

**International Accounting Education Standards Board (IAESB)  
Framework for International Education Statements (Revised XX 2007)**

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## **Introduction**

1. The mission of the International Federation of Accountants (IFAC), as set out in its constitution, is “to serve the public interest, strengthen the accountancy profession worldwide and contribute to the development of international economies by establishing and promoting adherence to high-quality professional standards, furthering international convergence of such standards, and speaking out on public interest issues where the profession’s expertise is most relevant.” In pursuing this mission, the IFAC Board has established the International Accounting Education Standards Board (IAESB) to function as an independent standard-setting body under the auspices of IFAC and subject to the oversight of the Public Interest Oversight Board (PIOB).
2. The IAESB develops and issues, in the public interest and under its own authority, International Education Standards for Professional Accountants (IESs), International Education Practice Statements (IEPSs), International Education Information Papers (IEIPs) and other information documents on pre-qualification education and training of professional accountants and on continuing professional education and development for members of the accountancy profession. The IFAC Board has determined that designation of the IAESB as the responsible body, under its own authority and within its stated terms of reference, best serves the public interest in achieving this aspect of its mission.
3. The IAESB acts as a catalyst in bringing together the developed and developing nations, as well as nations in transition, and to assist in the advancement of accountancy education programs worldwide, particularly where this will assist economic development. The IAESB’s role is focussed on developing the professional knowledge, skills and professional values, ethics and attitudes of the accountancy profession to serve the overall public interest.

## **IAESB Objectives**

4. The IAESB’s objectives are to serve the public interest by:
  - Establishing a series of standards and other statements reflecting good practice in pre- and post-qualification professional accountancy education and development;
  - Establishing education benchmarks for IFAC’s compliance activities; and
  - Fostering international debate on emerging issues relating to the education and development of professional accountants.

## Nature, Scope, and Authority of Statements

### International Education Statements

5. In fulfilling its objectives, the IAESB develops and issues the following:
- *International Education Standards for Professional Accountants (IESs)*, which prescribe standards of generally accepted “good practice” in education and development for professional accountants. IESs establish the essential elements (i.e., subject matter, methods and techniques) that education programs are expected to contain.
  - *International Education Practice Statements (IEPSs)*, which assist in the implementation of generally accepted “good practice” in the education and development of professional accountants by providing advice or guidance on how to achieve “good practice” or current “best practice.”
  - *International Education Information Papers for Professional Accountants (IEIPs)*, which promote discussion or debate on education and development issues affecting the accountancy profession, present findings, or describe situations of interest relating to education and development issues affecting the accountancy profession. IEIPs are not authoritative.

A more detailed explanation of each type of statement is given in paragraphs 16 to 18 below.

6. The three types of statement reflect, in descending order, the authoritative nature of the publications, in line with their intended functions. IESs prescribe good practice and are thus more authoritative than IEPSs, which provide guidance (for example, on how to achieve good practice). IEPSs are, in turn, more directive than IEIPs, which discuss issues (including emerging issues) or present findings.
7. Under the publications framework adopted by the IAESB in 2001, each of the IAESB’s statements is intended to fulfil one of the following three functions:
- (a) Prescribe “good practice” (i.e., establish standards for member bodies to achieve and be measured against);
  - (b) Provide guidance, interpretation, discussion, illustration, examples of application, or in any other way assist member bodies to achieve “good practice,” and
  - (c) Discuss, promote or facilitate debate on education issues; reveal facts; present research or survey findings (i.e., describe situations); or promote awareness of issues.

8. All three functions (prescribe, provide guidance, discuss/present findings) are valid in achieving the IAESB's objectives. Different issues are best dealt with in different ways depending on, for example:
  - The nature of the issue;
  - Its level of importance;
  - The level of detail being dealt with;
  - The degree to which broad compliance could be expected; and
  - Whether an issue is in its infancy or has reached maturity and broad consensus.
9. The IAESB is conscious of the wide diversity of culture, language, and educational, legal, and social systems in the countries of the member bodies and of the variety of functions performed by accountants. Therefore, it is for each individual member body to determine the detailed requirements of the pre-qualification and post-qualification education and development programs. Accordingly, IESs are intended to establish only the essential elements on which those programs for all professional accountants should be founded.
10. The IAESB acknowledges that some member bodies are subject to legal or regulatory authorities within their jurisdictions. IESs cannot legally override the requirements or restrictions placed on individual member bodies by such laws or regulations. However, member bodies must consider the IESs (and should consider the recommended practice in the IEPSs) in developing their education and development programs. Member bodies are also obliged to advise legislative and regulatory authorities of IESs and IEPSs and seek, to the extent possible, to harmonize authoritative local pronouncements with these international education statements.

