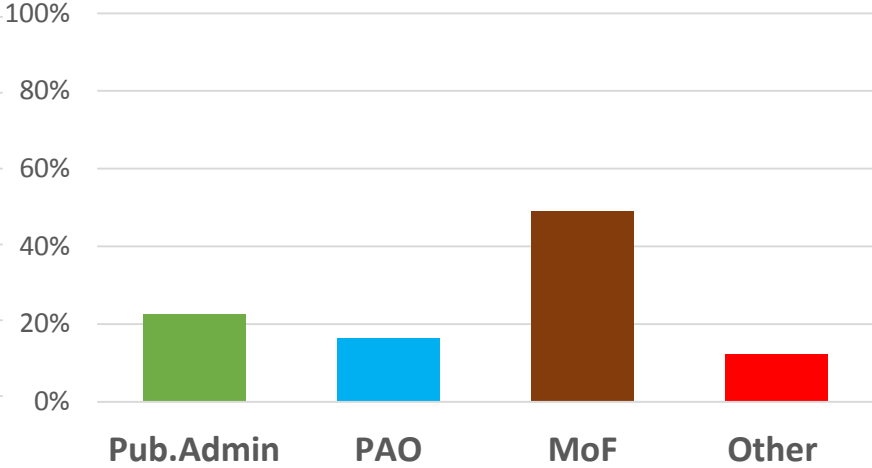
Are Public (Government) Sector accountants required to follow a **code of ethics**?



Does the country offer a **professional certification in PSA**?



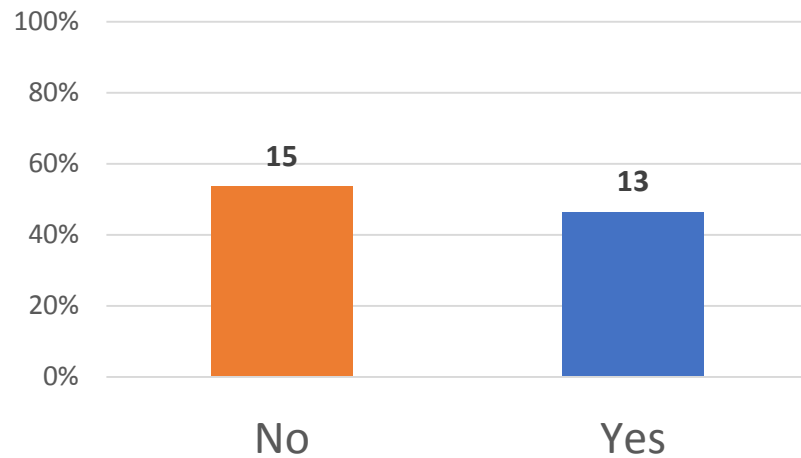
What **organizations, providers, or internal units** deliver training to Public (Government) Sector accountants?



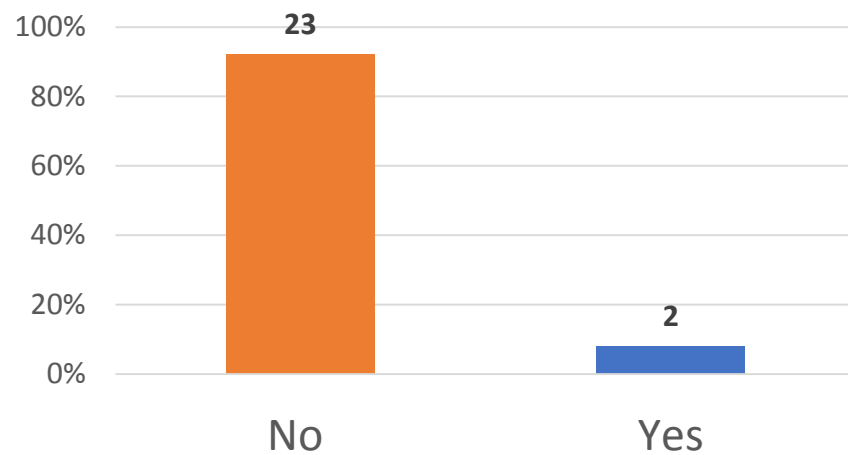
Application of IES to PSA – Review of EduCoP Survey Results (Cont.)



