

Successes & Challenges: Adoption and Implementation of the International Education Standards

*Perspectives from IFAC's
Member Compliance Program*

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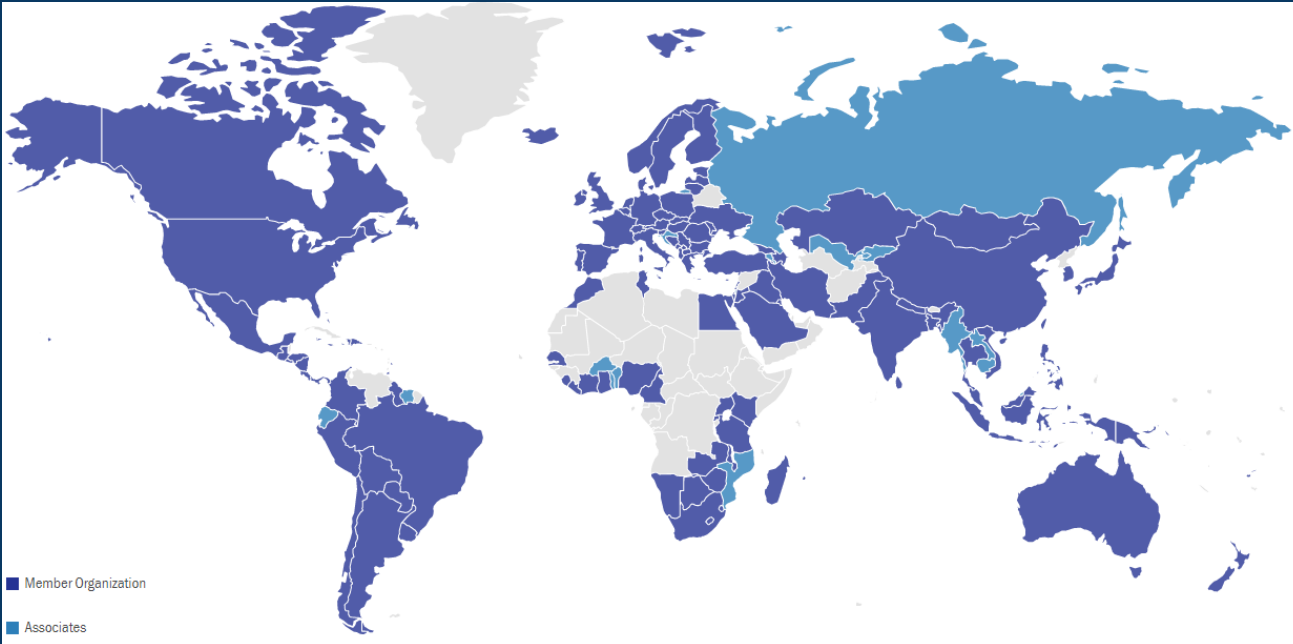
December 1, 2022



Overview

- IFAC & the International Standards' Adoption Ecosystem
- IFAC's Member Compliance Program
- Adoption of IES & Role of PAOs
- Challenges in Adoption of IES
- Recommendations & Resources

IFAC



- Established 1977
- 180+ members organizations
- 130+ jurisdictions
- > 3 million professional accountants in public & private sectors
- Public interest focus
- Comparative advantages:
Global Convener • Knowledge Gateway • Influential Voice

Global Vision & Mission

Professional accountants are essential to strengthening organizations and advancing economies

IFAC, with its member organizations, serves the public interest by enhancing the relevance, reputation, and value of the global accountancy profession.

The IFAC Purpose recognizes and acknowledges that to be successful IFAC must work with and leverage the work of its member organizations.