### **Language**

11. The sole authoritative text of the IESs and other international education statements is that published by the IAESB in the English language. In all instances, American English spelling conventions are followed.
12. After obtaining IAESB approval, and at their own cost, member bodies of IFAC are authorized to prepare translations of such statements to be issued in the language of their own countries as appropriate. These translations should indicate the name of the body that prepared the translation and that it is a translation of the approved text. If disputes arise, the original (American) English language text will prevail.

**Black and Gray Lettering**

13. Within IESs, the “standard” paragraphs are in bold type-face (i.e., “black letter”). Commentary paragraphs, which may elaborate on or assist in the interpretation of the standard paragraphs, appear in plain type-face (i.e., “gray letter”). To comply with IESs, member bodies will need to demonstrate that they meet the requirements of the “black letter” paragraphs.
14. Gray-letter commentary within IESs serves the function of explaining or elaborating on the standard paragraphs written in bold type-face. As such, these commentary paragraphs are restricted in scope to providing an explanation of the specific standard paragraphs to which they relate. By contrast, IEPSs do not contain bold type-face paragraphs because they present guidance only (including recommended practice), rather than prescribe practice that is expected to be followed. However, an IEPS could be issued on a topic related to an IES; if so, then the IEPS could interpret or elaborate on the IES in greater depth, provide illustrations or advice on how the IES could be met, or suggest recommended practice that is wider or deeper than the practice prescribed in the IES.
15. The IAESB considers the black/gray letter distinction to be useful and appropriate for the nature of IESs. The IAESB will, nevertheless, maintain a watching brief on future developments in approaches to standard setting in other areas of the profession.

## Definitions and Explanations of International Education Statements

<i>Definition</i>	<i>Explanation</i>
16. <u>International Education Standards for Professional Accountants (IESs)</u> prescribe standards of generally accepted “good practice” in education and development for professional accountants.	IESs express the benchmarks that member bodies are expected to meet in the preparation and continual development of professional accountants. They establish the essential elements of the content and process of education and development at a level that is aimed at gaining international recognition, acceptance and application. Hence, member bodies must consider these requirements. (The gray-letter paragraphs within the IESs are intended to help explain the prescriptions within the black-letter, standard paragraphs.) IESs cannot legally override local laws and regulations but will provide an authoritative reference for informing and influencing local regulators regarding generally accepted “good practice.”
17. <u>International Education Practice Statements (IEPSs)</u> assist in the implementation of generally accepted “good practice” in the education and development of professional accountants by providing advice or guidance on how to achieve “good practice” or current “best practice.”	IEPSs may interpret, illustrate, or expand on matters related to IESs. In this function, they assist member bodies to implement and achieve “good practice” as prescribed in the IESs. IEPSs may also recommend practice that is wider or deeper than the practice prescribed in an IES. Alternatively, they may outline commendable methods or practices, including those that are recognized as current “best practice,” which member bodies may wish to adopt.

<i>Definition</i>	<i>Explanation</i>
18. <u>International Education Information Papers for Professional Accountants (IEIPs)</u> promote discussion or debate on education and development issues affecting the accountancy profession, present findings, or describe situations of interest relating to education and development issues affecting the accountancy profession.	IEIPs may raise discussion within the accountancy profession to a level whereby issues may be progressed or eventually resolved. As such, they may explain, examine, analyze, or otherwise critically assess education issues and practices. The aim of such IEIPs is to provoke consideration of the issues and to encourage comment and feedback so that the issues can be advanced. In this way, they may be useful for exposing views, approaches and methods that are in early stages of development and thus may be useful forerunners to IESs and IEPSs. Alternatively, the IEIPs may be simply descriptive in nature. In this function, they aim to promote awareness of, and to transfer knowledge and information on, education and development issues or practices relating to the accountancy profession.

### **Consultative Process for the Development of International Education Standards and International Education Practice Statements**

19. In developing IESs and IEPSs, the IAESB is required to be transparent in its activities, and to adhere to due process as approved by the Public Interest Oversight Board (PIOB).
20. The IAESB identifies new projects based on a review of national and international developments and on comments and suggestions from those who have an interest in the development of international education statements issued by the IAESB. Suggestions and proposals are encouraged from IFAC member bodies, other professional bodies, and interested individuals and organizations.
21. The Public Interest Oversight Board (PIOB) is consulted to help establish the appropriateness of the IAESB's project priorities and any changes therein. The IAESB obtains the PIOB's opinion, as at the date of that opinion, on the appropriateness of the items on the work program and on whether or not it wishes, from a public interest perspective, to have any further items added. The IAESB adds to its work program those items that the PIOB resolves should, from a public interest perspective, form part of the IAESB's work program.

