# Detailed Analysis of Respondents’ Comments on Exposure Draft

## I. General Statements of Support of Note

**Comment**

<table>
<thead>
<tr>
<th>Organization</th>
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<tbody>
<tr>
<td>HKICPA</td>
<td>We understand that the proposed International Education Practice Statement (IEPS), Practical Experience Requirements - Initial Professional Development for Professional Accountants, provides guidance for IFAC member bodies on good practice in implementing International Education Standard (IES) 5. The Hong Kong Institute of CPAs’ Practical Experience Framework for membership admission already complies with IES 5, and we do not expect any difficulty in observing the IEPS guidelines.</td>
</tr>
<tr>
<td>IRBA</td>
<td>We are supportive of the concept of mentoring and Initial Professional Development (IPD). We believe that it will provide a structured opportunity for many young aspiring Auditors and Accountants to gain experience under the watchful eyes of experienced and qualified mentors. The introduction of a mentoring system and IPD is in itself not new to the profession since mentoring is taking place in an informal and unstructured manner and IPD is part of the current practical experience requirements.</td>
</tr>
<tr>
<td>ICAI</td>
<td>Overall this is an excellent document with realistic, practical and useful guidance and it is difficult to either criticise or enhance. The formalisation of approach to practical experience is welcomed as it should enable consistency across borders. Comments received have been supportive of the proposed approach. It appears to support the current approach adopted by this institute.</td>
</tr>
<tr>
<td>CNCC/CSOEC</td>
<td>The French professional accounting and auditing bodies welcome the IFAC IAESB’s initiative to devote a specific Practice Statement to assist member bodies in implementing IES 5 “Practical Experience Requirements”. We are fully supportive of the idea of providing them with guidance on good practice in meeting the requirements of IES 5 and we approve the suggestion mentioned in the Background (“Explanatory Memorandum”) that this proposed IEPS is also relevant in implementing IES 7 “Continuing Professional Development” and IES 8 “Competence requirements for Audit Professionals”. We generally agree with all matters addressed in this proposed IEPS.</td>
</tr>
<tr>
<td>ICAEW</td>
<td>The Exposure Draft is on the whole very good and to be welcomed, highlighting the importance of practical experience in developing skills necessary to become a professional accountant. ICAEW strongly supports the view that high quality practical experience is an essential component of the initial development of a student and that it should link seamlessly to their CPD as a member.</td>
</tr>
<tr>
<td>ACCA</td>
<td>ACCA welcomes the publication of this IEPS as an instructive document. It gives comprehensive, but not overly prescriptive, guidance to member professional bodies on how to ensure successful implementation of IES5.</td>
</tr>
<tr>
<td>Deloitte</td>
<td>We commend the IAESB for developing and seeking input on good practice in implementing the requirements of International Accounting Education Standard 5, Practical Experience Requirements (IES5).</td>
</tr>
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</table>
EY

Ernst & Young is pleased to comment on the above-referenced proposed Practice Statement (the Statement). We support the efforts of IFAC’s Education Standards Board to formulate practical experience requirements that IFAC member bodies should require their members to obtain before qualifying as professional accountants. We also support the development of guidance for IFAC member bodies on good practice in implementing IES 5.

In general we agree with the proposed Statement, including its organization into two parts: guidance on good practice regarding the period of practical experience and guidance regarding the monitoring and control of trainees during the period of practical experience (both with respect to meeting the requirements of IES 5).

PWC

Overall, we support the guidance provided in the IEPS and consider that it is useful for IFAC member bodies. We commend the IAESB for drafting this IEPS to support IES 5.

II. General Statements of Concern and Related Matters for Consideration

Respondent's Comment

Maresca

The basic assumptions of accounting are that the entity operates within an economic entity superstructure, that the operations have a consistent life expectancy in the "Going Concern Assumption, that there is an objective measurement in the "Monetary Unit Assumption" and that the economic activities of the enterprise or entity can be segmented into some rational time period of measurement or evaluation. The basic principles of accounting include principles of cost measurement, revenue realization, the matching principle (expenses matched to revenues), full disclosure and independent verifiability through confirmation, physical count etc. The basic theories are modified by materiality, industry practice ...

The experience requirement for the accountant should include fair coverage in a working environment where these basic accounting principles are applied consistently, uniformly and in accordance with the Generally Accepted Accounting Principles and Generally Accepted Audit Standards. The working experience of the accountant should include objective evidence that these basic accounting principles have been applied. The work of the accountant should demonstrate that the

Staff Comment (where necessary)

Stresses importance of assessing experience gained.
Practical Experience Requirements – Initial Professional Development for Professional Accountants - Comment Analysis

evidence of the work product link to the standards rationally. Sample work products of the accountant should include evidence of:

- confirmations to authenticate financial balances and followup of exception items

- review of real, documentary and testimonial evidence i.e.
  Real evidence is the independent inventorying of items. Documentary evidence is the review of contracts and other legal documents. Testimonial evidence is the gathering and substantiation of management statements or representations; such as verification of work flows and internal accounting "control points" with applicable substantive and compliance testing.

- linking the documents to the financial statement balances on some rational basis via transaction samples, flow charts/work flow, substantive and compliance testing. The testing of transactions should have some rational relationship to the materiality of the financial statement balances.

- preparing the financial statements in accordance with Generally Accepted Accounting Principles and Generally Accepted Audit Standards and making an assessment

- obtaining assurance from the IT Auditors that the various financial systems integrally a part of the financial statement data aggregation are operating in accordance with applicable data center operating standards and IT Application standards of operation including disaster recovery and business resumption planning and execution.

  Control Objectives for the IT Domain include (but are not limited to):
  -the MIS information architecture, the MIS technology, the MIS organization, the development and maintenance of application software, system security and application recovery, the users of the financial systems and processes ...

- obtaining assurance and authenticating evidence that the relevant legal requirements of the consolidated entity are in compliance, as well as subsidiary operations in the host countries of operation with due consideration to special problems in countries where government expropriation is reasonably possible

Ultimately, readers of financial statements and strategic constituencies of the entity are most interested in the fair disclosure and
"going concern" assumptions. The "going concern" assumption is most critical in Quasi-Reorganizations in Bankruptcy as well as business environments with considerable "Derivative Instrument transactions" and high capitalization ratios. Audit reviews in these business environments create a "heightened audit concern" in affirming the "going concern" assumption underlying the financial statements. The work product of the accountant should reflect some consideration of the "going concern" assumption.

In instances where the apprentice accountant cannot gain specific work experience in a Quasi-Reorganization environment, he/she should be cognizant that these environments exist and that the accountant needs to gather more objective evidence to satisfy the fair disclosure requirements.

The accountant can obtain reasonable assurance that the entity is proceeding in accordance with the "New Mission" set forth by the entity in a Quasi-Reorganization or similar organizational setting. This reasonable assurance is gained by "a heightened audit awareness", additional substantive and compliance testing and considerable interviews (and authentication) from management, the legal counsel and human resource functions of the newly formed entity.

In training or mentorship, the experience may be gained from apprenticeship, on the job training, relevant case/industry studies, simulated work environments and even Artificial Intelligence- Advice Giving Systems managed by knowledge engineers.

IRBA Although it is stated that this proposed IEPS is also relevant to member bodies implementing IES7 and IES8, very little guidance is provided to the auditing professional as this document mainly speaks to professional accountants and trainees. Focus on IES 5 only?

FAR SRS FAR SRS is extremely hesitant with regard to the introduction of a formal mentor system as described in section two. Such a formal mentor system adds no value and is too bureaucratic. [See detailed comments in paragraphs relating to mentoring below]. Mentor proposals add no value

ICAI The operation of best practice as outlined in this practice statement could result in a potential increased burden for training firms and organisations. The document does not include any assessment on the likely impact of full implementation from a cost perspective. This is particularly relevant in the area of mentoring assessment and reporting. Clarify what we mean by “formal education” – use “off the job” or similar instead?

JICPA We find the definition of "formal education," which is often referred to in this proposed IEPS including the explanatory memorandum, somewhat unclear. We recommend the IAESB clarify whether this formal education refers to accounting education at universities, education at the pre-qualification stage or professional accounting education programs provided by the IFAC member bodies.
AICPA

As communicated in our response of February 27, 2007 to the Exposure Draft for the Strategic and Operational Plan 2007 – 2009 (ED), we believe the International Accounting Education Standards Board should suspend consideration of any new educational standards, consolidate and reduce future activity, and conduct a review and update of the Framework for International Education Statements.

Our following responses to the Proposed International Education Practice Statement, Practical Experience Requirements – Initial Professional Development for Professional Accountants, should be viewed as offered within that general context. Therefore, while offering specific commentary on this document, in the general case we believe that this activity is premature. The review and update of the Framework should take precedence.

We do appreciate that this is an Education Practice Statement, and we clearly favor this limited guidance/practice approach as opposed to any further consideration of setting standards.

NZICA

The Institute is generally supportive of the aims and objectives of the International Accounting Education Standards Board (IAESB) in producing this ED. Nonetheless, we raise several issues of concern. We consider that the IAESB appears to have missed the opportunity to provide substantial guidance on the application of IES 5; in our opinion the guidance contained in the proposed IEPS does not provide any further guidance than what is contained in the standard or guidance previously released by the Education Committee. A specific example of this is the missed opportunity for the Board to provide clarity and elaboration about the concept and parameters of “practical accounting application” within formal education programmes which could contribute to the total period of practical experience. We also note that various qualifying models of professional bodies will necessitate a variety of ways in which an IEPS based on the ED could be implemented.

The Institute welcomes the opportunity to comment on the ED and supports IFAC in its endeavour to offer further clarification and elaboration on the requirements prescribed in IES 5, Practical Experience Requirements. We are disappointed that the IAESB appears to have missed the opportunity to provide substantial guidance on the application of IES 5 through the release of this proposed IEPS. We are also disappointed that the proposed IEPS introduces new terms and concepts not which do not form part of IES 5 (e.g., IPD); this has the potential to cause much confusion amongst stakeholders and we do not believe these new concepts provide clarity for member bodies seeking to implement and comply with IES 5.

Proposed IEPS does not go much further than the standard.

IAESB should, for example, provide detailed guidance on “practical accounting application”. Also on planning of experience and setting of content for practical experience.

IAESB should not introduce new terms in IEPS (e.g. IPD).
We would suggest that guidance about planning practical experience (and the importance of planning with input from employer, mentor and trainee) would be helpful. In addition, more guidance and advice about setting the content of practical experience requirements would be helpful. Guidance is required as to how a member body goes about setting requirements for the content of experience to be gained. The IEPS assumes every member body operates a competence based approach to practical experience – this is not realistic.

CICA

We believe that the document contains some good practices in meeting the requirements of IES 5. However a Practice Statement should not contradict the Standard to which it refers and just as importantly in our view it should only include practices which truly support the standard to which we want a member body to aspire. Not all existing practices are necessarily good practices.

We believe that in some cases the wording of the Exposure Draft allows for a lower standard for practical experience than (a) we, Canada’s Chartered Accountants, would expect and (b) we believe was contemplated by the International Education Standard (IES 5), Practical Experience Requirements.

First, there are two matters in the Exposure Draft of specific interest to the CICA:

- Involvement of the Employer; and
- Alternative Mentoring Arrangements

Involvement of the Employer

Canada’s Chartered Accountants believe very strongly in the role that the employer plays in the professional development and the practical experience of a Chartered Accountant. We follow a regime of Registered Employers, senior employer management involvement in the CA program, defined qualifying practical experience, supervision of students’ experience and mentorship.