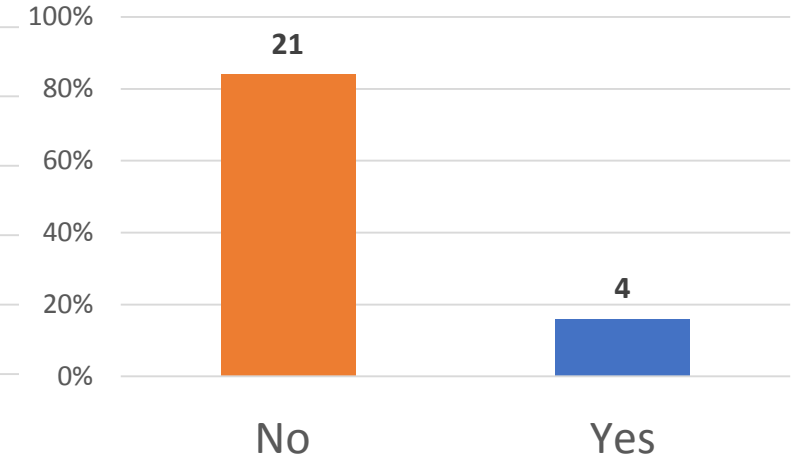
Are Public (Government) Sector accountants subject to minimum Continuing Professional Development (CPD) requirements?



Does the Professional Accounting Organization (PAO) contain a unit, membership tier, or committee focused on the Public (Govt.) Sector?



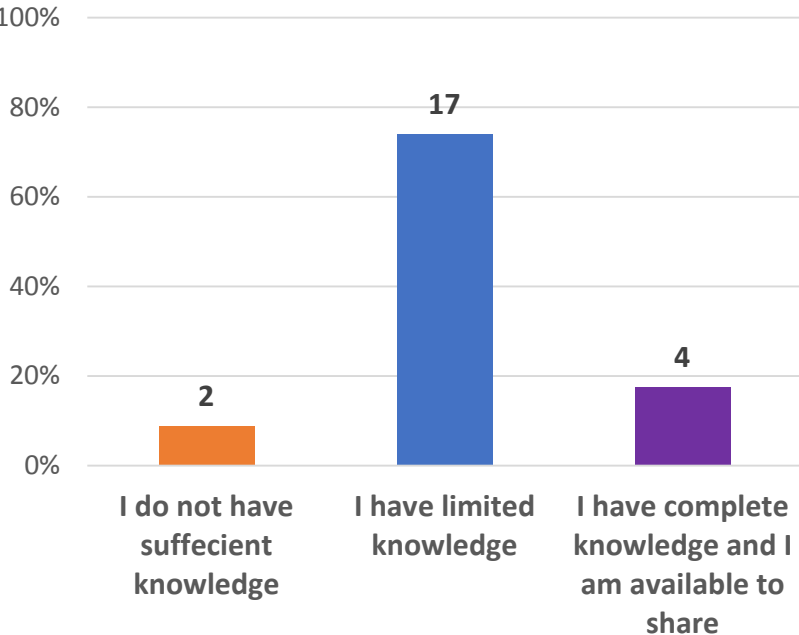
Does the Professional Accounting Organization (PAO) deliver Continuing Professional Development (CPD) training, or other support to accountants in the Public (Government) sector?