22. The IAESB's Consultative Advisory Group (CAG) is consulted to help establish the appropriateness of the IAESB's project priorities and any changes therein. A proposal to start a new project is prepared based on research and on appropriate consultation within the IAESB and with the IAESB's CAG, with consideration given to the costs and benefits of the proposed project. It is also circulated to other IFAC Boards and Committees to identify matters of possible relevance to the project. The IAESB considers and prioritizes the project proposal having regard to the public interest. As appropriate, the IAESB approves, amends or rejects the project proposals in a meeting open to the public.
23. Where the IAESB's CAG has recommended a project for consideration by the IAESB, the Chair of the IAESB informs the PIOB and the IAESB's CAG of the decisions of the IAESB.

### **Development of Proposed International Education Standards and International Education Practice Statements**

24. The IAESB may assign responsibility for a project to a Project Task Force. The Project Task Force operates within the guidelines established by the IAESB. Project Task Forces are always chaired by an IAESB member but may include persons who are not members of the IAESB or of a member body of IFAC.
25. The IAESB will consider whether to hold a public forum or roundtable, or issue a consultation paper, in order to solicit views on a matter under consideration. The IAESB will also consider the appropriateness of conducting a field test of the application of its proposals for a new or revised IES or IEPS. The decision to undertake any of these steps may be made at any stage before or after a draft IES or IEPS is issued for public exposure. The rationale for the IAESB's decision in relation to these steps shall be discussed at an IAESB meeting and the decision minuted. Comments received through a public forum or roundtable, or the issue of a consultation paper, are considered in the same manner as comments received on an exposure draft.
26. When the Project Task Force is satisfied that it has a proposed draft IES or IEPS that is ready for exposure, it presents the draft to the IAESB for approval in accordance with the IAESB's voting procedures.

### **Public Exposure**

27. Approved draft IESs and IEPSs are exposed for public comment. Exposure drafts are placed on the IFAC website where they can be accessed free of charge by the general public. Each exposure draft is accompanied by an explanatory memorandum that highlights the objective(s) of and the significant proposals contained in the draft IES or IEPS, as well as the IAESB's view on the main issues addressed in the development thereof.



28. The exposure period will ordinarily be no shorter than 90 days.
29. Comments made by respondents to an exposure draft are a matter of public record and are posted on the IFAC website after the end of the exposure period.

### **Consideration of Respondents' Comments on an Exposure Draft**

30. To facilitate the deliberative process, the Project Task Force provides the IAESB, as part of the IAESB's public agenda papers, with an analysis that summarizes the main issues raised by respondents, outlines the proposed disposition of the issues that have been raised and, as appropriate, explains the reason(s) significant changes recommended by a respondent(s) are, or are not, to be accepted.
31. Members of the IAESB familiarize themselves with the issues raised in comment letters on exposure drafts such that they are able to make well informed decisions as they finalize an IES or IEPS. The IAESB deliberates significant matters raised in the comment letters received, with significant decisions recorded in the minutes of the meeting of the IAESB.

### **Re-Exposure**

32. After approving the revised content of an exposed IES or IEPS, the IAESB assesses whether there has been substantial change to the exposed document that may warrant re-exposure. If so, the IAESB votes on a resolution in favor of re-exposure that is subject to the same voting rules as a vote on the issue of an exposure draft or final IES or IEPS, in accordance with the IAESB's terms of reference.
33. When an exposure draft is re-exposed, the explanatory memorandum accompanying the re-exposure draft includes the reasoning for re-exposure and sufficient information to allow an understanding of the changes made as a result of the earlier exposure.

### **Approval of a Final International Education International Education Standard and International Education Practice Statement**

34. The IAESB Technical Manager is responsible for advising the IAESB and the PIOB on whether the established due process has been followed before a final IES or IEPS is approved for issue.
35. When a revised draft IES or IEPS is approved by the IAESB, it is issued as a definitive final IES or IEPS. Where applicable, the IAESB sets an effective date for the application of the IES or IEPS.
36. For each final IES or IEPS, the IAESB issues a separate document explaining its basis of conclusions with respect to comments received on an exposure draft.

### **Voting**

37. The IAESB votes on the approval of an exposure draft or on the approval or withdrawal of a final IES or IEPS in accordance with its terms of reference. IAESB voting procedures are outlined in paragraph 38 below.
38. Each member of the IAESB has one vote. The affirmative vote of at least two-thirds of members present at the meeting in person or by simultaneous telecommunications link or by proxy, but not less than twelve, is required to approve or withdraw IESs, IEPSs and other international education statements, and to approve exposure drafts.

### **Matters of Due Process**

39. If an issue over adherence to due process is raised with the IAESB (other than an issue that is clearly frivolous or vexatious), whether by a third party or otherwise, the IAESB assesses the matter and seeks an appropriate resolution. The IAESB's decision on the matter is communicated to the party raising the matter. Alleged breaches of due process and the resolution thereof are communicated by the IAESB to the PIOB.