We believe strong employer involvement is what was intended by IES 5:

*For a program of practical experience to be effective, it is necessary for the professional body or regulatory authority, the trainee, the mentor and the employer to work together.* (Paragraph 18 – underlining added)

*The program of practical experience should be mutually beneficial to both the trainees and the employer and be developed*
In our view, the Exposure Draft as written presents a mixed message with regard to employer involvement and appears to allow for a reduced standard from that stated in IES 5.

The Exposure Draft does speak to the role of the employer and working with the employer in a number of paragraphs. For example, Paragraph 73 states:

“To ensure that the objectives of a period of practical experience are met, regular and effective communication between the member body, the mentor, the employer and the trainee is essential.”

However, there are instances or choices of words or phrases which could suggest that the employer does not need to be involved in the training program, specifically contradicting Paragraphs 18 and 19 of IES 5. These sections should be changed.

**Paragraph 9**
Benefits to Employers currently states: “Employers that support trainees during their period of practical experience may benefit from greater employee satisfaction….”

This phrase could suggest that there are employers who do NOT support trainees during their period of experience. This would not in our view be consistent with IES 5.

**Paragraph 59**
“Employers, in many cases, play vital roles in (a) working with IFAC member bodies and trainees to ensure the completion of a period of practical experience that satisfies member bodies’ requirements…”

In our view, employers in ALL cases play a vital role.

**Paragraph 70**
In non-registered employer situations:
“…In such situations the member body, together with mentors and trainees, will likely need to work with the employer “ to plan the trainee’s practical using the phrase “will likely need to work with the employer” may unintentionally suggest that the member body, the mentors and the trainees may NOT need to work with
experience so that...it meets...the practical experience requirements.

Paragraph 74  This paragraph immediately follows a paragraph that states “appropriate mechanisms” between member bodies, the mentor, the employer and the trainee are essential. One such mechanism is presumably periodic monitoring. Paragraph 74 identifies good practices in establishing periodic monitoring systems of non-registered employers.

We do not agree with the concept of non-registered employers generally but understand that other member bodies do. In this already less-than-perfect situation from our perspective, Paragraph 74 appears to condone NO employer involvement in practical experience as good practice. All of the examples of periodic monitoring systems that are provided in Paragraph 74 make no reference to the employer— they are all indirect methods of monitoring – except for the last bullet. It is only in the last bullet that meetings between a non-registered employer and the member body are suggested and then only “if possible”. All of the other ‘good practice’ monitoring systems provided in this paragraph are between the trainee and the mentor (who potentially is someone outside of the employer organization).

Including only one example of employer involvement in monitoring practical experience and then only “if possible” appears to suggest that in certain non-registered employer situations, employers need not be involved in the practical experience requirements at all.
This contradicts both IES 5 and the preceding paragraph (Paragraph 73) of the Exposure Draft and suggests as ‘good practice’ a situation that is unacceptable to us. In our view it is not good practice (even though it may be common practice for some member bodies) to allow for a definition of qualifying practical experience that excludes direct involvement by/with the employer.

**Alternative Mentoring Arrangements**

Canada’s Chartered Accountants do not support the concept of “alternative mentoring arrangements” described in Paragraph 49 as ‘good practice’ and therefore do not support it as something to be addressed in an IAESB Practice Statement.

As noted in Paragraph 43 of the Exposure Draft, the mentor needs to be able, amongst other things to:

- “influence trainees’ access to varied practical experience”;
- “communicate regularly and effectively with trainees, and with trainees’ line managers where appropriate”; and
- “provide trainees with appropriate supervision…”

These objectives of mentoring, in our view, can only be accomplished well if the mentor is in the employer organization. Alternative mentoring arrangements are an accommodation and without strong compensating measures would not be an application of the standard as we believe it was intended.

When you combine the acceptance of alternative mentoring arrangements with only-when-possible employer involvement (as per above), you are describing as ‘good practice’ a situation which we believe is not at all in accordance with Paragraphs 18 and 19 of IES 5.

If Paragraph 49 is kept in the document, we would recommend that:

(a) This “alternative” approach be positioned as a less-than-preferred approach (i.e. change the “member bodies should consider” to something like “member bodies might consider but with strong compensating measures”); and

(b) Paragraph 49 (a) should be strengthened with more examples of the “extra effort” or compensating measures that will be
required by the member body, the trainee and the employer to work together and why that effort is needed.

ACCA
The text frequently refers to “...a minimum three year period” (for example paragraph 16 on page 6). ACCA’s experience is that the period is not always a single continuum. Consequently, we would suggest that the period be stated as 36 months. This will recognise that the Trainee may require more that the 3 years to gain the total experience.

CIMA
Overall we consider the proposed practice statement to have been drafted in an inflexible and less ‘open’ style than is appropriate for a wide range of diverse training environments. In particular it does not reflect the practicality demanded by business employers to serve a broad global student base. We believe the practice statement could more appropriately reflect the very relevant output based approaches currently used by a number of professional accounting bodies, rather than the predominately input orientated nature of the proposed practice statement. The practice statement also appears to have less synergy with the realities of studying and training to be a professional accountant in business.

We believe that further work is necessary to produce a practice statement that more accurately takes account of and reflects the operational realism and constraints encountered when training accountants who work in businesses that deliver in both national and global markets. In addition, mentoring support (such as that envisaged within the practice statement) needs to be considered in the context of a standard, globally delivered, IT enabled service that provides all of the positive benefits of face to face mentoring, but without the high cost burden that inevitably will have to be charged to the employers of trainee accountants.

Deloitte
- **Interpretation of the three year minimum practical experience requirement** – We believe that it would significantly enhance the consistency of application of IES5 if further guidance were added to the proposed IEPS to illustrate good practice in the interpretation of the three year minimum practical experience requirement. We recommend this additional guidance address topics such as:
  - Treatment of periods of formal education during the practical experience (e.g., would these add to the 3 year requirement?) Or, if practically based, should they be considered as part of the permitted 12 month graduate study? Should internships during formal education where they include relevant experience be considered part of practical experience (i.e., adding clarity to the guidance in paragraph 29)?
  - Does the three year period exclude or include vacation and other leave (e.g., is the requirement for 3 years’ worth of experience or is it a “normal” 3 year work period during which there is an expectation of regular vacation leave and periods of training)?
  - Paragraph 36 mentions the use of simulations to supplement practical experience but does not make clear whether these simulations should add to the three year period or be considered part of the period.

State 3 year period as 36 months? Would this go beyond IES 5?
Not helpful to accountants training in business.

Include additional guidance on 3 year requirement (similar suggestion to ACCA)
Use “trainee” throughout (sensible drafting suggestion)
Use “accountants training in business” throughout (sensible drafting suggestion)
Consistency of terminology – In the majority of the proposed IEPS the term “trainee” is used, which we find most appropriate. However, in a few paragraphs the terms “student(s)” and “candidate(s)” are also used and which we find somewhat confusing to the reader. While the use of the terms student and candidate may be technically correct in the context of their definitions and the paragraphs where they are used (paragraphs 6, 20 and 58), we find that making the distinction between student, candidate and trainee has little merit in the context of this proposed IEPS. As a result we recommend that the term “trainee” is used throughout.

“Corporate Sector” – this phrase is used in a number of paragraphs (e.g., 49, 70). We believe that more appropriate wording would refer to “accountants training in business” as the trainee may be gaining practical experience in a variety of business environments (public, private, not-for-profit, etc), not just the corporate one.

EY

However, we would not address IES 7 and IES 8 in this Statement, both of which deal with post qualification. This point, as well as our other suggestions, are discussed below.

We have concerns that all items in subsection “Period of Practical Experience” relate to input measures and all items in subsection “Demonstrating Practical Experience” relate to output measures. How does this reconcile with the notion of “balancing” both kinds of measures in practice?

Several times the word “should” has been used in this practice statement. Our understanding is that this word is usually reserved for Standards, while a practice statement is aimed more at providing guidance. We suggest that “should” might be too prescriptive for a practice statement, even in relation to other words such as “should consider.”

PWC

One point relates to the use of the term ‘formal education’, first in paragraph 6 and then subsequently in other paragraphs, including paragraphs 28 and 30. We note that this term is not defined. We suggest that this term is defined and/or aligned with the term ‘higher education’, which is included in the Glossary of Terms in the Framework for International Education Statements. As part of this definition or alignment, we suggest that it is made clear whether formal (or higher) education only includes accounting education or whether it can include, for example, non-relevant undergraduate degrees. The reference to ‘relevant graduate professional education’ in paragraph 30 (which we recognise comes from IES 5) adds to the lack of clarity in this area.

Focus on pre-qualification only.

Failure to balance input and output measures appropriately?

IAESB discussed this in Nov. 2006 and agreed on this drafting convention.

Need to define “formal education” or come up with better term (see also JICPA comments). Not the same as higher education – we mean “non-workplace based learning” or similar

III.

Responses to Specific Questions
1) What are respondents’ views on the introduction of the concept of “Initial Professional Development” (IPD)? Is this helpful to member bodies and trainees (and others)? Please explain.

CMA  CMA Canada concurs with the introduction of the concept “Initial Professional Development”. The CMA Competency Map recognizes that the competencies gained by professional accountants extend along a continuum that commences with formal university education and continues after professional qualification well into later stages of a professional accountant’s career.  

CIPFA  CIPFA welcomes the proposed International Education Practice Statement on practical experience requirements and is very supportive of the introduction of the concept of “Initial Professional Development” (IPD).

A fundamental part of the CIPFA Professional Accountancy Qualification is the Initial Professional Development Scheme (IPDS), which is designed to ensure that workplace experience is an integral part of the trainee’s learning. A key development in CIPFA’s IPDS is its encouragement to develop the habit of reflection as part of the workplace learning experience; and to provide the framework with which to demonstrate this learning experience to others. By placing the assessment of initial professional development firmly within the training element of the education and training scheme, CIPFA’s Professional Accountancy Qualification highlights the importance of preparing its future members for continuing professional development.

CIPFA’s IPDS provides a useful balance between input and output methods. The concept of reflection provides an effective method for measuring outputs and CIPFA would be happy to advise IFAC on its implementation in practice.

CIPFA’s IPDS requires trainees to maintain a portfolio of learning which maps their professional development. This portfolio is subject to assessment and consists of four parts:

- A log or record on which the trainee records details of their 400 days of validated workplace experience (which approximates to a three year training contract), as required by the CIPFA regulations;
- Three activities at the Professional level where trainees must record, evidence and reflect on the application of theory to selected areas of professional activity;
- Three activities at the Final Test of Professional Competence level where trainees must record, evidence and reflect on three specified activities; and
- An overall reflective commentary on the workplace experience to date with specific emphasis on the trainee’s professional...
development and future learning goals.

IRBA Generally the ideas around IPD are very broad and more guidance will be required for those in the auditing profession. The flow from IPD to CPD is supported.

FAR SRS FAR SRS supports the introduction of a recommendation regarding practical training, in terms of both the schedule and content described in section one.

FAR SAS is positively inclined towards the introduction of the concept of “initial professional development” (IPD).

FAR SAS has had positive experience of working with a similar framework for practical experience.

ICAi The concept of an ‘Initial Professional Development’ and ‘Continuing Professional Development’ being part of an integrated approach to professional development is supported. The document could, we believe, go further in outlining what this may look like. However we believe that certain essential knowledge/skills should be gained pre-qualification and integration should not mean a deferral of such knowledge to post qualification.