Speaking out and engaging as the voice for the global profession

Leading and developing a future-ready profession

Contributing to and promoting the development, adoption, and implementation of high-quality international standards

IFAC's Roles in the International Standards' Adoption Ecosystem



PAOs' Role



IFAC's Member Compliance Program

- Requirements are codified in the Statements of Membership Obligations (SMOs)
- A clear framework for strong, capable PAOs
- When PAOs are fulfilling the requirements of the SMOs, they are committed to serving the public interest, adoption of international standards & supporting best practices
- When progress stalls, this feeds into IFAC's capacity building & global engagement workstream

Participation in Member Compliance Program is mandatory

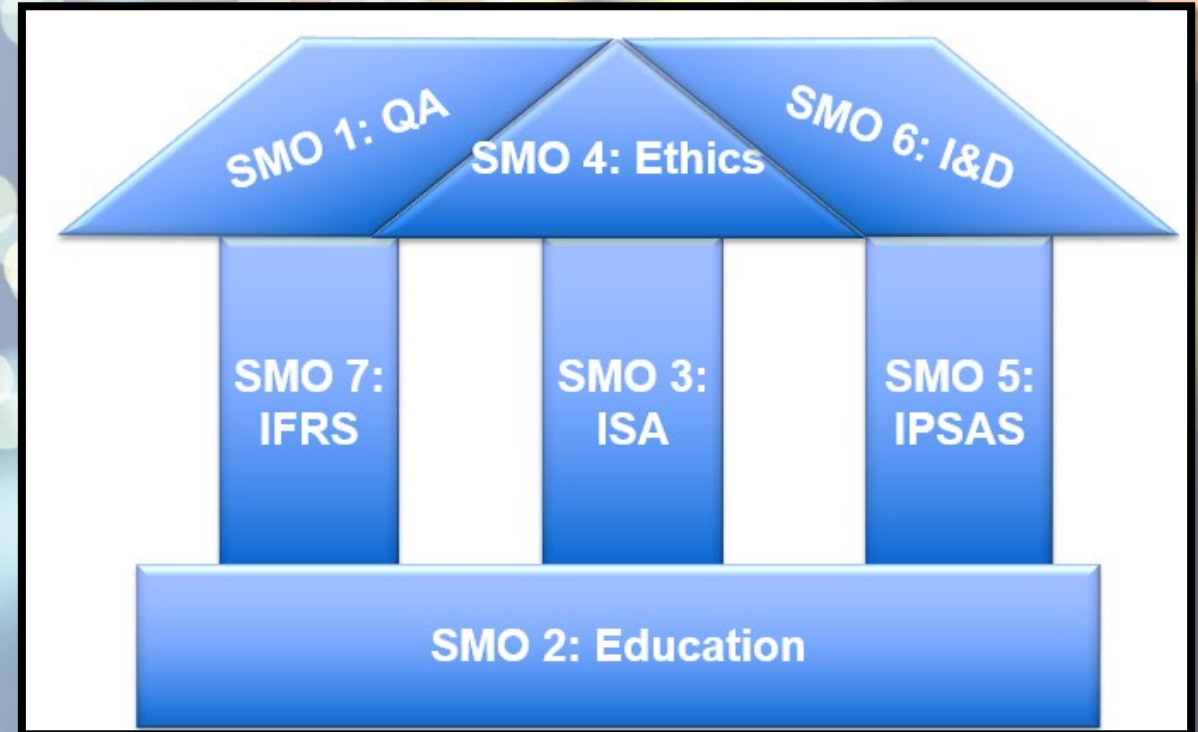
Constant interaction between IFAC members and IFAC staff

Action Plans regularly developed and submitted by IFAC members detail plans for adoption and implementation support to fulfill the SMOs