## **IAESB Membership and Meeting Procedures**

### **Membership**

40. The members of the IAESB, including the Chair and Deputy Chair, are appointed by the IFAC Board on the recommendation of the IFAC Nominating Committee and with the approval of the PIOB. The IAESB comprises members from IFAC member bodies, three public members, and representatives from the Forum of Firms (in similar proportions to those appointed to the IAASB). The size of the IAESB is no greater than 18 members. The appointment as Deputy Chair does not imply that the individual concerned is the Chair-elect.
41. The selection process is based on the principle of "the best person for the job;" the primary criterion being the individual qualities and abilities of the nominee in relation to the position for which they are being nominated. However, the selection process also seeks a balance between the personal and professional qualifications of a nominee and representational needs, including gender balance of the IAESB. Accordingly, consideration will be given to other factors including geographic representation, sector of the accounting profession (including academic and non-academics), size of organization, and level of economic development. Candidates for appointment as public members may be put forward by any individual or organization.
42. IAESB members serve for three years, with one third of the IAESB membership subject to retirement every year. Continuous service on the IAESB is limited to two consecutive

three-year terms, unless that member is appointed to serve as Chair for a further period of not more than three years.

43. IAESB members may be accompanied at meetings by a Technical Advisor.
44. The IAESB may also include up to three observers, appointed at the discretion of the IFAC Board in consultation with the PIOB. Observers may attend IAESB meetings, have privilege of the floor, and participate in projects, but have no vote. These observers would be expected to possess the technical skills to participate fully in IAESB debates and attend IAESB meetings regularly to maintain an understanding of current issues.
45. IAESB members are required to sign an annual statement declaring they will act in the public interest and with integrity in discharging their roles within IFAC.

### **Meeting Procedures**

46. Each IAESB meeting requires the presence, in person or by simultaneous telecommunications link, of at least twelve appointed members.
47. IAESB meetings shall be chaired by the Chair, or in his/her absence, by the Deputy Chair. In the event of the absence of both, the members present shall select one of their number to take the chair for the duration of the meeting, or of the absence of the Chair and Deputy.
48. IAESB meetings to discuss the development, and to approve the issuance or withdrawal of IESs, IEPs, and to approve the issuance of exposure drafts and other statements intended to advance the education and continuing development of professional accountants are open to the public. Matters of a general administrative nature or with privacy implications may be dealt with in closed sessions. Agenda papers for open sessions, including minutes of the meetings of the IAESB, are published on the IFAC website. The meetings and agenda papers are in English, which is the official working language of IFAC.

### **Consultative Advisory Group**

49. The objective of the IAESB Consultative Advisory Group (CAG) is to provide input to and assist the IAESB through consultation with the CAG member organizations and their representatives at the CAG meetings, in order to obtain advice on the IAESB's agenda and project timetable (work program), including project priorities, technical advice on projects, and advice on other matters of relevance to the activities of the IAESB.
50. The membership and terms of reference of the IAESB CAG are posted on the IFAC website.

### Other

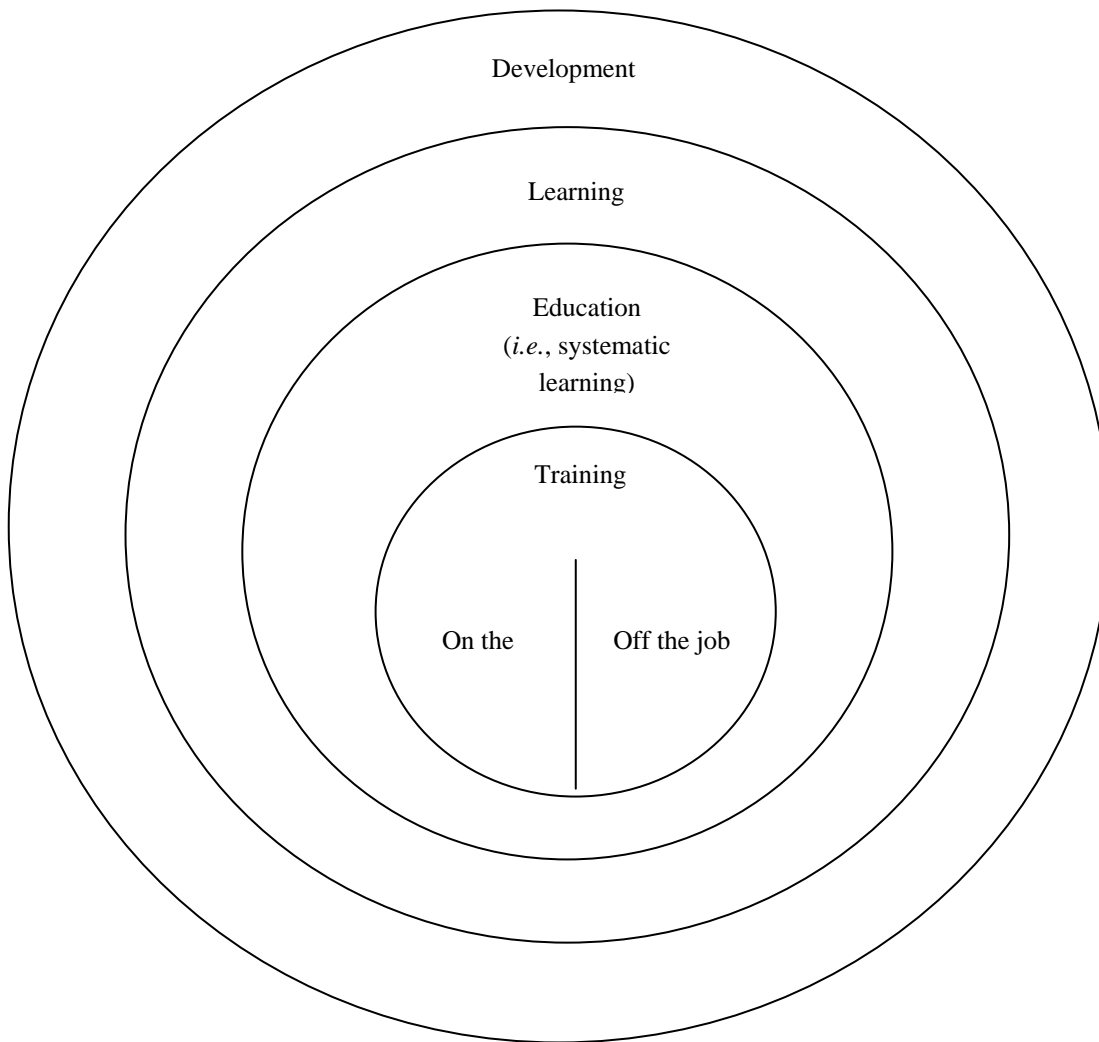
51. The IAESB will annually report on its work program, activities and progress made in achieving its objectives during the year. This report is normally included as part of the IFAC annual report.
52. The IFAC Board will review the effectiveness of the IAESB's processes at least every three years.