JICPA We support the introduction of the concept of "Initial Professional Development" (IPD). We consider this concept useful because it helps IFAC member bodies and trainees regard both pre- and post-qualification stages as an integrated system of professional development. We also would like to suggest that the IAESB specify the need to introduce the concept of IPD and clarify its content.

CNCC/CSOEC Both Institutions approve the concept of "Initial Professional Development" (developed in § 10 "IPD") which introduces a process of training and continuing development throughout professional life.

The acquisition of professional culture and professional experience begins with an initial education, passes by a training period under the control of a qualified mentor, a professional accountant, and continues throughout professional life. It is essential to link and coordinate these three stages. The concept of "IPD" reinforces and completes the concept of "CPD". This orientation allows the future professional to become familiar with CPD requirements at a very early stage.

ICAS Introduction of the concept “Initial Professional Development (IPD)” - The meaning of the terminology “Practical experience” appears to be generally understood and widely used. Whilst the definition of IPD provided in the Exposure Draft is understandable it is not clear whether this will be helpful or will cause confusion in relation to how it sits with Practical Experience eg are the two terms interchangeable; is practical experience a subset of IPD.
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<tr>
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<tbody>
<tr>
<td>ICAEW</td>
<td>Supportive</td>
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<tr>
<td></td>
<td>We support the introduction of Initial Professional Development and agree that practical experience gained at work should integrate effectively with formal education. There is also clear logic in closely aligning the principles of IPD with those of CPD, thus ensuring that the journey from student to member, and from there to ongoing career, is based on a continuum of learning. Such an integrated system of pre and post qualification development fosters skills of reflection and self review, essential for accountants at all stages of their professional life.</td>
</tr>
<tr>
<td>AICPA</td>
<td>Supportive</td>
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<td></td>
<td>Describing professional development as “initial professional development“ (IPD) and “continuing professional development” is a useful approach that will help the member bodies manage these two stages of the professional accountant’s career development. We agree with the explanation as to why this is useful that you have provided in paragraph 10.</td>
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<tr>
<td>NZICA</td>
<td>Strongly disagree</td>
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<td></td>
<td>We strongly disagree with the introduction of this new term/concept. We cannot see how this adds value to the range of development concepts explained in the Framework document, and we consider it could cause unnecessary confusion. Intuitively, we would have thought IPD relates to the whole process of development before qualification (which has been referred to as “pre-qualification education” to date in the Framework); the concept of ‘development’ is concisely explained in the Framework. Furthermore, practical experience relates better to the concept of “training” which is described and defined clearly in the development process outlined in the Framework. We are not sure that introducing a new term such as IPD, which we consider to be somewhat vague, will increase stakeholders’ understanding of the process or concept. In addition, the second bullet point in para 10 makes reference to the assessment of performance as being a common trait to both IPD and CPD. We are unsure where this notion as it relates to CPD has been derived from; IES 7 does not require competence or performance to be formally assessed.</td>
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<tr>
<td>CICA</td>
<td>Do not support introduction of IPD in this IEPS – could be covered in revised Framework instead.</td>
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<tr>
<td></td>
<td>We appreciate what the authors are trying to accomplish by introducing the concept of Initial Professional Development (IPD) as outlined in Paragraph 10 of the Exposure Draft. However, we do not believe that this is the right time or place to introduce such a concept nor do we believe that having introduced it here really adds to this Exposure Draft. We recommend that IPD be withdrawn from this IEPS and that the concept be referred to the proposed IAESB project which will be addressing the development of a new Framework for International Education Statements. Professional Development in the current Framework for International Education Standards encompasses all learning activities for</td>
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developing and maintaining the capabilities of professional accountants. Subsets of the development process as described in the current Framework for International Education Statements include learning (broadly defined), education (i.e. systematic learning) and workplace training including on-the-job experience and workplace education.

Initial Professional Development as defined in this Exposure Draft appears to narrow the scope of learning activities for Initial Professional Development to training activities in the workplace. To maintain the ICD / CPD analogy, the definition of Initial Professional Development might better include all learning activities broadly defined leading to qualification as a professional accountant (e.g. learning, education and practical experience).

The introduction of the IPD concept although it may have merit raises issues that in our view should be dealt with by the IAESB in their discussions of a new Framework for International Education Standards. The concept may well be broader in application than just practical experience. Further, we would suggest that an IEPS on Practical Experience may not be the right place in IAESB publications to introduce such a concept.

As this concept is introduced in Paragraph 10 but is referred to in very few other sections of the Exposure Draft (e.g. Table 2), we believe that little is lost in removing IPD from this document and putting it on the agenda of those looking at a new Framework.

ACCA

The concept will further help to foster, and develop, an ethos and culture of continuing development and by so doing enhance the learning continuum from pre to post qualification. However, some consideration ought to be given to the potential (albeit slight) for confusion that may arise with employers and trainees. This confusion may entail Trainees and Employers seeing the process and requirements for Continuing Professional Development (CPD) as the same as those for Practical Experience for Trainees.

Common elements of IPD and CPD, for example, the development of skills to enable competent performance could be illustrated, but placing emphasis upon the potential level, area(s) and complexity of skills to be developed for IPD as opposed to CPD. This would help where appropriate, to make a distinction between them. ACCA would not want Employers to believe that fulfilment of a CPD requirement (intended for post-qualified professional accountants) be seen as appropriate for a Trainee’s Practical Experience requirement. The distinction could also be emphasised by providing definitions for Initial Professional Development and Continuing Professional Development in all relevant documents. Additionally, the definition for CPD may now need to be explicit as to its post-qualification application.

Generally supportive – could do more to clarify distinction between IPD and CPD, however.
Finally, member bodies may find it useful if IFAC were to develop an “umbrella” term, which would seek to articulate and define the concept of “cradle to grave” learning and development.

CIMA  We support the concept of ‘Initial Professional Development’ and believe that effective communication to students of this concept will set a discipline that leads naturally into post qualification stage continuing professional development.  

Deloitte  We are fully supportive of the concept of IPD. As an “employer in practice” our member firms currently provide the training experience environment for many trainees for a wide range of IFAC member bodies. A large proportion of these trainees remain with our member firms after their admission to their member body. By making clear the overall development continuum, it is easier for us to explain and demonstrate to the trainee how their initial period of training and development links to continuing professional development, which will remain an ongoing component of their professional careers.

EY  We believe there is value in introducing the concept of IPD (and that there is some value noting the common factors with Continuous Professional Development, i.e., CPD) because we do not believe that IPD and CPD are necessarily aimed at achieving the same purposes.

In paragraph 10 it is suggested that IPD and CPD are more or less the same with only a difference in the qualification level: pre vs. post-qualification. In our view this is not so, as highlighted in the definitions in paragraph 11. For example, IPD refers to training activities whereas CPD refers to learning activities. IPD is focused on competence issues whereas CPD is focused on capabilities. We believe there would be additional value if the Board further discusses the differences between IPD and CPD. We also favour going beyond the mere definitions of these two terms by using specific examples to help clarify their respective meanings.

PWC  The introduction of the concept of Initial Professional Development, particularly when linked to the concept of Continuing Professional Development, appears to provide a useful framework for considering the phases of development which are pre and post qualification as a professional accountant.
2) What are respondents’ views on the usefulness of the framework for practical experience (Table 1)? Is the table helpful and complete? Please explain your views.

<table>
<thead>
<tr>
<th>Supportive of Framework overall</th>
<th>Should IT be included as a major topic?</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKICPA The Institute’s Practical Experience Framework complies with the suggested good practices in this section as demonstrated in the following key areas:</td>
<td></td>
</tr>
<tr>
<td>1. The IEPS states that in meeting the requirements of IES 5, member bodies should consider adopting a combined approach - meeting the requirement for a minimum three-year period of practical experience and adopting elements of an output-based approach to assess competence developed by trainees during that period (para. 21). The Institute requires at least three years of relevant experience for membership admission. We have also prescribed the appropriate type and level of technical and generic competencies that should be achieved by our students and prospective members in the Practical Experience Framework.</td>
<td></td>
</tr>
<tr>
<td>2. The IEPS provides a sample framework for practical experience for illustrative purposes (Table 1). The areas and levels in the sample framework are covered in the Institute’s Practical Experience Framework technical and generic components.</td>
<td></td>
</tr>
<tr>
<td>CIPFA CIPFA considers that the framework for practical experience set out in Table 1 is a useful reminder of the key areas (gaining responsibility, business awareness, application of professional values, ethics and attitudes, application of technical knowledge, information technology and professional skills) defined in International Education Standard 5.</td>
<td>Useful reminder, but other ways to approach this.</td>
</tr>
<tr>
<td>Following extensive consultation, CIPFA has developed a Statement of Expertise, which sets out the areas of expertise employers expect of a CPFA with several years’ post qualification experience, as well as the activities they may undertake. The Statement of Expertise covers the following eight key areas:</td>
<td></td>
</tr>
</tbody>
</table>
In designing the Professional Accountancy Qualification, including the IPDS, CIPFA ensured that the key areas set out in IES 5 (and Table 1 of the proposed IEPS) were embedded within the Statement of Expertise.

CIPFA’s IPDS encourages trainees to achieve as wide a range of workplace experiences as possible during their period of training, and requires trainees, as a minimum to spend at least 20 days each in four of the eight areas of expertise.

Whilst the framework set out in Table 1 is a useful reminder of the ways in which IES 5 suggests trainees develop competence during their practical experience, CIPFA would be unlikely to implement such a framework but would instead ensure that its Statement of Expertise and IPDS continue to be consistent with it.

IRBA Information provided is very broad and the reasons for not dividing professional skills into levels are required.

ICAI Table 1 as set out on page 11 is considered a useful tool. Each member body can further develop the framework to reflect their local needs. We have no further suggestions for improvement.

JICPA We believe the establishment of the framework for practical experience is useful. We suggest, however, the IAESB consider the areas for which the framework may not be suitable. For example, particularly in the area of "Application of Professional Values, Ethics and Attitudes," we believe that the three levels of responsibilities (level 1: gathering information, level 2: analysis and options, and level 3: applying knowledge and skills in a real work environment) illustrated in Table 1 do not stand independently of each other. Rather, we believe the capabilities and competence gained through practical experience in one level could also influence and help improve the capabilities and competence in other levels.
Both Institutions consider “Table 1” “Illustrative Practical Experience Framework” to be very useful and relatively complete. It is a good example of classification, by levels, of the aptitude and competences, expected from future professional accountants in different practical situations.

The three-year training period, part of the French accounting syllabus, is being entirely renewed and “Table 1”, as well as others matters of the proposed IEPS, will be very helpful to our Institutes. We fully approved the combined approaches proposed in “§ 13”.

Usefulness of the framework for practical experience (Table 1) – Table 1 is divided into the areas identified by IES5 Para 17 and levels one to three. It is unclear, however, how the levels tie in to the period of practical experience eg is level 1 to be achieved during the first year of practical experience. In addition, providing examples of the type of competences expected in each of the areas and levels would be more helpful to potential users of the document rather than the general wording provided currently.

The framework of practical experience in table one is extremely valuable in showing the development of practical work experience in relevant areas over progressive levels. We agree that the areas identified are appropriate and we support the inclusion of ethics as being an essential component of a student’s initial professional development. We would, however, suggest that this table could be expanded and enhanced by providing examples of the precise skills that accountants need in the workplace. It is not made clear in the Exposure Draft whether the defined levels referred to in the framework are linked specifically to each year of training or whether progression through the framework can take place at a student’s own pace, given varying degrees of natural ability and consideration of any previous work experience.

