

The International Accounting Education Standards Board: Influencing Professional Accounting Education



Internationally known for his professional wisdom and experience, Chris Austin, CBE, is the Chair of International Accounting Education Standards Board (IAESB) since January 2015. He is a senior civil servant with 30 years' experience of international relations, covering international development, Europe, and G8 issues. He has been posted in Africa (four years), Asia (four years) and Washington, DC (three years). He was included in the Queens' 2017 New Year Honours and awarded the Commander of the British Empire (CBE) for services to international development. In September 2017, Mr. Austin was appointed Commander, UK Task Force to direct the UK's civilian and military response to Hurricanes Irma and Maria in the British Overseas Territories. Among his various other professional accomplishments is his distinct service as the UK Department for International Development (DFID) Country Director for Afghanistan, based in Kabul, managing the UK's £178 million annual support for economic development (2014-2017).

In this special write-up for The Chartered Accountant journal, he highlights as to how the IAESB is influencing the professional accounting education worldwide besides serving the public interest. Read on to know more...



Chris Austin

(The author is Chair, International Accounting Education Standards Board (IAESB). He can be reached at chris.austin62@me.com.)

Introduction

The goal of professional accounting education is to produce competent professional accountants capable of making positive contributions over their lifetimes to the profession and society in which they work. The International Accounting Education Standards

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The IESs provide an important framework for all those interested in ensuring the high quality performance of professional accountants, including statutory and regulatory authorities involved with accountancy education.

Board (IAESB) has developed the International Education Standards (IES) to establish global benchmarks for initial professional development and continuing professional development for professional accountants.

Professional accounting education provides the foundation upon which aspiring and experienced professional accountants develop both their competence and professional values. The IESs aim is to promote quality and consistency in professional accounting education around the globe. While they are designed to be of assistance primarily to professional accountancy organisations, the IESs also may assist educators by setting out the principles for designing, delivering, and assessing education for professional accountants. Learning and development programmes for IFAC member bodies and other professional accountancy organisations are expected to contain these principles and have the potential for international recognition, acceptance, and application.

The IESs are designed to be of assistance primarily to IFAC member bodies, such as the Institute of



Chartered Accountants of India. Member bodies are generally responsible for either establishing or implementing the IES requirements at the national level. In addition, the IESs assist those responsible for professional accounting education in setting the requirements for the skills and expertise that aspiring professional accountants need to develop and demonstrate competence for qualification.

The standards also assist in identifying the skills and strategies that are required for lifelong learning so that professional accountants can continually meet the expectations of the communities they serve. The IESs set out the principles for designing, delivering, and assessing education for professional accountants.

Although the standards are prescriptive in nature, they cannot override authoritative local pronouncements or regulations.

How IESs Serve the Public Interest

The IAESB is an independent standard-setting body that serves the public interest by establishing standards in the area of professional accounting education that prescribe technical competence and professional skills, values, ethics, and attitudes. Through its activities, the IAESB enhances education by developing and implementing the IESs, which increase the competence of the global accountancy profession—contributing to strengthened public trust. The IESs provide a global framework for preparing professional accountants to make positive contributions to the profession and society, and promote consistency, quality, and convergence in accounting education processes adopted throughout the world.

The IESs also advance convergence and consistency in the application of international technical and practise standards by ensuring a common base of education and practical experience for all professional accountants.

Developing and implementing IESs can also contribute to other desirable outcomes, including:

- Reduction in international differences in the requirements to qualify and work as a professional accountant;
- Facilitation of the global mobility of professional accountants; and
- Provision of international benchmarks against which IFAC member bodies can measure themselves.

Overview of International Education Standards

There are currently eight IESs. They are inter-related because their requirements are covered in both initial and continuing professional development. In fulfilling its mission of promoting quality and consistency in professional accounting education around the globe, the IAESB has developed the first six of the IESs to cover initial professional development.

These six IESs cover 4 fundamental areas in the education and development of an accountant:

- Entry requirements,
- Professional accounting education,
- Practical experience, and
- Assessment.

The two other IESs have been developed to cover continuing professional development. They cover areas for:

- life-long learning or continuing professional development, and
- one of the profession's specialisations that of an audit engagement partner.

How Are IESs Used

The application of the IESs has gained important international recognition during the period between 2003 and 2018. Some examples are:

- The standards are used by IFAC member bodies and other professional accountancy organisations in directing the learning and development of professional accountants and forming the basis of Mutual Recognition Agreements (MRAs) between member bodies when recognising qualifications.
- Compliance with the IESs is one of the obligations in the Statement of Membership Obligations that sets conditions for IFAC membership.
- The World Bank uses the IESs to develop a questionnaire that is used as a diagnostic tool to provide an overview of the accounting and auditing environment in a particular country. It uses this information to develop the Report on the Observance of Standards and Codes (ROSC) documents that assist these countries in implementing international accounting and auditing standards to strengthen their financial reporting.
- The IESs have been used by the United States



Agency for International Development (USAID) to develop a method for benchmarking that helps identify gaps in the implementation and compliance of accounting education standards in various countries. It then uses such information as a basis for future donor allocations.

- Researchers used the IESs to develop a benchmarking analytical tool known as the Accountancy Development Index (ADI). The ADI ranks a country's transparency and accountability. Such data allows for comparison and acts as a basis for analysing ongoing improvement in financial reporting.
- The IESs have been used by the Secretariat of the United Nations Conference on Trade and Development (UNCTAD) to develop a guideline

- 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(2015)
 - IES 6, Initial Professional Development-Assessment of Professional Competence (2015)
 - IES 7, Continuing Professional Development (2014)
 - IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016)

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for a global accounting curriculum and other qualification requirements.

- The IESs have been used by Centre for Financial Reporting Reform, World Bank Group, in a benchmarking study of accountancy education in Albania, Bosnia and Herzegovina, Kosovo, Macedonia FYR, Montenegro, and Serbia.

By establishing a global benchmark for education, the IESs promote quality in accounting education worldwide, helping IFAC member bodies, professional accountancy organisations, and others to educate and train competent professional accountants who will contribute positively to their communities throughout their careers. The IESs also advance convergence and consistency in the application of international technical and practice standards by ensuring a common base of education and practical experience for all professional accountants.

Way Forward

In an environment subject to rapid and substantial change, the IAESB is not standing still. The Board is committed to the goal of developing and maintaining international education standards that:

- Attain acceptance worldwide and foster global excellence;
- Enhance the competence of individuals operating in the global accountancy profession; and in turn,
- Contribute to strengthened public trust and confidence.



In the IAESB 2017-2021 Strategy, the Board has committed to continuous and innovative engagement with stakeholders, proactive identification of trends that impact the accounting profession to inform future IESs development, provision of impactful implementation support, and performing a post-effective date implementation review that will be used in the continuous improvement of IESs.

The IAESB's standards-setting activities are currently focused on the following areas that are strategically important areas to professional accounting education:

- Continuing Professional Development;
- Professional Skepticism;
- Public Sector Accounting, Reporting, and Assurance; and
- Information and Communications Technology.

The IESs, developed by the International Accounting Education Standards Board (IAESB), are influencing professional accounting education and training worldwide. More than a decade old, the standards are supported through the member bodies of the IFAC. The IAESB's standards now focus on outputs—professional competence areas and accompanying learning outcomes—rather than inputs. The goal is to ensure that economic decision makers can rely on the competence of professional accountants regardless of the country where the accountants received their education and training.

The IESs and other IAESB pronouncements may be downloaded free of charge from the IAESB's website at: <http://www.ifac.org/publications-resources/2017-handbook-international-education-pronouncements>. ■