### Development Concepts as Used by the IAESB

53. The following diagram illustrates the relationships among key terms relating to education and development concepts, as used by the IAESB. Some of these terms are defined in the Glossary of Terms later in this publication. The following discussion explains what is meant by the various terms and how they fit together as subsets of the development process.
54. Readers' own interpretations and usage of such terms may differ slightly from the way they are explained in the following paragraphs. The IAESB does not insist that the following discussion represents the only "true meaning" of these terms; rather, the following paragraphs explain how the terms are used in the IAESB's statements, together with the underlying thinking and the inter-relationships among them.
55. "Development" is both a process (as depicted in the diagram) and an outcome. English language dictionaries (e.g., *Oxford* and *Collins*) take care to explain that "development" means to "bring to" (i.e., process) or to "come to" (i.e., outcome) a more advanced state. Hence, development can refer to an individual who "is being developed" (process) as well as to an individual who "has been developed" (outcome – the finished state).
56. As a process, "development" is the over-arching term used by the IAESB, encapsulating every process by which an individual grows. It refers to the growth of capabilities that contribute to competence, however achieved. Most (but not all) development, in a professional sense, comes about through learning.
57. "Learning" refers to the main processes by which individuals acquire capabilities (i.e., professional knowledge; professional skills; and professional values, ethics, and attitudes). Learning can be systematic and formal, or unsystematic and informal. When individuals learn through a systematic process, it is referred to as "education." By contrast, there are many valuable learning processes other than "education," such as self-directed and unstructured gaining of knowledge, experience, observation, reflection, and other non-programmed activities aimed at developing capabilities.

58. “Education” refers to those learning processes that are systematic, structured, and often formal. The processes are therefore programmed to a significant extent. Education includes a form of developmental process referred to as training.
59. “Training” is a particular type of education, which focuses on how the individual does the job. Training is usually a mix of instruction and practice. It is experience related, and thus has a more practical or applied element than other forms of education. Training may be “on the job” (i.e., while the trainee is performing real tasks in the work place) or “off the job” (i.e., which takes place while the trainee is not actually performing work).
60. Throughout this publication, reference is made to the work of the IAESB in terms of the “education and development” of professional accountants. In this sense, the phrase relates to “education” as the main *process* and to “development” as the *outcome*.

**Subsets of the development process**



## Relationship Between Capability and Competence

61. The concepts of capability and competence may be described as being the two sides of a coin. The following is an elaboration on terms used in the Glossary of Terms (next section).
62. ***Capabilities are the professional knowledge; professional skills; and professional values, ethics, and attitudes required to demonstrate competence.*** Capabilities are the attributes held by individuals that enable them to perform their roles.
63. The possession of capabilities gives an indication that an individual has the ability to perform competently in the work place.
64. ***Competence is being able to perform a work role to a defined standard, with reference to real working environments.*** It refers to the actions that individuals undertake to determine whether they can actually perform to the required standard. When an individual draws on capabilities to perform the required tasks to the required standard, competence is deemed to have been achieved (i.e., the individual is competent).