ICAEW knows that many employers already operate with their own, often long established and highly sophisticated competency frameworks that meet the needs of their trainees. It is therefore not always appropriate or value-adding for member bodies to duplicate what their authorised training organisations are already delivering successfully. In such circumstances there will be a vital role for member bodies in running an employer accreditation system so that the member bodies can have confidence that they know for certain that an employer’s system can be relied on.

We recommend that you eliminate paragraphs 33 and 34 and the associated table, “Table 1: Illustrative Practical Experience Framework”, that follows these two paragraphs. This framework appears to be an attempt to illustrate the competencies that should be achieved to meet practical experience standards. We believe this discussion is outside of the scope of this document and that these
NZICA  We are very supportive of the concept of Table 1, however we think it is missing several elements, and requires much more detailed explanation to accompany it. How should a member body set the requirements in relation to the application of technical knowledge? Arguably, this is the most substantive portion of a period of practical experience. What are the three levels, and how are these to be applied by member bodies? This requires further explanation.

There is no guidance on how the IAESB sees Professional Skills progressing through the 3 levels. That column has an area description only and no gradation.

Interestingly, the Practice Statement provides no greater information or guidance to IES5 on the relative importance of that Standard’s areas (para 17). We had expected that the draft IEPS could have provided some guidance on this.

CICA  We are very supportive of the concepts and structure of Table 1. Chartered Accountant practical experience requirements have always emphasized the need for a training program that included progressive levels of responsibility in all areas of core competence and professional skills. Table 1 provides a good generic description of the need to include increasing levels of competence as part of a practical experience program.

As an aside, we also note that as a result of the ‘competence-based’ nature of Table 1 in our view the IAESB has gone farther in defining competency expectations of a student in the practical experience component of qualification than is the case for the education component of qualification. IES 2 in particular is notable for the absence of a similar reference to levels of proficiency or capability such as “gathering information”, “analysis” and “applying knowledge and skills” in the various subject areas.

ACCA  Paragraphs 31 through to 37 provide an array of good practice recommendations that include Member Bodies developing competences and having a framework for this, through to suggesting appropriate approaches to simulation (paragraph36). Placing the table amongst this mixture of options may lead to several, potentially inappropriate interpretations, including:

- as a framework for developing competences - the Table 1 is misleading as it contains a range of capability requirements, rather than competences. It would be preferable to see illustrations of what competence statements may look like to help focus Member Bodies development effort in this area
- it may be seen as a framework for developing a full range of simulations to achieve competence outcomes

Table helpful to an extent, but is open to a range of interpretations. Perhaps better as an appendix?
• it suggests 3 levels – these are not properly explained and may not have any relevance in relation to carrying out certain work-related activities and demonstration of competence

• it suggests that gaining responsibility and applying professional values, ethics and attitudes can be set apart - rather than being integral to developing competent trainees.

The table is also limited as it does not illustrate the range of technical and non technical competences that Member Bodies may wish to focus upon. ACCA’s key areas, definitions and expected outcomes are set out in Appendix One for illustration.

Generally it would be more useful to have broad areas with principles-based definitions that consequently allow Member Bodies to define competences and levels appropriate to their environment and needs of employers. The style of the framework provided, in Table 1, may have the impact of being overly prescriptive, if followed as a model of best practice.

ACCA suggests that identifying key areas for development and setting a principle-based definition followed by identified outputs will provide greater flexibility and relevance. ACCA believes that Table 1 would be better placed as an Appendix, along with examples from member bodies, rather than within the main part of the document.

CIMA We believe the ‘Framework of Practical Experience’ to be a useful aid for those responsible for determining the detailed specification and categorisation of practical experience within a particular specialism e.g. management accounting. We see the framework providing a possible high level overarching structure within which the detailed requirements may sit i.e. those to be communicated and used by employers and students when planning the experience to be achieved.

Deloitte Overall we find the framework for practical experience (Table 1) both helpful and useful, especially for assisting trainees, together with their mentors, in planning their practice experience and for monitoring progression through to level 3. We have some detailed comments on the content of the table as presented in the proposed IEPS which are described below (see comments on paragraph 34).

EY We find the illustrative framework for practical experience in Table 1 in the proposed statement a good start. With additional work we believe the framework will be quite useful in helping member bodies in implementing practical experience requirements. General suggestions include:

• Consider all competencies to become a professional accountant;
• Assign weights (or similar measures) to ensure appropriate balance between categories (i.e., columns);
• Create a progression for professional skills similar to the other categories; and
• Include explicitly how a professional accountant should document his/her thought process when he/she is using professional judgment.

PWC

We agree that Table 1 is helpful in further explaining paragraph 17 of IES 5. However, we consider that the overall structure of the table, in particular the definition of the vertical and horizontal axes should be carefully reviewed.

The vertical axis sets out three levels of responsibility (Gathering Information, Analysis and Options, and Applying Knowledge and Skills in a Real Work Environment). In our view, these do not accurately reflect the reality of how competence is built through practical experience. We recommend that these levels of responsibility are viewed from the perspective of ‘Bloom’s taxonomy of educational objectives’. This taxonomy is useful for categorising learning objectives along a progression and in our view it could usefully be applied here. The following progression, for example, may reflect more the progression of competence development which is achieved through practical experience:

• Knowledge
• Application
• Analysis

The horizontal axis in the table sets out a mixture of subject matter areas (eg IT) and areas of subject matter application. Whilst we recognise that these areas are mostly drawn from the IES’s, what results does not appear to provide a consistent, clear framework and in some areas it is duplicative with the levels in the vertical part of the table. For example, application is the focus of level 3 (applying knowledge and skills in a real work environment) and of two of the horizontal axis areas (application of professional values, ethics and attitudes and application of technical knowledge). Consideration should be given to using a framework for practical experience which has topic areas as a horizontal axis, and an appropriate progression of development as a vertical axis (for example, that presented above from Bloom).

Using an alternate framework would help to ensure that the ordering of the topics appears in the correct order. By way of example, we suggest that in the IT area, level 3 (the application of general IT and IT control), should come before level 2 (analysing IT and IT control systems).
We also suggest that paragraph 34 is de-linked from paragraph 17 of IES 5 through removal of the phrase ‘based on these areas’. The bullet points in paragraph 34 do not align with paragraph 17 of IES 5 (neither the order nor the content are completely consistent). Alternatively, would it be clearer to present paragraph 34 as a sample framework which covers the intent of IES 2, IES 5 and IES 8?

We also suggest a revision of the sentence in paragraph 34, which states that ‘IT … enables the application of the other areas set out…’. It is not immediately obvious how IT enables, for example, application of professional ethics.

The inclusion of the User role (from IES 2) in level 3 appears out of place. It does not reflect the pervasive nature of (at least) part of the user role (using personal IT systems) to all levels, of all areas, in the table. We recommend that this is reconsidered, perhaps as part of the review of the IT roles proposed in the Exposure Draft on International Education Practice Statement 2.1 (Information Technology for Professional Accountants).

### 3) The IAESB has tried to develop guidance that can be applied by member bodies across a range of training environments. What are respondents’ views on the applicability of the proposed guidance for accountants training in business and/or SMEs/SMPs?

<table>
<thead>
<tr>
<th>Source</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CMA</strong></td>
<td>While CMA Canada is supportive of the proposed new guidance for practical experience we do have major concerns with the applicability of the monitoring and control processes to professional accountants in business, particularly SMEs (paragraphs 40 to 74). In our view, the monitoring and control processes proposed in the guidance are very onerous and relate primarily to assurance practical experience. A significant number of candidates that are obtaining practical experience in business are employed by small- and medium-sized entities (SME) that generally have flat organizations and are likely not to employ another professional accountant. A significant number of the proposals in the proposed guidance are therefore too onerous and perhaps unachievable. If implemented, the professional body may find that it is unable to address the demand of professional accountants in business.</td>
</tr>
<tr>
<td><strong>CIPFA</strong></td>
<td>Whilst CIPFA is very supportive of the suggestions in the proposed IEPS regarding mentoring and registered employer schemes, CIPFA does have concerns about the applicability of the proposed guidance across a range of training environments. CIPFA agrees that providing students with a mentor to monitor and assist them through their period of study is extremely worthwhile, and indeed, many CIPFA students with larger employers have well established CIPFA training schemes, with mentoring as a key part of the scheme. Additionally, with regard to the proposals on registered employer schemes, CIPFA has already established a non</td>
</tr>
</tbody>
</table>

Monitoring and control not appropriate for SMEs.

Document reads as though prepared mainly for audit environment.

Some concerns – especially cost for smaller employers, member bodies, self-supporting individuals, etc.
mandatory employer accreditation scheme, which is based on a self-evaluation questionnaire, with appropriate supporting documentation. The employer accreditation scheme allows employers to aim for one of two levels: “registered” or “best practice”. Best practice employers provide their trainees with mentors.

Whilst supportive of the mentoring and registered employer scheme proposals within the proposed IEPS, there are several concerns:

- The costs to the professional body of establishing a formalised mentoring scheme, including training and monitoring, would be likely to be significant and additional costs may have to be passed on to the student/employer, making the cost of the qualification more expensive.
- Likewise, the costs to establish formal monitoring systems of employers, including periodic monitoring of non registered employers as suggested at par 74, would be likely to be prohibitive for smaller accountancy bodies.
- CIPFA does not necessarily have formalised training contracts with some of its students and employers, as some other accountancy bodies do for all or the majority of their trainees, where mentoring schemes are well established and form part of their training contracts.
- For some employers, the additional bureaucracy of a ‘regulated’ mentoring scheme may deter them from training accountants as they may perceive it as too costly, time consuming and restrictive.
- Many students study on their own without employer support. Some students don’t wish for their employer to know they are studying. Such students would require a mentor from outside their employing organisation.

ICAI There does not appear to be any significant issues regarding the application of the ED to smaller entities (in Ireland) given that a similar model already exists through our current processes.

JICPA We consider it difficult to require employers of entities such as small and medium-sized entities with limited resources, to provide trainees employed by those entities with relevant practical experience required to qualify as professional accountants. Furthermore, we do not regard it as feasible that the IFAC member bodies be required to provide guidance to trainees employed in such entities.

CNCC/CSOEC The proposed IEPS provides different good practices within the practical experience gained in SMEs and the corporate sector. The French accounting syllabus does not allow training periods in these areas in excess of one year within the three-year training period (this is partly in accordance with the requirements of the 8th European Directive on the Statutory Audit). However, IEPS orientations

No particular issues

Difficult for SMEs to provide the relevant practical experience needed.

Allows for different needs of SMEs
could be usefully exploited by our Institutes for the derogatory year.

We regret that the case of the training period in an audit firm (IES 8 “Competence Requirements for Audit Professionals”) is not developed in as much detail. There would be a true added value in this project, which also applies to “IES 8” (to see “Introduction – Background”), if it included a specific chapter on the benefits of the practical experience for acquiring real audit competences.

**ICAS**
Applicability of the proposed guidance for accountants training in business and/or SMEs/SMPs – The guidance provided by the document relates to general principles for practical experience and should be capable of being applied to accountants training in business and/or SMEs/SMPs.

**ICAEW**
The guidance set out in the Exposure Draft is flexible and open to further development. We therefore feel it is appropriate and applicable for all accountants in training and all organisations training.

**AICPA**
We believe this guidance presents overly complex and burdensome processes that would not be cost effective in most training environments and does not represent generally accepted “good practice” in the education and development of professional accountants.