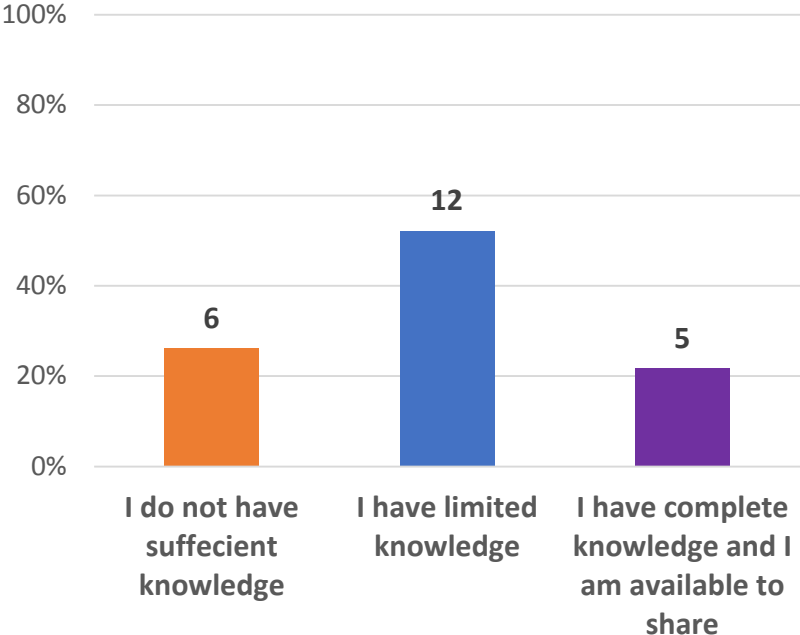
Application of IES to PSA – Review of FinCoP Survey Results