CAPABILITY	COMPETENCE
<b>Key concepts</b>	
Attributes	Actions
Potential	Actual
Possess	Demonstrate
<i>Can be expressed as learning outcomes</i>	<i>Can be expressed as performance outcomes</i>
<b>Types of capability</b>	<b>Types of competence</b>
<ul style="list-style-type: none"> <li>• Professional knowledge</li> <li>• Professional skills (e.g., intellectual, technical, non-technical, organizational, personal, interpersonal)</li> </ul>	<ul style="list-style-type: none"> <li>• Includes the range of performance outcomes relating to practice standards (e.g., functional, managerial, and interpersonal)</li> </ul>
<ul style="list-style-type: none"> <li>• Professional values, ethics, and attitudes (e.g., ethical values, professional manner, commitment to high technical standards, skeptical attitude, commitment to continual improvement and life-long learning, appreciation of public interest and social responsibility)</li> </ul>	<ul style="list-style-type: none"> <li>• Includes the range of performance outcomes relating to behavioral standards (e.g., ethical and professional conduct, demonstrating appropriate skepticism, performance in relation to professional development)</li> </ul>

## Glossary of Terms

65. This glossary comprises a collection of defined terms, many of which have been specifically defined within existing IAESB pronouncements. Some of the existing terms may be modified, and other terms added to the glossary, as they are (re)defined in future publications.
66. The IAESB acknowledges that terms may be understood to have different common meanings, nuances of meaning, and applications among the various countries in which member bodies operate. The glossary does not prescribe the use of terms by member bodies. Rather, the glossary is a list of defined terms, with special meanings, for their use within the IESs, IEPSs and IEIPs produced by the IAESB.
67. Words marked with an asterisk (\*) indicate terms that are defined elsewhere in the glossary.

**Approved Employer** An organization, accepted by an IFAC member body, as providing a suitable environment in which trainees\* gain relevant practical experience\* before qualification\* as professional accountants.\*

**Audit Professional** A professional accountant\* who has responsibility, or has been delegated responsibility, for significant judgments in an audit of historical financial information.  
*Explanation: The engagement partner retains overall responsibility for the audit. The definition of audit professional does not apply to experts who undertake specific tasks within an audit (e.g., taxation, information technology or valuation experts).*

**Assessment** All forms of tests of professional competence,\* whether in writing or otherwise, including examinations, carried out at any time throughout the learning process.  
*Explanation: Assessment has three purposes. It is designed to support and enhance learning, it provides certification for advancement, and it can be a form of accountability (quality assurance) for stakeholders. Either formative or summative assessment methods are used to support these purposes.*

<b>Best practice</b>	<p>Practices considered to be exemplary, of the highest order, the most advanced, or leading in a particular area in the education of professional accountants.*</p> <p><u>Explanation:</u></p> <p><i>“Best practice” refers to the best examples of established practice in the preparation of professional accountants. “Best practice” will often go beyond “good practice” and, as such, is at a higher level than the considered minimum requirements. Statements and examples of “best practice” are essential for the advancement of accountancy education and provide useful guidance to member bodies for the continual improvement of their education programs.</i></p>
<b>Candidate</b>	<p>Any individual who is enrolled for assessment as part of a professional accountancy education program.</p> <p><u>Explanation:</u></p> <p><i>A candidate is an individual who is undergoing, or about to undergo, a formal assessment as part of accountancy education. The term refers to an individual who is still in the process of demonstrating the capabilities or competences required for a particular purpose (e.g. professional examination). The assessment may relate to either a program for qualifying as a professional accountant or a post-qualifying education program. The term does not relate to an individual at the stage following completion of an education program (i.e., it excludes those who have completed the requirements for membership of a professional body and are in the process of applying for membership).</i></p>
<b>Capabilities</b>	<p>The professional knowledge;* professional skills;* and professional values, ethics, and attitudes* required to demonstrate competence.*</p> <p><u>Explanation:</u></p> <p>Capabilities are the attributes held by individuals that enable them to perform their roles, whereas competence refers to the actual demonstration of performance. The possession of capabilities gives an indication that an individual has the ability to perform competently in the work place. Capabilities include content knowledge; technical and functional skills; behavioral skills; intellectual abilities (including professional judgement); and professional values, ethics, and attitudes. They are sometimes referred to, in other literature, as competencies, capacities, abilities, key skills, core skills, fundamental skills and values, attitudes, distinguishing characteristics, pervasive qualities, and individual attributes.</p>



**Competence** Being able to perform a work role to a defined standard, with reference to real working environments.

Explanation:

*Competence refers to the demonstrated ability to perform relevant roles or tasks to the required standard. Whereas capability refers to the attributes held by individuals that give them the potential to perform, competence refers to the actual demonstration of performance. Competence may be assessed by a variety of means, including work place performance, work place simulations, written and oral tests of various types, and self-assessment.*

**Continuing professional development (CPD)** Learning\* activities for developing and maintaining the capabilities\* of professional accountants to perform competently within their professional environments.