**NZICA**
The guidance is helpful and applicable to all environments.

**CICA**
We believe that guidance should support all member bodies in achieving the intended standards. To be useful guidance has to be applicable to all sectors while still meeting the required Standards.

As noted elsewhere in our response, we do not believe that the proposed guidance in this Exposure Draft necessarily does this in all cases. Problems or ‘challenges’ in the application of the practical experience standards in industry or the SME/SMP sector should not lead to a lowering of the standard. Rather the challenge is to provide the guidance needed to maintain the standard in these situations.

This is particularly true in this Exposure Draft for Paragraph 49 re: Alternative Mentoring Arrangements and Paragraphs 70 to 74 for Non-Registered Employers. As we have noted in our comments, we believe that in attempting to provide guidance particularly for accountants training in business and/or SMEs/SMPs, the Exposure Draft at times contradicts the Standard and in some cases is inconsistent within the Exposure Draft itself. We have suggested in our response a number of areas in which more guidance consistent

**Can we provide more detail for audit environments (probably to be covered in IES 8 guidance).**

**Applies to SMEs and accountants in business.**

**Appropriate for SMEs and accountants in business.**

**Guidance is too complex and burdensome**

**IAESB has gone too far in trying to meet needs of SMEs/SMPs, resulting in a lowering of the standard.**
with the actual Standard is needed and would be helpful.

ACCA

ACCA sees the guidance as being applicable globally and across sectors. This is extremely beneficial as the consistency will ensure that Mentors, Trainee’s and a broad range of employers will only need to understand with a single, common approach, thereby assisting with a greater level of engagement.

The flexibility, reasonable expectations and viable options, on the training and appointment of Mentors will assist smaller employers manage time and resource constraints.

The suggestion that guidance be provided to Employers will assist in engaging and raising the overall level of awareness and engagement by those smaller employers who do not have the resources to develop their own frameworks.

CIMA

The employment experience for students working within business varies enormously between countries, business sectors and size of organisation. Whilst many of the recommendations within the proposed practice statement are desirable and can be evidenced as adding value to the student education/training experience, their practical application in a global market may be unworkable. For example, in SME’s some accounting students are known to work under the direction of a non-accountant manager.

Similarly, the assigning of a mentor to support students through both their education programme and period of pre-qualifying experience is beneficial and our own research has indicated that examination performance is enhanced. However, it would be impossible to provide a mentor (as envisaged within the practice statement) to each student around the world and could not be made a pre-requisite condition for registration as a student. One innovation might be to provide an ‘on demand, on-line, real time’ mentoring service to students, where a known consistency of standard/quality is more likely to be achieved, using a dedicated trained team of mentors.

We encourage students to discuss the achievement of their practical experience regularly with their employers and annual/interim performance appraisals offer such opportunities. However, we recognise that conducting performance appraisals is not a universal practice within business and that even when it is, some students study for accounting qualifications as an aspirational objective, without employer support, and often without informing their employer of these studies. Clearly in these circumstances it is unlikely that the assignment of a mentor will be possible other than by using some ‘virtual’ mentoring methodology.

For professional bodies with large global student populations (often in excess of 100,000), it is unlikely to be possible or practical to provide sufficient suitably trained/qualified mentors, assigned on a one to one basis and serving throughout the period of a student’s pre-qualification education/training. Within the less prescribed employment roles that broadly fit within a ‘management accounting training framework’, it may be difficult to ensure that mentors sufficiently understand the work.
undertaken by such trainees, thereby making less input and adding less value when providing guidance.

We also foresee potential problems within some business contexts/sectors where employers do not allow mentors to access business sensitive details of work tasks/experience opportunities, organisational matters, business structures and practices.

**Deloitte**

Overall we believe that the good practice described in the proposed IEPS can be applied across a range of training environments. However, we do have concerns about the practicality and effectiveness of “remote mentors” as described in paragraph 49(a). We believe that it will be challenging to make this work in small enterprises, certain business training environments (as compared to practices) and in rapidly expanding markets.

**EY**

We find the proposed guidance applicable across a range of training environments. Accordingly, we believe the proposed guidance should be applied as uniformly as possible in all environments to ensure trainees receive the same quality practical experience during their pre-qualification period.

More specifically, as written, paragraph 60 might lead the reader to (wrongly) conclude that the only difference between “Registered Employers and “Non-Registered Employers” is whether a formal agreement exists between the member body and the employer. We suggest repeating the earlier definition (paragraph 11) of “Registered Employers” here, then addressing the underlying question as to what constitutes a suitable environment in which trainees gain relevant experience before qualification as a professional accountant. While it appears that this question is answered somewhat throughout paragraphs 60-72, consideration should be given to the reorganization of this content to better specifically address this question. More importantly, we do not agree with the notion that Non-Registered Employers should be permitted to provide trainees with a less suitable environment than Registered Employers, and suggest deleting any wording that gives this impression.
SPECIAL CONSIDERATIONS FOR SME/SMPS

SPECIAL CONSIDERATIONS FOR DEVELOPING NATIONS

TRANSLATIONS
IV. Detailed Comments

No. Respondent Respondent Comment

Introduction

**PARAGRAPH 1**
International Education Practice Statements (IEPSs) assist IFAC member bodies to implement generally accepted good practice in educating and developing professional accountants.

**PARAGRAPH 2**
International Education Standard (IES) 5, *Practical Experience Requirements* states the practical experience IFAC member bodies should require their members to obtain before qualifying as professional accountants. IFAC member bodies set detailed practical experience requirements for their trainees in accordance with this standard.

**PARAGRAPH 3**
IFAC member bodies are responsible for the implementation of IESs. The International Accounting Education Standards Board (IAESB) recognizes, however, (a) the wide diversity of culture, language, and educational, legal, and social systems in the countries of their member bodies, (b) the wide variety of functions accountants perform, and (c) that member bodies are at different stages in developing their pre-qualification educational programs.

ICA EW
With reference to paragraph 3, ICAEW feels that there should be a concerted push to ensure that all member bodies reach the same stage of implementation in their pre-qualification educational programmes. This will ensure that member bodies are developing together, thus reducing the implementation gap that currently exists between member bodies. This in turn means that the publishing of further standards and guidelines by IFAC, whilst very helpful on one level, will be likely to exacerbate the gap.
This IEPS provides guidance on good practice in implementing IES 5. This IEPS is also relevant for IFAC member bodies implementing IES 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence and IES 8, Competence Requirements for Audit Professionals.

NZICA
Para 4 – Reference to the fact the IEPS is relevant to implementation of IES 7 and IES 8. It is unclear to us how this IEPS assists with implementation of those standards. We would suggest it is best not to confuse topics.

Objectives of a Period of Practical Experience

The objectives of a period of practical experience are to:

(a) enable trainees to develop and demonstrate the professional knowledge, professional skills, and professional values, ethics and attitudes required to perform their work competently; and

(b) help trainees develop the skills they need to maintain competence.

NZICA
The ED states, “The objectives of a period of practical experience are to: (a) enable trainees to develop and demonstrate the professional knowledge …. .” Consider replacing “demonstrate” with “apply”.

Students gain the professional knowledge, professional skills, and professional values, ethics and attitudes they require to perform their work competently through a combination of formal education
and practical experience. Different combinations of formal education and practical experience are required for qualification as a professional accountant in different parts of the world.

ICAS  First word: change Students to Trainees

Deloitte  See comment above, “Consistency of terminology”.

**PARAGRAPH 7**
Although the professional knowledge and professional skills required by a professional accountant are likely to change as their career develops, the professional values, ethics and attitudes required of professional accountants endure. These are first developed in pre-qualification education programs, and are demonstrated in real work environments through a period of practical experience.

**PARAGRAPH 8**
A period of practical experience under the guidance of a mentor enables trainees to integrate knowledge gained through formal education with experience in real work environments. This enables trainees to develop their professional knowledge and professional skills, and demonstrate their competence.

**PARAGRAPH 9**
Practical experience benefits others as well as the trainee:

- **IFAC member bodies** gain members with the professional knowledge, professional skills, and professional values, ethics and attitudes required to strengthen the profession and serve the public interest.

- ** Employers ** gain employees with professional knowledge, professional skills, and professional values, ethics and attitudes that add value to their business. Employers that support trainees during their period of practical experience may benefit from greater employee satisfaction and staff retention, and more effective succession planning.

- **Mentors** apply and develop their own knowledge and skills (especially interpersonal skills) which may count towards mentors’ own CPD requirements. They also contribute to the development of their professional body, and to the profession as a whole.

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<thead>
<tr>
<th>No.</th>
<th>Respondent</th>
<th>Respondent Comment</th>
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<tbody>
<tr>
<td></td>
<td>CNCC/CSOEC</td>
<td>§ 9 « Practical experience benefits others as well as the trainee »</td>
</tr>
<tr>
<td></td>
<td>ICAEW</td>
<td>With reference to the objectives of practical work experience under paragraphs 5 to 9, ICAEW feels that mention should be given to the benefit practical work experience gives to the trainee when sitting examinations. Work experience provides a useful context for trainees, which they can use in their examinations. This is particularly valuable in the final admitting examinations, where higher level skills of synthesis and analysis are required.</td>
</tr>
<tr>
<td></td>
<td>CICA</td>
<td>For clarification, this sentence might better read: “Employers by supporting trainees during their period of practical experience may benefit…..</td>
</tr>
</tbody>
</table>

Extra benefit – to trainees when sitting exams (add to IEPS?)
Initial Professional Development (IPD)

PARAGRAPH 10
Developing professional competence at the pre-qualification stage through practical experience may be thought of as “initial professional development” (IPD). This is the first stage of a learning continuum that continues throughout a professional accountant’s career. After qualification, professional development continues through continuing professional development (CPD). IPD and CPD share a number of common factors, including:

- the focus of both IPD and CPD on developing the professional competence required to perform a work role to the expected standard;
- the importance of effectively assessing performance;
- the development by employers of competence frameworks for employees, and employee development systems encompassing both pre- and post-qualification stages; and
- the importance of trainees and professional accountants developing habits of reflection and self-review in relation to their learning activities.

Member bodies may, therefore, consider developing an integrated system of professional development that encompasses both pre- and post-qualification.

ICAS
Consider defining ‘Professional Competence’ (used twice in paragraph)

Is it accurate to say that employers develop competence frameworks? Some may not.

It doesn’t seem enough to reflect and self review. The activity should be recorded as a matter of professional discipline, both pre and post qualification.