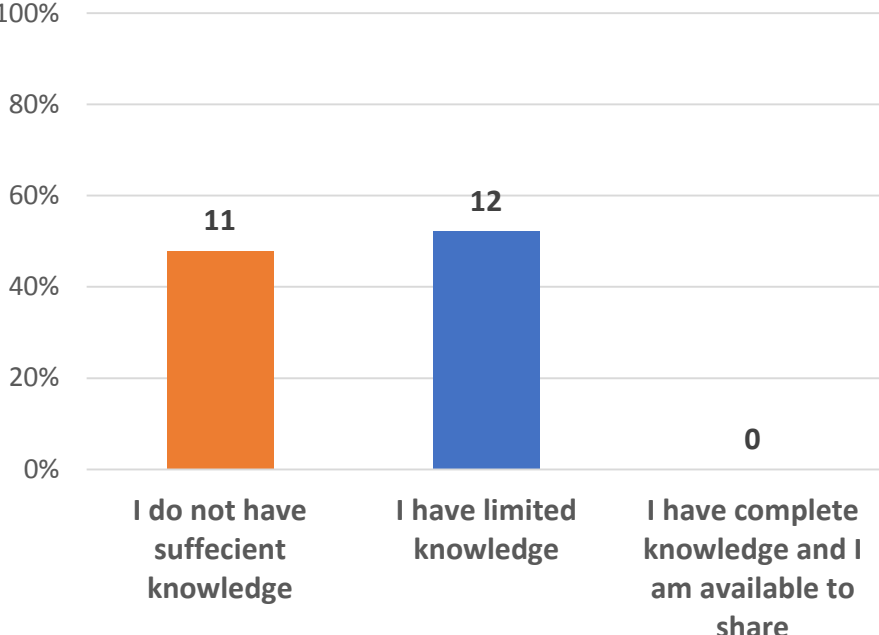
Knowledge of IPSAS



PSA certification system



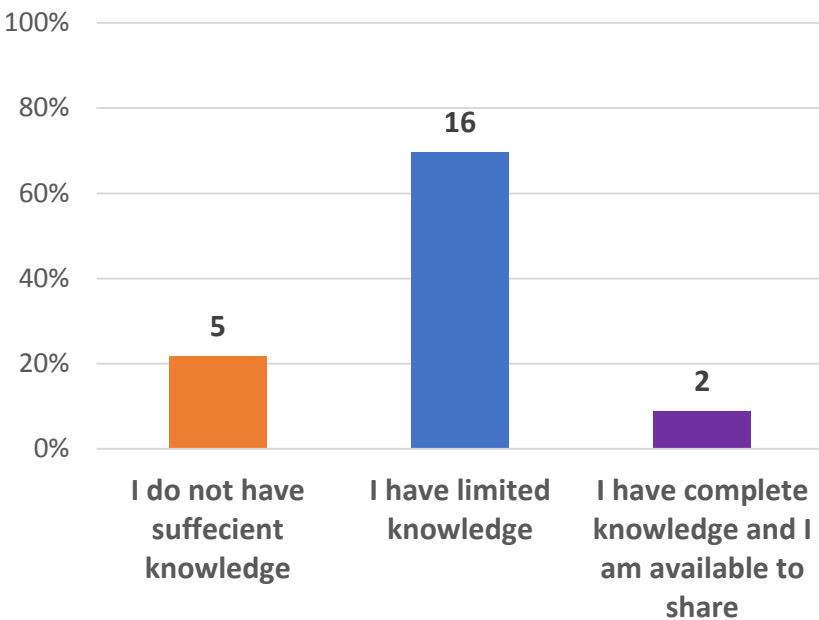
Development and Scope of EPSAS



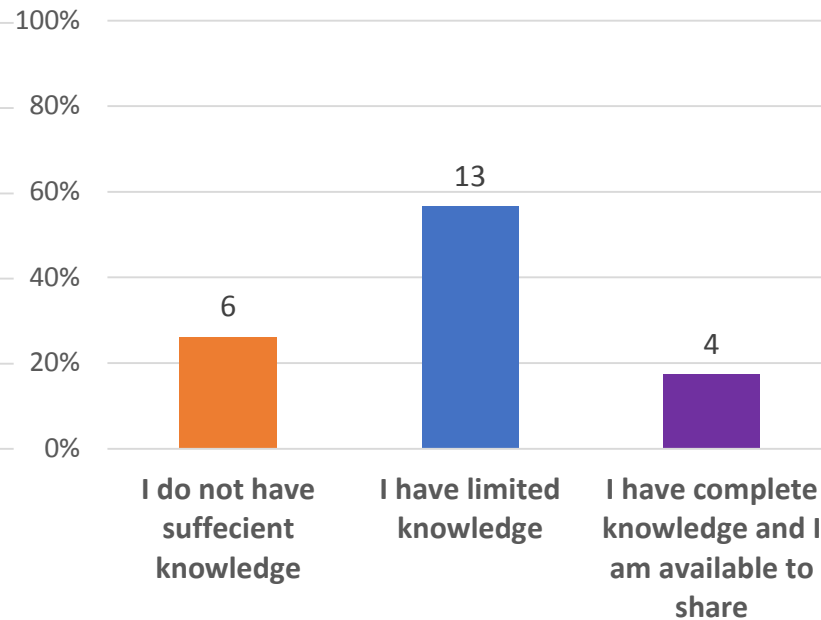
Application of IES to PSA – Review of FinCoP Survey Results (Cont.)