Explanation:

Continuing professional development is aimed at the post-qualification development and maintenance of professional competence. It involves the development of capabilities through either formal and verifiable learning programs (sometimes referred to as “continuing professional education” – CPE) or informal learning activity.

**Development**

1. The acquisition of capabilities,\* which contribute to competence.\*
2. The state at which capabilities have been acquired.

Explanation:

*Development, as a process, refers to the growth of capabilities, which contribute to competence, however achieved. Individuals may develop their abilities through a wide range of processes such as learning, including education and training; experience; reflection; observation or receipt of information; or through natural growth over time.*

*Development may also refer to the final stage of growth at which an individual is considered to be fully developed, as a result of the development process. However, it is recognized that, with the need for continual learning, the process of developing one’s capabilities and the subsequent reaching of a targeted stage of development are not fixed or permanent states.*

**Distributed learning** An education process in which either the majority of the instruction is delivered at a different time from when the instruction is received or when the instructor and student are in different places.

Explanation:

*A primary feature of distributed learning is that instructors and students are not required to be in the same place at the same time. "Distributed learning" includes, but is not restricted to, "distance learning." Distributed learning can take place over short or long distances, whereas distance learning implies distribution across only significant distances.*

**Education** A systematic process aimed at developing knowledge, skills, and other capabilities\* within individuals. It includes "training."\*

Explanation:

*Education is a systematic learning process whereby individuals develop capabilities considered desirable by society. Education is usually characterized by the growth of an individual's mental and practical abilities, as well as maturing in attitude, resulting in an enhanced ability of the individual to function and contribute to society, in either specific or non-specific contexts. While often conducted in academic environments, education also includes systematic learning processes in other environments, such as on-the-job and off-the-job training. Education is, by nature, somewhat planned and structured and therefore excludes casual, unsystematic learning and developmental processes.*

**Formative assessment** An ongoing form of assessment\*, providing both teachers and students\* with information about current progress in order to support future learning.\*

**Good practice** Those elements considered essential to the education\* and development\* of professional accountants\* and performed at a standard necessary to the achievement of competence.\*

Explanation:

*"Good practice" relates not only to the range of content and processes of education and development programs, but also to the level or standard at which they are performed (i.e., the depth and quality of the programs). The IAESB is conscious of the wide diversity of culture; language; and educational, legal, and social systems in the countries of the member bodies and of the variety of functions performed by accountants. Different factors within these environments may vary the ability of member bodies to adopt some aspects of "good practice." Nevertheless, member bodies should continuously aspire to "good practice" and achieve it wherever possible.*

**Higher education** Education\* beyond secondary school level, usually at universities or colleges.

Explanation:

*Primary and secondary education refer to the mainly compulsory element of schooling required by the governments of many countries. "Higher" education refers to a third order of education, which succeeds secondary education and for which a secondary education qualification (or equivalent) is often a prerequisite. It is at a higher level than "higher secondary" or "upper secondary" education and is sometimes referred to as "tertiary education."*

**Information technology** Hardware and software products, information system operations and management processes, and the human resources and skills required to apply those products and processes to the task of information production and information system development, management and control.

**Initial professional development (IPD)** Pre-qualification\* learning\* activities through which trainees\* acquire and demonstrate the competence\* required of professional accountants.\*

**Learning** A broad range of processes whereby an individual acquires capabilities.\*

Explanation:

*Learning can be achieved by systematic and relatively formal processes such as education (including training) or processes such as day-to-day work experience, reading published material, observation, and reflection, for which the process of acquiring capabilities tends to be less systematic and relatively informal.*

**Mentor** Professional accountants who are responsible for guiding and advising trainees and for assisting in the development of the trainees' competence.\*

**Post-qualification** The period after qualification\* as an individual member of an IFAC member body.

Explanation:

*The term "post-qualification" is usually associated with activities and requirements relating to the professional development of those who have already obtained a professional qualification. It is often associated with action relating to the maintenance or further development of professional competence. While "post-qualification" refers to the period after qualifying as a professional accountant, the term is not restricted to formal qualifications obtained after qualifying as a professional accountant.*

**Practical experience (or professional experience)** Work experience, undertaken by a trainee\* or a qualified professional accountant\* that is relevant to the work of professional accountants.\* The program of experience enables the individuals' development of professional competence\* (including professional behavior) in the work place and provides a means whereby individuals can demonstrate the achievement of professional competence in the work place.