IFAC staff repeatedly assess / rate IFAC members' progress with SMOs

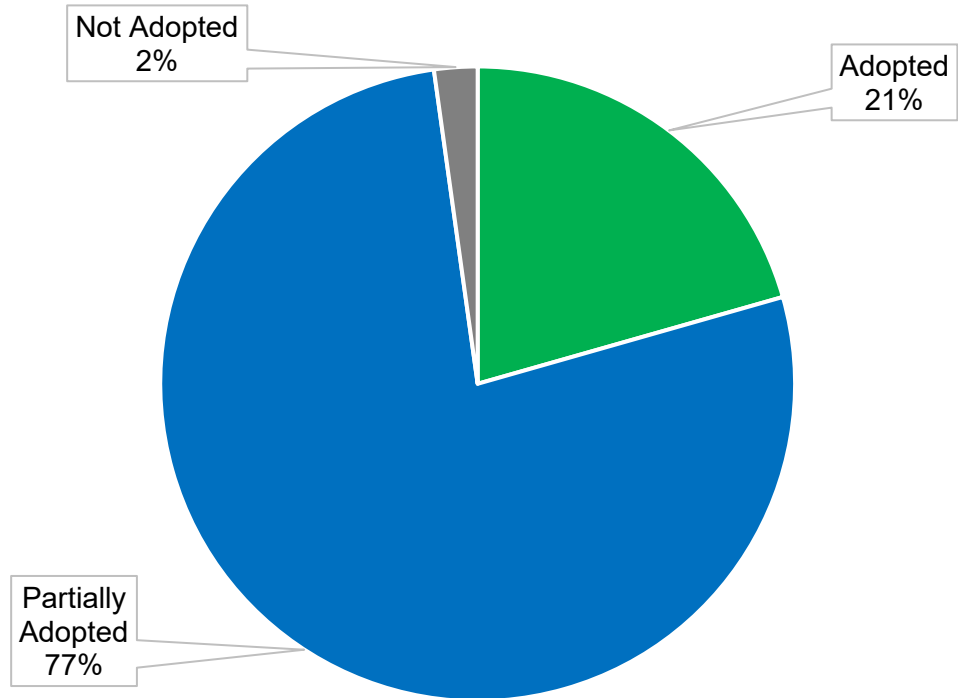
Powers IFAC's ability to report on adoption of standards, share best practices, challenges & success stories on the Gateway, facilitate knowledge-exchanges among members