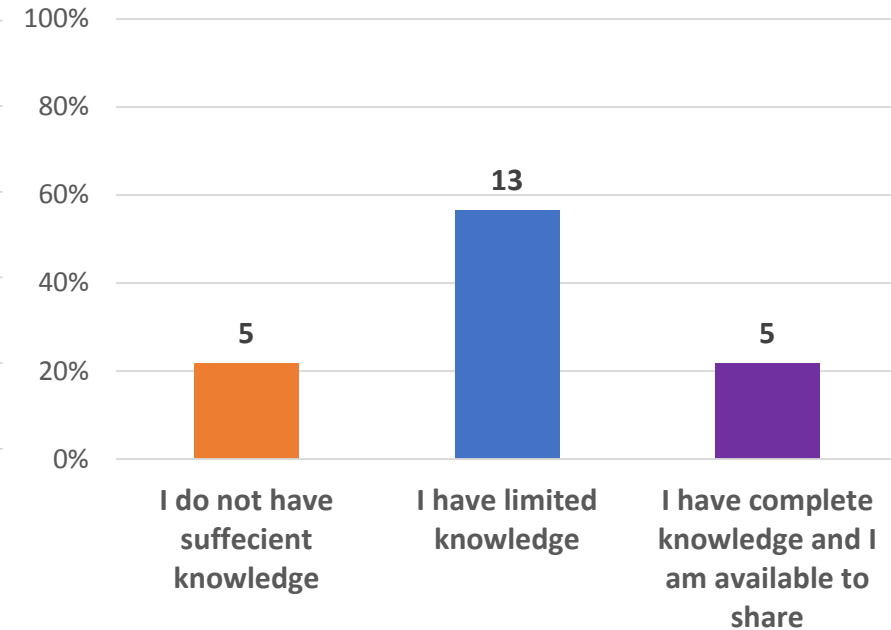
PSA University education syllabus



PSA training programs and delivery tools



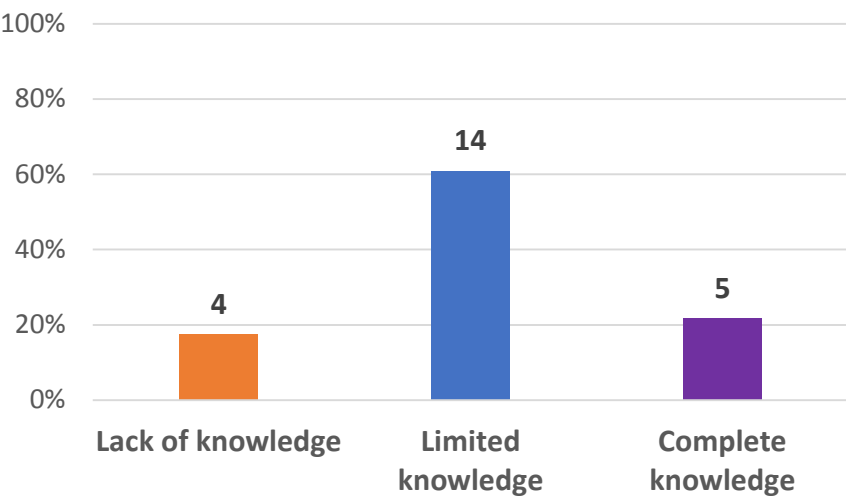
PSA Continuing Professional Development (CPD) approaches



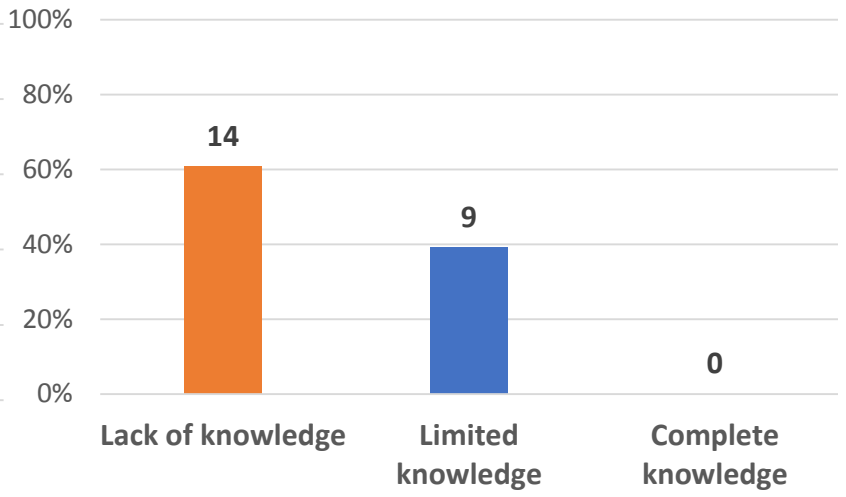
Application of IES to PSA – Review of FinCoP Survey Results (Cont.)