1 This term is defined in paragraph 11 below.
### Definitions

<table>
<thead>
<tr>
<th>No.</th>
<th>Respondent</th>
<th>Respondent Comment</th>
<th>ED Change</th>
<th>Staff Comment (where necessary)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ICAEW</td>
<td>“the importance of trainees and professional accountants developing habits of reflection and self-review in relation to their learning activities.” Change to “the importance of trainees and professional accountants developing habits of recording reflection and self-review in relation to their learning activities.”</td>
<td></td>
<td>Good suggestion to stress “recording”</td>
</tr>
<tr>
<td></td>
<td>AICPA</td>
<td>In paragraph 11, there is a definition of “Education”. Throughout the draft, there are references to “formal education”. We would suggest that either the original term be amended to “Formal Education” or there should be an explanation of the difference between “Education” and “Formal Education”.</td>
<td></td>
<td>JICPA raised similar point – we need to clarify.</td>
</tr>
<tr>
<td></td>
<td>Deloitte</td>
<td>• We suggest that the first sentence of this paragraph be revised so that IPD is defined as related to all of the pre-qualification stage, including formal education. In its current wording there is an implication that it applies only to the practical experience component. Since IFAC member bodies may structure the formal education component in a variety of ways, including programs with substantial internships, we believe a more generally applicable definition would be as follows: “Developing professional competence at the pre-qualification stage through formal education and practical experience may be thought of as “initial professional development” (IPD).”</td>
<td></td>
<td>Task Force to discuss.</td>
</tr>
<tr>
<td></td>
<td>EY</td>
<td>We suggest that the minimum definitions come before IPD section (paragraph 11), or alternately should be removed since they are already defined within the framework itself.</td>
<td></td>
<td>Good suggestion – move this paragraph to after general definitions</td>
</tr>
</tbody>
</table>
PARAGRAPH 11

The following terms used in this IEPS are defined in the *Framework for International Education Statements*:

**Assessment**: all forms of tests of professional competence, whether in writing or otherwise, including examinations, carried out at any time throughout the learning process.

**Candidate**: Any individual who is enrolled for assessment as part of a professional accountancy education program.

**Capabilities**: the professional knowledge; professional skills; and professional values, ethics and attitudes required to demonstrate competence.

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

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

**Education**: a systematic process aimed at developing knowledge, skills and other capabilities within individuals. It includes “training.”

**Learning**: a broad range of processes whereby an individual acquires capabilities.

**Mentor**: professional accountants who are responsible for guiding and assisting trainees and for assisting in the development of the trainees’ competence.

2 These terms will be added to the *Framework for International Education Statements* when it is next updated.
Post-qualification: the period after qualification as an individual member of an IFAC member body.

Practical 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 behaviour) in the work place and provides a means whereby individuals can demonstrate the achievement of professional competence in the work place.

Pre-qualification: the period before qualification as an individual member of an IFAC member body.

Professional accountant: a person who is a member of an IFAC member body.

Professional knowledge: 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.

Professional skills: the various types of abilities required to apply professional knowledge, and professional values, ethics and attitudes appropriately and effectively in a professional context.

Professional values, ethics and attitudes are 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.

Qualification: 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.
**Practical Experience Requirements – Initial Professional Development for Professional Accountants - Comment Analysis**

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</table>

**professional accountant.**

**Relevant experience:** participation in work activities in an environment appropriate to the application of professional knowledge; professional skills; and professional values, ethics and attitudes.

**Student:** an individual following a course of study, including a trainee. In the context of professional education, a student is an individual undertaking a course or a program of study deemed necessary for the education of professional accountants, whether general or professional in nature.

**Trainee:** an individual undertaking pre-qualification work experience and training within the workplace.

**Training:** pre- and post-qualification educational activities, within the context of the workplace, aimed at bringing a student or professional accountant to an agreed level of professional competence.

This IEPS introduces the following new terms:

**Registered Employer:** an organization, or a unit within an organization, accepted by the IFAC member body as providing a suitable environment in which trainees gain relevant experience before qualification as professional accountants.

**Initial Professional Development (IPD):** pre-qualification training activities through which trainees acquire and demonstrate the competence required of professional accountants.

ICAI The term registered employer is a phrase we do not use. We would prefer the term “authorised employer”.

Already changed from...
**Scope and Structure of this IEPS**

**Scope of this IEPS**

**PARAGRAPH 12**
The aim of this IEPS is to provide good practice guidance for IFAC member bodies seeking to implement the requirements of IES 5, *Practical Experience Requirements*. Although IFAC member bodies retain overall responsibility for meeting its requirements, this IEPS also provides guidance for employers, mentors and trainees on their roles and responsibilities regarding a period of practical experience.
PARAGRAPH 13
Member bodies are likely to adopt elements of different approaches to meeting the requirements of IES 5:

(a) Input-based approaches — by establishing a set period of practical experience that is considered appropriate for demonstrating competence at the time of qualification as a professional accountant.

(b) Output-based approaches — by requiring professional accountants to demonstrate, by way of outcomes, development of an appropriate level of competence at the time of qualification as a professional accountant.

(c) Combined approaches — by effectively and efficiently combining elements of the input- and output-based approaches, setting the amount of required experience and measuring the outcomes.

NZICA
The explanation of the three approaches to practical experience (input, output and combination approaches) confuses concepts. We don’t believe this adds to the understanding of the implementation of a programme of practical experience. Furthermore, unless the IAESB plans to conduct some formal research on the range of approaches as it relates to the total development process (not just CPD) this will only confuse stakeholders. Introduces unnecessary confusion. We suggest footnote 3 is deleted.

PARAGRAPH 14
Input-based systems have traditionally been used to measure the development of competence because of the ease of their measurement and verification. One of their advantages is that they may facilitate comparison between systems adopted by different member bodies. Input-based approaches have limitations, however. For example, they do not measure performance outcomes or the level of competence developed.

IES 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence (paragraphs 30-42) contains a more detailed discussion of approaches to measuring learning, and the advantages and disadvantages of the three approaches set out above.
### Comment Analysis

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<td></td>
<td>AICPA</td>
<td>The opening sentence states “input-based systems have traditionally been used to measure the development of competence….”. In the United States we have employed the examination process for many decades to assess the development of competence for Certified Public Accountants. We recommend the removal of the term, “traditionally.” We also suggest that you insert the word “significant” in front of “limitations.”</td>
<td></td>
<td>Change to “often”</td>
</tr>
<tr>
<td></td>
<td>NZICA</td>
<td>It is our understanding that the three year requirement was introduced to IES 5 to give an indication of the length of time to develop the required range of competence, by reflecting the amount of time it takes to progress to greater responsibility, to observe a range of scenarios, apply the range of technical knowledge developed, and exercise ethical and professional behaviour. We believe that providing an explanation and rationalisation of the time requirement by referring to input, output and combination approaches causes confusion.</td>
<td></td>
<td>Insert “significant”</td>
</tr>
</tbody>
</table>

### PARAGRAPH 15

In the context of output-based systems, it can be challenging to set, measure and verify competences, but doing this allows trainees to demonstrate the professional knowledge, professional skills, and professional values, ethics and attitudes required of professional accountants.

### PARAGRAPH 16

IES 5’s requirements for a period of practical experience include (a) a variety of input measures, including the requirement to complete a minimum three-year period of practical experience before qualifying as a professional accountant (IES 5, paragraph 11), and (b) requirements for measuring outcomes, such as the requirement that trainees demonstrate competences achieved (IES 5, paragraph 12).

|     | NZICA      | Reference to IES 5, para 12 should be para 10.                                                                                                           |           |                               |
Structure of this IEPS

PARAGRAPH 17
Section 1 provides guidance to member bodies on good practice in meeting the requirements of IES 5 regarding the period of practical experience (IES 5, paragraphs 10 to 17). It suggests how member bodies may (a) meet the requirement for a minimum three-year period of practical experience for trainees to qualify as professional accountants, and (b) use elements of an output-based approach to assess competence developed by trainees during that period.

PARAGRAPH 18
Section 2 provides guidance to member bodies on good practice in meeting the requirements of IES 5 regarding monitoring and control of trainees during the period of practical experience (IES 5, paragraphs 18 to 26), including specific guidance on (a) the role of the mentor, (b) recording and assessing practical experience, and (c) working effectively with employers.

PARAGRAPH 19
Suggested content (for illustrative purposes only) of (a) practical experience requirements and (b) additional guidance that member bodies may provide for mentors, employers, and trainees is provided in the appendices to this IEPS.
### Section 1: Practical Experience Requirements

**Overview**

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<tr>
<td></td>
<td>AICPA</td>
<td>This paragraph cites IES 5, paragraph 10, as the source of the content. Paragraph 10, IES 5, uses the term, “grow”, not the term “learn” as used in this statement. Correct – replace “learn” with “grow”.</td>
</tr>
<tr>
<td></td>
<td>Deloitte</td>
<td>See comment above, “Consistency of terminology”.</td>
</tr>
<tr>
<td></td>
<td>ICAI</td>
<td>We endorse the idea of a combined approach and are of the view that difficulties in measuring output should not diminish the commitment.</td>
</tr>
<tr>
<td></td>
<td>NZICA</td>
<td>First time reference is made to assessing competence. What are the competencies to be assessed? How does a member body know how to set these requirements?</td>
</tr>
</tbody>
</table>

**PARAGRAPH 20**

This section of this IEPS provides guidance to member bodies on meeting the requirement of IES 5 for a period of practical experience to be long enough and intensive enough to permit candidates to demonstrate the professional knowledge; professional skills; and professional values, ethics and attitudes required for performing their work with professional competence, and for continuing to learn throughout their careers (IES 5, paragraph 10).

**PARAGRAPH 21**

In meeting the requirements of IES 5, member bodies should consider adopting a combined approach – meeting the requirement for a minimum three-year period of practical experience and adopting elements of an output-based approach to assess competence developed by trainees during that period.
Period of Practical Experience

PARAGRAPH 22
A period of practical experience (a) gives trainees exposure to real workplace activities over time, which contributes to developing and maintaining professional competence, and (b) enables trainees to observe and engage in real-life situations requiring the identification of ethical dilemmas, or situations requiring professional judgment. This helps to develop ethical sensitivity and judgment.

NZICA
The period of practical experience provides a greater range of opportunities than these two. Refer to IES 5, para 17.

PARAGRAPH 23
IES 5 (paragraph 11) requires the period of practical experience to be at least three years. Member bodies may interpret and express this requirement in a number of ways, including:

- setting requirements for trainees to gain experience across a range of specific work-related areas during a minimum three-year period of practical experience;
- setting requirements for trainees to gain experience in work-related areas directly related to their intended professional specialism(s) during a minimum three-year period of practical experience;
- setting requirements for trainees to complete a set number of hours or days over a defined period to meet the minimum three-year requirement;
- setting requirements for trainees to complete a set number of hours or a percentage of the overall period of practical experience in specific work-related areas within the minimum three-year period of practical experience.

Note – all items in this subsection relate to input measures.
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<tr>
<td>ICAI</td>
<td>If setting a number of hours or days for practical experience is adopted we suggest that it should be within an overall specified maximum time frame. Otherwise the experience will not be ‘joined-up’ and the impact will greatly diminish. (Para 27 deals with this to some degree). This paragraph appears to permit trainees gaining experience in areas directly related to their intended professional specialism for example in tax or corporate finance etc. This is considered to be a welcome development. However whether there is key minimum exposure to key areas such as financial accounting has not been addressed.</td>
<td></td>
</tr>
<tr>
<td>AICPA</td>
<td>This section is difficult to understand and not useful. Five specific examples are presented as opposed to guidelines that would help the member develop appropriate processes. We are left with the question about what is good practice and what is not. For example, can the process be accomplished over a period of sixteen years? IES 5 is very specific about the years of experience required and what formal education can count to meet the three years. We interpret paragraph 23 as allowing Member Bodies to determine how to meet the practical experience requirements. We much prefer the guidelines be under the control of each Member. As part of bullet no. 2 - Is specialism(s) a word? If it is, it should be defined? Would this example mean that spending a year in audit would not count if the trainee transferred to tax?</td>
<td></td>
</tr>
<tr>
<td>NZICA</td>
<td>Confuses the time requirement with content. Needs to be much clearer.</td>
<td></td>
</tr>
<tr>
<td>Deloitte</td>
<td>We believe it would be useful to make it clearer that the bullet points listed in this paragraph could be used in combination by the IFAC member body in interpreting and expressing the minimum practical experience requirements. For example, it is possible to create a requirement for experience across a wide range of areas in addition to further requirements for specific experience in...</td>
<td></td>
</tr>
</tbody>
</table>

Can we be more specific here?  
We usually get comments saying examples are more useful! Can we clarify this at all?  
Change “specialism” to “specialization”  
Use “and/or”
areas related to intended specialization and an overall required number of hours or days.