What are the SMOs

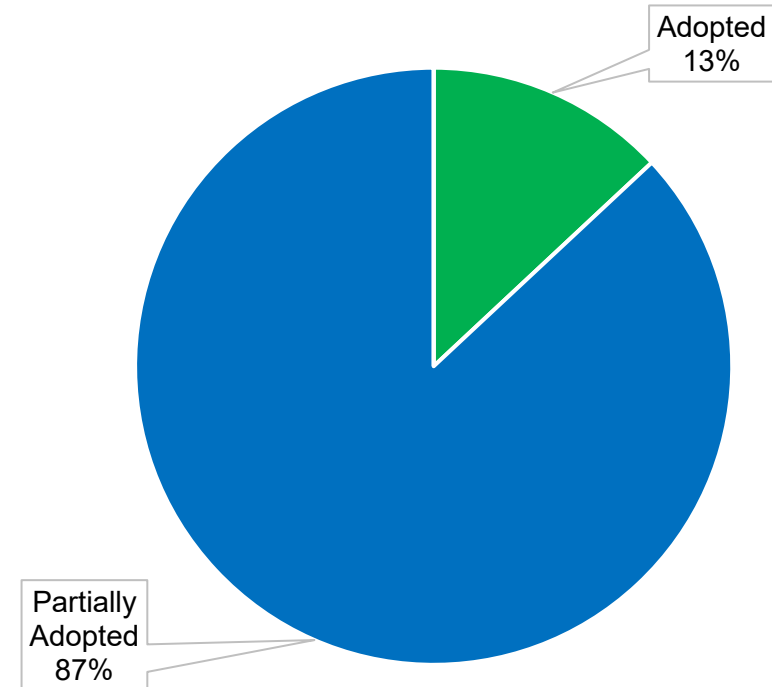


Adoption of IES

Global Adoption of IES

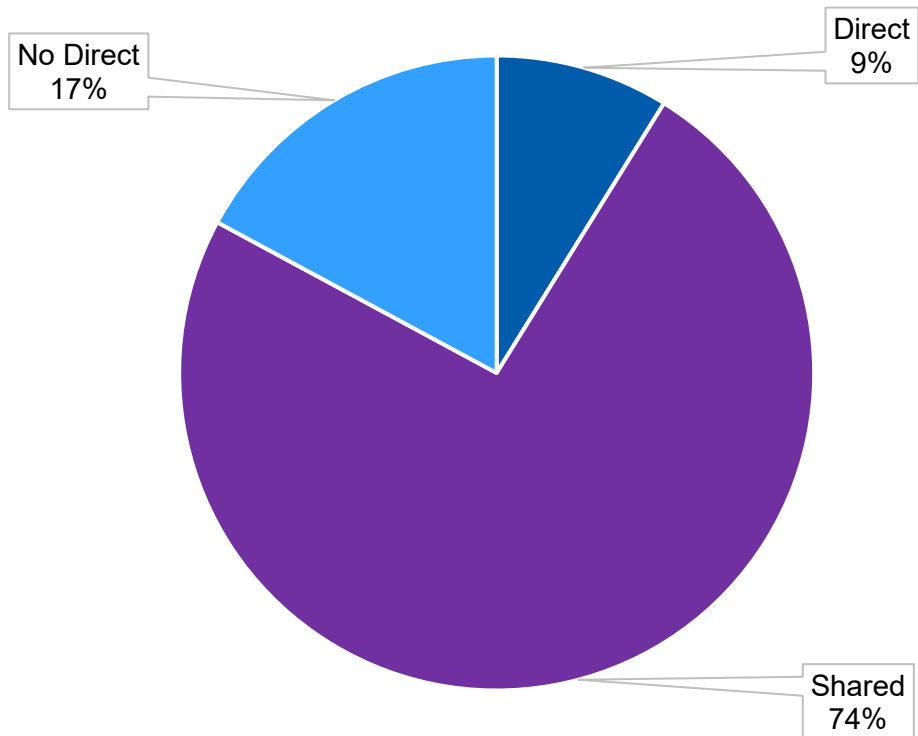


Adoption of IES in: Central / Eastern / Balkan Jurisdictions

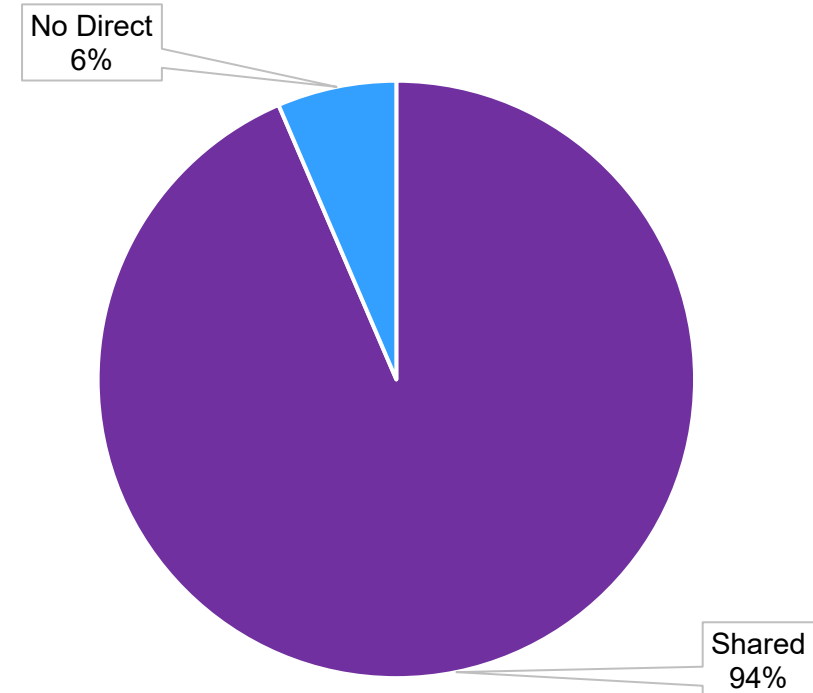


PAO Authority to Adopt IES

Global PAO Authority to Adopt IES



PAO Authority to Adopt IES in: Central / Eastern / Balkan Jurisdictions



Stakeholders in IES Adoption & Implementation



- Multi stakeholder process
- Varied roles/complex environments

Challenges in adoption of the IES

- Can be a lack of coordination & collaboration amongst many stakeholders
- Jurisdictions with multiple PAOs
- Legislative process delays
- University curriculum is not updated
- Difficulty moving to competency-based/learning outcomes of newer versions of IES
- Lack of information about alignment (diagnostic not yet performed)
- Requirements for accountants are not yet IES-aligned
- Limited resources and economies of scale in smaller jurisdictions
- Maturity of markets and PAOs' institutional capacity