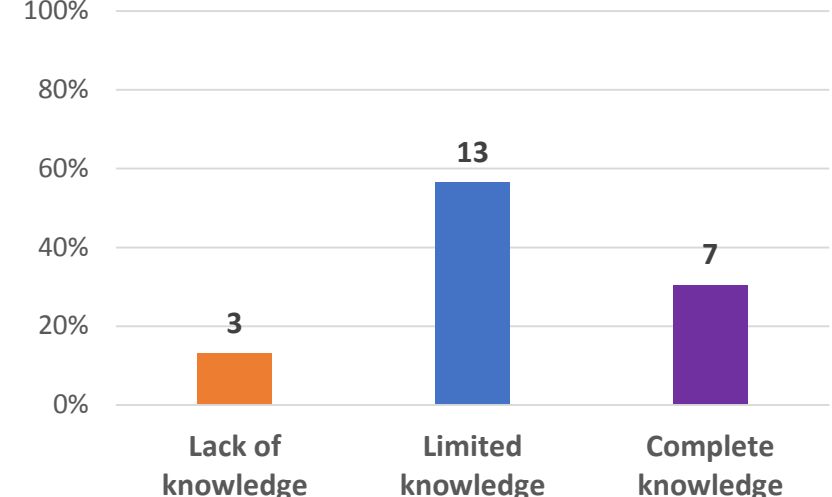
Senior officials' knowledge on the **value and benefits of accrual accounting**



Public sector accountants knowledge of **full IPSAS accrual**



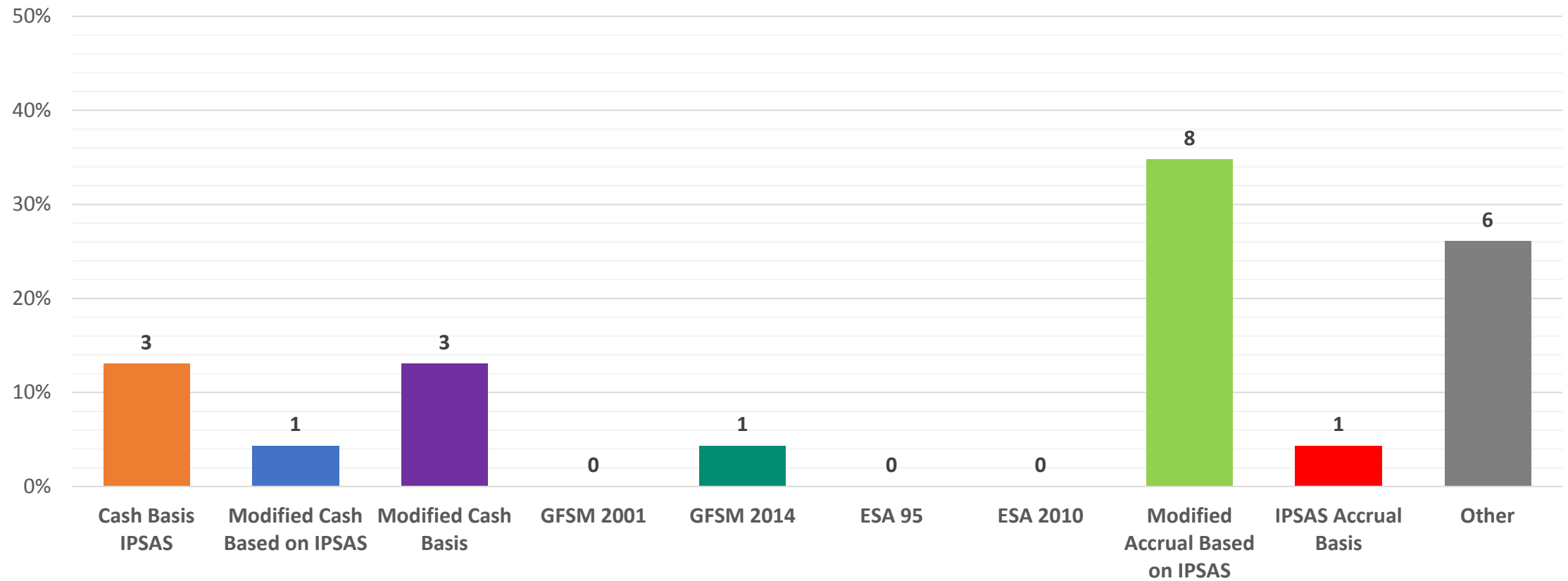
Public sector accountants' knowledge of **accrual accounting principles**