**PARAGRAPH 24**
Member bodies may consider setting requirements, as illustrated in paragraph 26 below, for recognizing practical experience gained by a trainee under a program established by another institution.5.

ICAS

Should this be “These should be other IFAC member bodies” otherwise it is left open to allow work experience from any institution at all (making the inclusion of the footnote pointless)

**PARAGRAPH 25**
Member bodies may also consider setting requirements, as illustrated in paragraph 26 below, for recognizing part-time and/or voluntary work as part of a trainee’s period of practical experience.

**PARAGRAPH 26**
In situations such as those described in paragraphs 24 and 25 above, member bodies may set requirements including, for example, that:

- trainees demonstrate that their experience meets the requirements for practical experience set by the member body they wish to join; and/or
- trainees demonstrate the relevance of their practical experience to their current/future role;

5 These may include other IFAC member bodies.
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<td></td>
<td></td>
<td>and/or</td>
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<td></td>
<td></td>
<td>• only part of the practical experience gained will be recognized by the member body the trainee wishes to join.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICAS</td>
<td>Include a bullet point:</td>
<td>The member body may stipulate the maximum lapse of time since prior experience was gained</td>
<td></td>
<td>Sensible addition?</td>
</tr>
<tr>
<td>NZICA</td>
<td>Reference is made to setting requirements only in situations where previous experience is to be recognised – we would expect these requirements apply in all situations.</td>
<td></td>
<td></td>
<td>Would be useful to highlight this to provide more rigour.</td>
</tr>
<tr>
<td>CICA</td>
<td>The first bullet refers to meeting “the requirements for practical experience” but unlike Paragraph 29, it does not refer specifically to the experience being “gained under the direction of a mentor” We would suggest adding to this bullet something like “including adequate or substantially equivalent monitoring and control of their work”. We understand that it may be unrealistic to ask for such previous work to have been mentored in accordance with member body requirements but it should be understood that some form of supervision/review/ development would be necessary for the experience to qualify as practical experience as defined by the member body.</td>
<td></td>
<td></td>
<td>This is covered by the guidance in the paragraph.</td>
</tr>
<tr>
<td>EY</td>
<td>In paragraph 26 we are concerned that the Board has not adequately addressed whether and to what extent credit should be given for experience gained by those who start their professional accounting career later in life (i.e., a “second” career) or those who are starting their “official” time as trainees after years of practice in the profession.</td>
<td></td>
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**PARAGRAPH 27**
To ensure that trainees gain practical experience relevant to their current and future work roles, and that competence developed through practical experience does not become outdated, member bodies may specify a maximum period in which trainees can gain the required practical experience.
PARAGRAPH 28
To successfully develop the professional knowledge, professional skills, and professional values, ethics and attitudes trainees require, it is important that a trainee’s period of practical experience is linked to their formal education in a constructive and coherent way. For example, it may be necessary for trainees to demonstrate a certain level of technical knowledge before exercising professional judgment on that topic. This link may be achieved in at least three ways, including by:

- requiring trainees to complete their formal education before undertaking a period of practical experience; and/or
- requiring trainees to undertake a period of practical experience concurrent with their formal education; and/or
- providing a mapping that links the formal education program and practical experience competences/outcomes.

CNCC/CSOEC
§ 28 “Linking practical experience and formal education”
In reference to the first bullet: « Requiring trainees to complete their formal education before undertaking a period of practical experience … ”, we would like to know what IAESB means by "formal education"?

Is it an initial complete education in the specific fields required for accounting and auditing practice (syllabus taking into account the “IES 1 to 6”), or merely a good level of education in other domains (for example: university master degree or business school diploma)?

ICAEW
ICAEW does not support the view expressed in paragraph 28 that practical experience can routinely take place after the...
completion of formal education. We feel that it is in contradiction of IES 6, *Assessment of Professional Capabilities and Competence* paragraph 12(d), which says:

"The final assessment of professional capabilities and competence should:
(a) require a significant proportion of candidates' responses to be in recorded form:
(b) be reliable and valid;
(c) cover a sufficient amount of the whole range of professional knowledge, professional skills, and professional values, ethics and attitudes for the assessment to be credible; and
(d) be made as near as practicable to the end of the pre-qualification program."

We believe a final assessment should only occur at the end of, and close to, the period of formal education.

Moreover, we think that the decoupling of these two essential strands of training significantly undermines the rigour of a qualification and the benefits students can expect to receive. The fusion of education and experience is, to our mind, fundamental to developing a professional accountant properly. ICAEW therefore strongly supports the last point made under this paragraph regarding mapping the links between the formal education process and practical experience competences/outcomes; such an approach we feel provides credibility to a student’s learning experience. However, we would not see points 2 and 3 as alternatives, but rather point 3 as a component of point 2.

In paragraph 28 we recommend explicitly linking (successful completion of) final assessment with practical experience and formal initial education, particularly since different member bodies might sequence these periods differently. In paragraph 32, we also recommend linking (successful completion of) final assessment with role profile described herein.

An explicit link could conflict with IES 6

**PARAGRAPH 29**
Where formal education programs include substantial internships (periods of real work experience undertaken during the accounting education program), member bodies may recognize relevant experience as contributing to the overall practical experience requirement, provided that experience was gained under the direction of a mentor.
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<tr>
<td></td>
<td>CNCC/CSOEC</td>
<td>§ 29 and 30 We would like IAESB to confirm the possibility of validating periods of real work experience undertaken during the first accounting education program as part of the practical experience</td>
</tr>
<tr>
<td></td>
<td>NZICA</td>
<td>“Substantial internships” – what is “substantial”? How long should such an internship be or what competences should be achieved?</td>
</tr>
<tr>
<td></td>
<td>ACCA</td>
<td>Paragraph 29 makes reference to Internships. This term may not be universally recognised and as such it may be appropriate to expand the definition and add it to the definitions list.</td>
</tr>
<tr>
<td></td>
<td>Deloitte</td>
<td>See comment above, “Interpretation of the three year minimum practical experience requirement”.</td>
</tr>
<tr>
<td></td>
<td>ICAI</td>
<td>PARAGRAPH 30 The IAESB recognizes that some systems of accounting education emphasize the formal education component, which may contain a significant proportion of practical accounting application. IES 5 (paragraph 11) allows such a period of relevant graduate professional education to contribute no more than 12 months to the practical experience requirement.</td>
</tr>
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<td></td>
<td>We find it difficult to identify how ‘practical accounting’ as part of “a period of relevant graduate professional education” can normally be a good substitute for genuine practical experience. We agree that the period should be limited but, in addition, the type of ‘practical accounting’ should be closely monitored. Generally any reduction in our current training contract duration requirements would not be supported.</td>
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<tr>
<td></td>
<td></td>
<td>We recognise that the benefit of graduate education is (in part) the enhancement of exemptions available, thereby allowing the post graduate trainee to obtain better practical experience during their training period.</td>
</tr>
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<td></td>
<td></td>
<td>The notion of acquiring competencies through simulations rather than through practical experience is one that would require careful consideration.</td>
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</table>

This is what this paragraph tries to do

Define within paragraph?

This comes from IES 5
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<tr>
<td></td>
<td>ICAS</td>
<td>It has been acknowledged that where there may be gaps then simulation may be used. This should be reflected.</td>
<td></td>
<td>Refer overtly to “simulation” here? It is covered below (36).</td>
</tr>
<tr>
<td></td>
<td>NZICA</td>
<td>We find it disappointing that only one paragraph is dedicated to this issue, is it requires much greater elaboration. We would have expected the IAESB to take this opportunity to provide clarity on what “practical accounting application” during professional education would count. What are the parameters around this? Examples and further elaboration is required.</td>
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**Demonstrating Professional Competence**

**PARAGRAPH 31**
IES 5 (paragraph 10) requires trainees to undertake a period of practical experience that permits them to demonstrate their professional knowledge, professional skills, and professional values, ethics and attitudes.

**PARAGRAPH 32**
Member bodies will determine (a) the specific competences required of trainees, as appropriate for their environment, and (b) the defined standard for competence in one or more work roles. In setting the defined standard for competence in a particular work role, member bodies may require trainees to demonstrate a continued ability to perform relevant roles or tasks to a level appropriate for qualification as a professional accountant.

ICAS
The paragraph talks about “a continued ability to perform relevant rules”. The word continued should be removed from that paragraph. The word continued suggests that there will be an ongoing monitoring of all competencies achieved. This state of flux would mean that only on the last day of the period of practical experience would trainees be confident that they had reached a level appropriate for qualification as a professional accountant in any area as regression would be a possibility.

**Note** – all items in this subsection relate to output measures.
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<tr>
<td>1</td>
<td>NZICA</td>
<td>Assumes that all member bodies operate a competence-based approach to practical experience. Member bodies require further guidance on what such an approach is, how it can be structured, how to set those requirements, the process of development and consultation to be completed, etc. Furthermore, trainees can demonstrate knowledge, skills, and professional values ethics and attitudes without following a competence based approach.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>NZICA</td>
<td>NZICA IES 5, para 17 provides commentary on how the environment assists to develop competence; it doesn’t list the specific competences to be developed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>NZICA</td>
<td>NZICA PARAGRAPH 33 Member bodies may establish a framework for practical experience including the areas outlined in IES 5, paragraph 17. Good practice suggests that member bodies ensure trainees gain practical experience sufficient to develop and demonstrate competence in each of these areas.</td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td>NZICA</td>
<td>NZICA PARAGRAPH 34 A sample framework for practical experience, based on these areas, is presented in Table 1 overleaf, covering: Gaining Responsibility; Business Awareness; Application of Professional Values, Ethics and Attitudes; Application of Technical Knowledge; Information Technology (IT); and Professional Skills. IT, while included as a separate column in Table 1 for illustrative purposes, enables the application of the other areas set out above.</td>
<td></td>
<td>Should be “application</td>
</tr>
<tr>
<td>5</td>
<td>NZICA</td>
<td>NZICA Is it sensible to isolate IT?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PWC

We also suggest that paragraph 34 is de-linked from paragraph 17 of IES 5 through removal of the phrase ‘based on these areas’. The bullet points in paragraph 34 do not align with paragraph 17 of IES 5 (neither the order nor the content are completely consistent). Alternatively, would it be clearer to present paragraph 34 as a sample framework which covers the intent of IES 2, IES 5 and IES 8?

We also suggest a revision of the sentence in paragraph 34, which states that ‘IT … enables the application of the other areas set out…’. It is not immediately obvious how IT enables, for example, application of professional ethics.

Table 1: Illustrative Practical Experience Framework

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<tr>
<td>PWC</td>
<td>We also suggest that paragraph 34 is de-linked from paragraph 17 of IES 5 through removal of the phrase ‘based on these areas’. The bullet points in paragraph 34 do not align with paragraph 17 of IES 5 (neither the order nor the content are completely consistent). Alternatively, would it be clearer to present paragraph 34 as a sample framework which covers the intent of IES 2, IES 5 and IES 8? We also suggest a revision of the sentence in paragraph 34, which states that ‘IT … enables the application of the other areas set out…’. It is not immediately obvious how IT enables, for example, application of professional ethics.</td>
<td></td>
</tr>
</tbody>
</table>

ICAS

“Application of Professional Values, Ethics and Attitudes” should not be included in the framework. Application implies that professional values, ethics and attitudes are all present on day one and are ready to be applied when the opportunity arises. Professional values, ethics and attitudes are acquired though a combination of learning theory, following the example or those in close proximity and upbringing. There needs to be an additional heading that’s more specific to accounting. The list looks more suitable for a graduate doing a management training scheme rather than for an accountant.