Challenges in adoption

<p>IES 1, Entry Requirements to Professional Accounting Education Programs IES 2, Technical Competence IES 3, Professional Skills IES 4, Professional Values, Ethics, and Attitudes</p>	<ul style="list-style-type: none"> • University curricula incorporates earlier versions of IES requirements rather than latest • Courses needed around governance, IT, risk management • University curricula & PAO programming need to strengthen training on professional values, ethics, and attitudes
<p>IES 5, Practical Experience</p>	<ul style="list-style-type: none"> • Requirement exists but no or limited monitoring & verification • Requirement focuses on length of time rather than achieving competencies based on a competency framework for the jurisdiction
<p>IES 6, Assessment of Professional Competence</p>	<ul style="list-style-type: none"> • Limited application of competency-based approach – emphasis still on theoretical knowledge • Per IES 6, assessments should ideally have high levels of reliability, validity, equity, transparency, and sufficiency which can be achieved with clearly understood marking criteria/rubric, training for evaluators, appropriate question banks, publicly available sample questions & cases, etc.
<p>IES 7, Continuing Professional Development IES 8, Competence Requirements for Audit Professionals</p>	<ul style="list-style-type: none"> • CPD requirements set in law & can be difficult to change • Limited use of output approaches • Limited courses on soft skills (i.e., leadership, communication) that qualify as part of CPD • Need to link common QA results with CPD and link non-compliance with CPD to enforcement actions

Recommendations

- Continuing to reach out to key stakeholders to understand:
 - University curricula & programs and the extent to which both theoretical & practical knowledge on IFRS, ISA, Code of Ethics, IPSAS are incorporated
 - Labor market trends, employer needs & expectations
 - Improvements that can be made to examination process around competencies; accessibility/equity; and transparency
- Leverage IFAC's IES self-assessment to compare & contrast national requirements
- Create an action plan to close any identified gaps

Samoprocjena u odnosu na osnovne zahtjeve Međunarodnih standarda edukacije

Svaka jurisdikcija ima drugačiji pristup utvrđivanju zahtjeva i izvođenju edukacije iz računovodstva i u proces je uključeno više aktera, kao što su univerziteti, ministarstva obrazovanja, državni organi za akreditaciju u obrazovanju, vlade, regulatorna tijela, profesionalne računovodstvene organizacije i drugi.

Organizacije članice Međunarodne federacije računovođa /engl. skr. *IFAC*/ nisu obavezno direktno uključene u sve faze obrazovanja profesionalnih računovođa, ali su kao članice *IFAC*-a dužne **realizirati ili prikazati postojanje planova** za postupanje u skladu s **Izjavom o obavezama članstva br. 2**, koja profesionalnim računovodstvenim organizacijama /engl. skr. *PAO*-i nalaže da usvoje ili podrže usvajanje i provođenje **Međunarodnih standarda edukacije (u daljem tekstu: MSE-ovi)** i da budu glavni pokretač stalnog i održivog usvajanja tih standarda u svojoj jurisdikciji.

U slučajevima kada organizacija članica *IFAC*-a nema ili dijeli nadležnost za uspostavu i/ili izvođenje edukacije za određenu kategoriju profesionalnih računovođa¹, treba utvrditi koji MSE-ovi se odnose na poslove profesionalnih računovođa koje vrše njeni članovi i poduzeti neophodne radnje da ugradi zahtjeve MSE-ova u svoje propise.