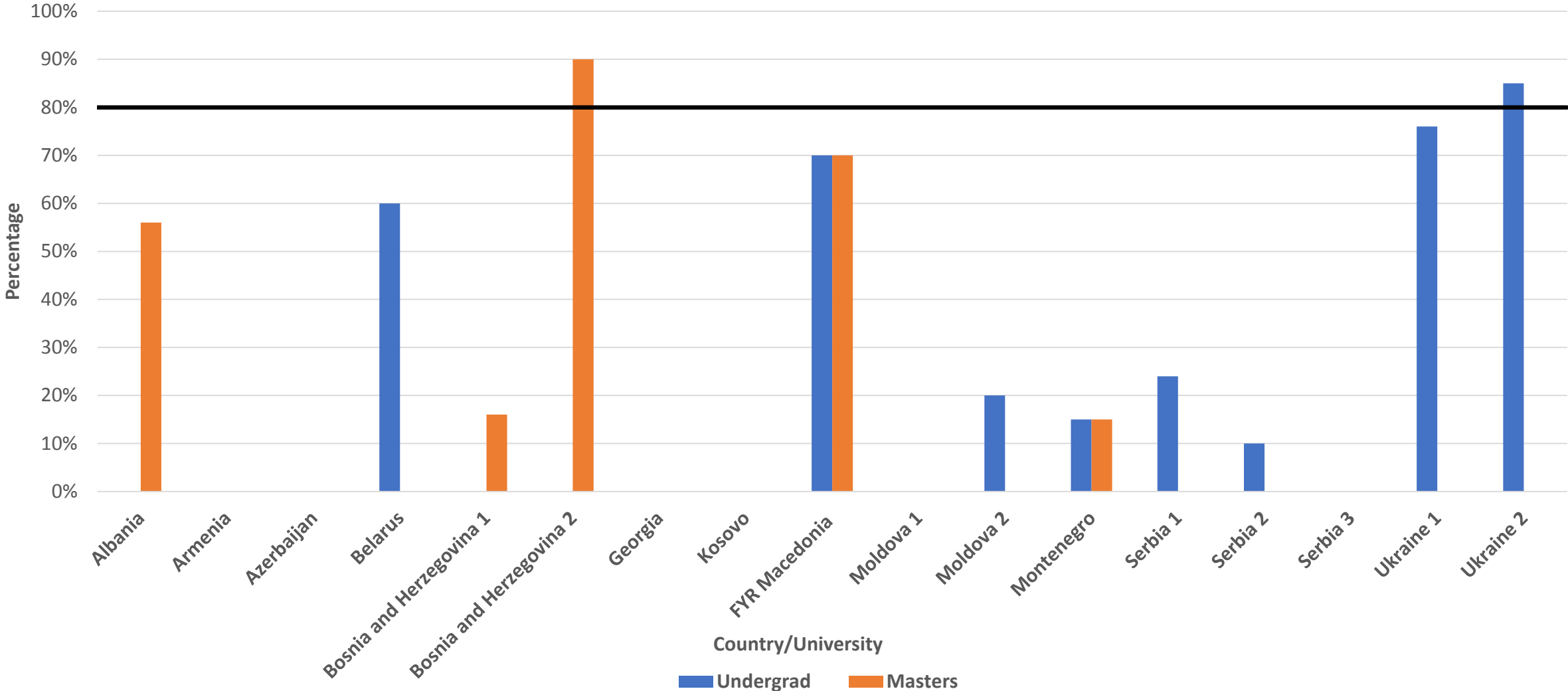
Application of IES to PSA – Review of FinCoP Survey Results (Cont.)



Current Accounting Framework



Benchmarking of University Syllabus for Public Sector Financial Reporting against CIPFA



Analysis of Survey Results and Opportunities to strengthen PSA Education



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- Challenges of complying with IES can be supported by:
 - Strengthening **PSA syllabus** at university and Professional Accountancy Organizations and delivery tools;
 - Strengthening **Continuous Professional Development** especially for government accountants;
 - Enhancing compliance of government accountants to **professional code of ethics**;
 - Supporting **IPSAS Certification** programs and delivery tools to strengthen the skills of government accountants to comply with the standards.



Thank you