Explanation:

*Practical experience refers to the on-the-job execution of tasks that are relevant to the field of accountancy. The practical experience part of the qualifying process is intended to facilitate the development and direct application of professional knowledge; professional skills; and professional values, ethics, and attitudes. Ultimately, it is through practical experience that trainees will demonstrate their competence to perform the roles of professional accountants. Practical experience also refers to the ongoing experience of professional accountants in the accountancy field. Practical experience is sometimes referred to as "professional experience" and has the same meaning as that term.*

<b>Pre-qualification</b>	<p>The period before qualification* as an individual member of an IFAC member body.</p> <p><u>Explanation:</u> <i>The term “pre-qualification” is usually associated with activities and requirements relating to the development of those who have not yet obtained a professional qualification.</i></p>
<b>Professional accountant</b>	<p>A person who is a member of an IFAC member body.</p>
<b>Professional accountancy education</b>	<p>Education* that builds on general education* and imparts professional knowledge;* professional skills;* and professional values, ethics, and attitudes.* It may or may not take place in an academic environment.</p>
<b>Professional knowledge</b>	<p>Those topics that make up the subject of accountancy as well as other business disciplines that, together, constitute the essential body of knowledge for professional accountants.*</p>
<b>Professional skills</b>	<p>The various types of abilities required to apply professional knowledge, and professional values, ethics, and attitudes* appropriately and effectively in a professional context.</p> <p><u>Explanation:</u> <i>Professional accountants are required to possess a range of skills, including technical and functional skills, organizational and business management skills, personal skills, interpersonal and communication skills, a variety of intellectual skills, and skills in forming professional judgments.</i></p>
<b>Professional values, ethics and attitudes</b>	<p>The professional behavior and characteristics that identify professional accountants* as members of a profession. They include the principles of conduct (i.e., ethical principles) generally associated with, and considered essential in defining the distinctive characteristics of, professional behavior.</p> <p><u>Explanation:</u> <i>Professional values, ethics, and attitudes include a commitment to technical competence, ethical behavior (e.g., independence, objectivity, confidentiality, and integrity), professional manner (e.g., due care, timeliness, courteousness, respect, responsibility, and reliability), pursuit of excellence (e.g., commitment to continual improvement and life-long learning), and social responsibility (e.g., awareness and consideration of the public interest).</i></p>

<b>Qualification</b>	<p>Qualification as a professional accountant* means, at a given point in time, an individual is considered to have met, and continues to meet, the requirements for recognition as a professional accountant.*</p> <p><u>Explanation</u></p> <p><i>Qualification is the formal recognition of an individual as having attained a professional designation, or having been admitted to a class of professional membership, that signifies the individual is a professional accountant. Qualification implies that the individual has been assessed as competent in terms of meeting the requirements prescribed for obtaining professional accountant status. While the term “qualification” can be applied to various stages of professional development and classes of membership, its usage in IAESB documents (unless otherwise indicated) relates to the benchmark for recognition as a professional accountant.</i></p>
<b>Relevant experience</b>	<p>Participation in work activities in an environment appropriate to the application of professional knowledge;* professional skills;* and professional values, ethics, and attitudes.*</p>
<b>Remote mentor</b>	<p>A mentor* appointed by the IFAC member body to supervise a trainee’s* period of practical experience,* where the trainee’s* employer is unable to provide a suitably qualified mentor.*</p>
<b>Specialization</b>	<p>The formal recognition by a member body of a group of its members possessing distinctive competence* in a field, or fields, of activity related to the work of the professional accountant.*</p>
<b>Student</b>	<p>An individual following a course of study, including a trainee.*</p> <p><u>Explanation:</u></p> <p><i>In the context of professional education, a student is an individual undertaking a course or program of study deemed necessary for the education of professional accountants, whether general or professional in nature.</i></p>
<b>Summative Assessment</b>	<p>A form of assessment* providing information about the level of a student’s* performance at certain points in the learning* process, usually at the end of a course of study.</p>

**Technical  
accounting staff**

Staff engaged in technical accounting work who are directed by or support professional accountants.\*

Explanation:

*“Technical accounting staff” includes staff customarily known as “accounting technicians” and covers staff engaged in technical support roles across all areas of accountancy. The term does not refer to trainees who are in the process of qualifying as professional accountants.*

**Trainee**

An individual undertaking pre-qualification\* work experience and training\* within the work place.

Explanation:

*A trainee is an individual who is undertaking a practical experience or work-place training program for qualification as a professional accountant.*

**Training**

Pre- and post-qualification\* educational activities, within the context of the work place, aimed at bringing a student\* or professional accountant\* to an agreed level of professional competence.\*

Explanation

*Training includes work place-based education and experience activities for developing an individual’s competence to perform tasks relevant to the role of the professional accountant. Training may be undertaken while performing actual tasks (on-the-job training) or indirectly through instruction or work-place simulation (off-the-job training). Training is conducted within the context of the work place, with reference to the specific roles or tasks performed by professional accountants. It can include any activity purposefully designed to improve the ability of an individual to fulfil the practical experience requirements for qualification as a professional accountant.*