Takve organizacije članice *IFAC*-a također trebaju ohrabrivati nadležne organe da zahtjeve MSE-ova prenesu u relevantne zakone, propise i druge pravne instrumente.

Svrha ove kontrolne liste je da pomogne *PAO*-ima kod:

- ✓ **osiguravanja uvjeta za kvalitetnu procjenu** zahtjeva iz domena obrazovanja profesionalnih računovođa u datim jurisdikcijama u odnosu na MSE-ove a u cilju izrade planova za usvajanje MSE-ova, čime bi se kvaliteta profesionalne edukacije u jurisdikciji dovela na nivo priznatih međunarodnih mjerila;
- ✓ **upoznavanja relevantnih aktera s MSE-ovima i njihovim zahtjevima** kao skupom kvalitetnih, međunarodno priznatih standarda koji uređuju principe cjeloživotnog učenja profesionalnih računovođa, te pomaganja tim akterima da iznađu najbolji modalitet za ugrađivanje MSE-ova u propise; i kod
- ✓ **podržavanja** saradnje između svih dionika iz javnog i privatnog sektora na izradi planova za provođenje MSE-ova.

Ova kontrolna lista dopunjuje precizne zahtjeve, uputstva i preporuke o ispravnom postupanju kod provođenja MSE-ova, koji su dati u IFAC-ovom Elektronskom alatu za edukaciju iz računovodstva.

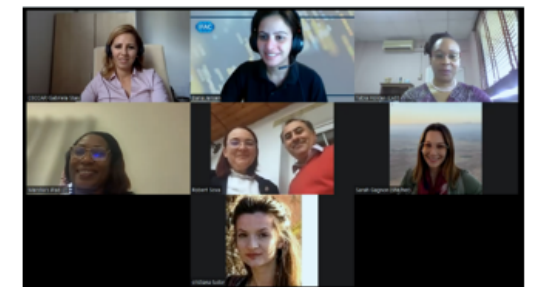
Zahtjevi MSE-ova	Kategorija profesionalnih računovođa ²	Ovlašteni organ	Da	Ne	Jednim dijelom	Napomene
MSE 1: Zahtjevi za pristupanje programima profesionalne edukacije iz računovodstva						
Datum stupanja na snagu: 01.01.2021. godine						
Cilj: Utvrditi pravične i razmjerne zahtjeve u pogledu stručne spreme za pristupanje programima profesionalne računovodstvene edukacije, a kojima se štiti javni interes.						
Određeni su zahtjevi u pogledu obaveznog stepena stručne spreme za pristupanje programima profesionalne edukacije iz računovodstva, kojima se osigurava da su polaznici isključivo osobe koje imaju razumne izgleda da uspješno završe program a koji pri tome ne predstavljaju preveliku prepreku za opis.	Kategorija 1 (npr. ovlašteni revizori)	Npr. Vlada	Da			Npr. Zakon o reviziji propisuje da programima za sticanje zvanja ovlašteni revizor mogu pristupiti samo osobe sa završenim studijem ekonomije, poslovne ekonomije ili računovodstva.
	Kategorija 2 (npr. certificirani računovodstveni tehničari)	Npr. PAO	Da			Npr. PAO propisuje da njenim programima za sticanje zvanja certificirani računovodstveni tehničar mogu pristupiti samo osobe sa srednjom stručnom spremom.
Principi koji će biti korišteni pri određivanju zahtjeva za pristupanje programima edukacije su obrazloženi svim zainteresiranim stranama, uključujući relevantne pružatelje usluga edukacije i pojedince koji razmišljaju o karijeri profesionalnog računovođe.	Kategorija 1 (npr. ovlašteni revizori)					
	Kategorija 2 (npr. certificirani računovodstveni tehničari)					
Relevantne informacije su učinjene javno dostupnima kao vid pomoći pojedincima da procijene svoje izgleda za uspješno završavanje	Kategorija 1 (npr. ovlašteni revizori)					
	Kategorija 2					

Recommendations

- Leverage regional and global networks
- PAOs within the IFAC membership:
 - Have accreditation schemes with universities
 - New risk management master’s program in Estonia
 - Exploring moving from thesis to mock businesses cases as part of final exam
 - Setting learning outcomes on risk assessment, IT skills, apply new regulations
 - Staff workshops on examination governance, preparation and administration (i.e., setting, moderating, and marking exams)
 - ‘Concept-checking’ questions to assess competency & application
 - Survey and dialogue with employers to support changes to education programming
 - Practical experience accreditation scheme, with employer assessment & mentoring system
 - Updated CPD to include soft skills
 - Enhanced websites which include sample questions, exam procedures, and clear timeline



To support ICATT in establishing its expanded review program, IFAC organized meetings between ICATT and three PAOs that successfully operate such a system for accounting services in their jurisdictions—the Association of Accountants of the Republic of Latvia; Corpul Expertilor Contabili si Contabililor Autorizati din Romania; and the Lithuanian Association of Accountants and Auditors. Following the meetings, all PAOs provided ICATT with templates to reference, for example: guidelines, explanatory notes, and checklists.





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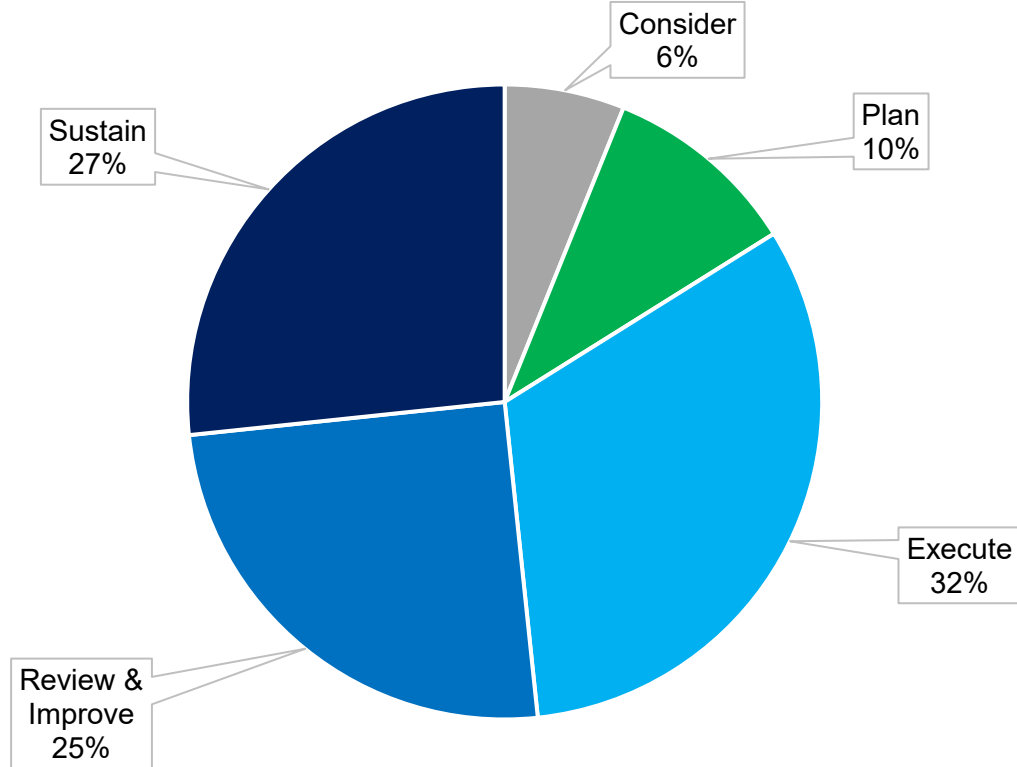
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***Appendix:* Fulfillment among IFAC Member Organizations of SMO 2**

PAO Fulfillment of IFAC's SMO 2

Global PAO Fulfillment of IFAC's SMO 2



PAO Fulfillment of IFAC's SMO 2 in: Central / Eastern / Balkan Jurisdictions