Level 2 – It is not clear that all students would get the chance to achieve this especially if they work in industry.

Level 3 – This is even less likely to be achievable by students and may not be appropriate for all students e.g. a student based in tax or doing mainly accounts prep work.

IT Levels 2 and 3 don’t appear to be necessary for all accountants e.g. those working in tax. This may be most appropriate for audit students in the big firms.
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<th>Staff Comment (where necessary)</th>
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<tbody>
<tr>
<td></td>
<td>Deloitte</td>
<td>We have a number of recommendations to improve the usefulness of this table as a framework for practical experience:</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>o <strong>Business awareness</strong> - We suggest that “Business Knowledge” or “Business Acumen” are better titles since it is only level 1 that requires awareness, the succeeding levels require that the awareness is developed to knowledge and applied.</td>
<td></td>
<td></td>
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<td></td>
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<td>o <strong>Describing outcomes</strong> – We believe that the wording in the table is a good start at describing successive levels of practical experience expected of the trainee. However, we believe that the specific wording should be reviewed and revised with a view to providing good illustrations of work related outputs expected of the trainee. For example, it is difficult to measure “understanding” but much easier to measure “analysis”, “application”, “recommendations developed”, etc.</td>
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<td>o <strong>Level 3</strong> – Further to the previous comment, we find that the descriptions at level 3 lack consistency across the areas. We recommend that the IAESB consider using the description in the “business awareness” column as model for the others so that all columns include examples of how the knowledge and skill in that area could be applied to demonstrate competence. Consistency changes of this nature should also be considered for levels 1 and 2.</td>
<td></td>
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**PARAGRAPH 35**

Individuals undertaking specific work roles will require competences relevant to those roles. IES 8, *Competence Requirements for Audit Professionals*, contains specific requirements for a period of relevant experience required of an individual assuming the role of audit professional.
### No. | Respondent | Respondent Comment | ED Change | Staff Comment (where necessary)
---|---|---|---|---
AICPA | We believe practical experience for initial professional development can and should be general in nature and that specific relevant experience is not required to be assigned to audit. Member firms, not individuals, will perform the audit function through a system of rigorous quality control. | Remove specific reference to IES 8? | 
NZICA | Reference to IES 8 introduces unnecessary confusion. | As above. | 
Deloitte | We recommend that this paragraph be expanded to include some discussion to recognize the fact that the required relevant experience in respect of audit professionals may or may not be undertaken in the pre-qualification period. In addition, a reference to paragraph 23 would also be helpful. | If we keep paragraph, suggestions would be helpful. | 
**PARAGRAPH 36**
Member bodies may consider developing simulations and/or similar activities that supplement practical experience. Activities may include:
- work-based projects;
- “in-tray” type activities;
- case studies; and
- role-play.
IRBA | More guidance is required on what practical experience requirements are, i.e. will professional accountants require practical experience in every area or can it be supplemented with simulations? | Will depend on member body/environment? | 
ICAI | Whilst we recognise the benefits of simulations, such simulations are unlikely to be recognised as appropriate experience for regulated work areas such as audit. It may be of benefit for those who are primarily training in areas such as taxation however. | Propose that simulation more appropriate for non-regulated environments? |
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<tr>
<td></td>
<td>ICAS</td>
<td>Would be better if the requirements of the table were general enough that simulations are not necessary other than in exceptional circumstances. The need for simulations would suggest that contents of table are not appropriate for students, or that the work environment is not providing suitable experience. The table needs to be able to fit different work environments without the need for simulations. If simulations are to be allowed consideration needs to be given as to the amounts that would be tolerated per students otherwise some students with poor work experience could just make up the deficit using a number of simulations.</td>
<td></td>
<td>Simulation does form an important part of some member bodies’ programs, though. Previous comment seemed more supportive of them.</td>
</tr>
<tr>
<td></td>
<td>ICAEW</td>
<td>With reference to the concept of simulations highlighted in paragraph 36, ICAEW understands the attraction that simulations may have for those in small organisations where varied real experience is sometimes hard to come by but feels that caution is needed here as there is a real risk that the value provided by genuine experience will be substituted for something diluted and artificial. We have major concerns about ensuring the consistency and the validity of the simulations. We would welcome details of how they could be assessed and monitored. In addition, we would be interested in knowing the level and scope of practical work experience that would be acceptable – for example, would it encompass statutory audit? We do however differentiate between simulation and secondment, the latter of which we welcome as something that can genuinely enhance the experience of the student if undertaken under the overall supervision of the parent organisation.</td>
<td></td>
<td>Need to ensure that simulation is rigorous and assessed (can the US help with examples?)</td>
</tr>
<tr>
<td></td>
<td>AICPA</td>
<td>“In-tray” type activities should be defined.</td>
<td></td>
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<td></td>
<td>NZICA</td>
<td>Why is it recommended that member bodies should develop simulations to supplement practical experience? Is this to assess competence? Requires further explanation as to why this is suggested.</td>
<td></td>
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<tr>
<td></td>
<td>CICA</td>
<td>We believe that this paragraph could be deleted without any loss to the document. As it stands now, it is confusing as to how such “simulation activity” relates to or is affected by the maximum contribution by education to the practical experience requirement (i.e. 12 months). If it is simply an add-on, then it seems unnecessary. Member bodies may consider a lot of things. It’s unclear what this paragraph is trying to accomplish.</td>
<td></td>
<td>Propose deletion.</td>
</tr>
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</table>
Practical Experience Requirements – Initial Professional Development for Professional Accountants - Comment Analysis

No. | Respondent | Respondent Comment | ED Change | Staff Comment (where necessary)
--- | --- | --- | --- | ---

Deloitte | We would recommend adding some further context to these paragraphs, perhaps by referring back to paragraph 23 and suggesting that the good practice described in these paragraphs are ways of addressing the requirements for breadth and depth of practical experience that IFAC member bodies may put in place. | | Think about re-ordering to better link this with 23? |

EY | We suggest adding (bold) “Work based projects (i.e., “bring your own case study”)” and adding “interactive web-based learning” | | Useful suggestions |

PARAGRAPH 37
To gain the relevant experience required for qualification as a professional accountant, member bodies may consider encouraging trainees to explore opportunities such as secondment or job rotation with their current employer.

ICAI | We are encouraged to see the endorsement of the importance of career development opportunities such as rotation or secondments. | | |

AICPA | The term “secondment” is not a universal word, and we recommend it be replaced or more clearly defined. | | Find better word, or is this generally understood? |

Updating Practical Experience Requirements

PARAGRAPH 38
Member bodies may regularly review practical experience requirements to ensure they remain current and relevant. Competences required of trainees during their period of practical experience change over time. Member bodies may therefore (a) consult with others, including employers, and/or (b) conduct periodic studies, to review the competences required of professional accountants and update their practical experience requirements accordingly.
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<td></td>
<td>HKICPA</td>
<td>Member bodies may regularly review practical experience requirements to ensure they remain current and relevant (para. 38). Good practice also suggests that the member body conduct a major review of these requirements when updating syllabus requirements (para. 39). This is being done by the Accountancy Accreditation Board and Registration and Practising Committee of the Institute, and through the review of the Institute’s Qualification Programme being conducted by an independent consultant.</td>
</tr>
<tr>
<td></td>
<td>AICPA</td>
<td>Remove the term “accordingly”, it is unnecessary.</td>
</tr>
<tr>
<td></td>
<td>Deloitte</td>
<td>In its current wording, the first sentence reads much stronger than “good practice”. Alternative wording such as the following is recommended: “It is good practice for member bodies to may regularly review practical experience requirements to ensure they remain current and relevant. The competences required….”</td>
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<td></td>
<td>PWC</td>
<td>We suggest that the IAESB consider whether Paragraph 38 should read (addition in bold): Member bodies should consider regularly reviewing practical experience requirements ….</td>
</tr>
</tbody>
</table>

In our view this properly reflects the importance of keeping practical experience requirements current.

PARAGRAPH 39

Although minor changes to practical experience requirements can be made as and when necessary, good practice suggests that the member body conduct a major review of these requirements when updating syllabus requirements. This needs to take account of changes in the work and competences required of professional accountants. In conducting the review, the member body may consult a number of stakeholders, including:

- employers (including members of any “Registered Employer” scheme, and others);
- academe;
Practical Experience Requirements – Initial Professional Development for Professional Accountants - Comment Analysis

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<tr>
<td></td>
<td>CMA</td>
<td>It is suggested that the definition associated with professional accountants be expanded to include members of other accounting bodies in order to optimize the review and research process.</td>
</tr>
<tr>
<td></td>
<td>IRBA</td>
<td>More clarity is required on who the “Registered Employer(s)” will be.</td>
</tr>
<tr>
<td></td>
<td>AICPA</td>
<td>The phrase, “updating syllabus requirements”, must refer to some process that the writer is familiar with – but we do not believe most readers will understand it.</td>
</tr>
<tr>
<td></td>
<td>NZICA</td>
<td>Consider adding “regulators” to list of stakeholders.</td>
</tr>
<tr>
<td></td>
<td>ACCA</td>
<td>ACCA recommends that “Relevant accountancy oversight body” be added to the list of stakeholders (paragraph 39, page 13).</td>
</tr>
</tbody>
</table>

Section 2: Monitoring and Control

Overview

PARAGRAPH 40
This section of this IEPS provides guidance to member bodies on good practice in meeting the requirements of IES 5 regarding monitoring and control of a period of practical experience (IES 5, paragraphs 18 to 26).

HKICPA The Institute’s Practical Experience Framework complies with the good practices in appointing, approving and training mentors and in establishing registered employer schemes. However, there is a need for the Institute to improve on monitoring mentors,
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<td></td>
<td>AICPA</td>
<td>The mentoring processes presented in this document do not appear to be cost effective approaches (as discussed in paragraph 22 of IES 5) nor are they, to our knowledge, based on generally accepted “good practice.” We recommend that the guidance be streamlined to eliminate suggestions for bureaucratic approaches for achieving and monitoring practical experience standards. As written in the Proposed Statement, the entire outside mentoring process should be eliminated. Member bodies should provide employers with appropriate guidelines to monitor, control and certify the completion of appropriate practical experience of trainees. It is not practical to expect outside mentors to “be able to influence…work assignments received by trainees”. We suggest elimination of all references to outside mentors as well as registered employers. Employers are in a better position to assign responsibilities, provide supervision and counseling, and evaluate the experience gained from each assignment.</td>
</tr>
<tr>
<td></td>
<td>FAR SRS</td>
<td>As the mentor role is described in Chapters 42-44, it would comprise a combination of instructor, evaluator, coach and manager. This implies an unacceptably large number of roles/activities for one individual.</td>
</tr>
</tbody>
</table>

**PARAGRAPH 41**
Specific guidance is given in this section on (a) the role of the mentor, (b) recording and assessing practical experience, and (c) working effectively with employers (including establishing “Registered Employer” schemes for those member bodies that choose to do so).

**Role of the Mentor**

**PARAGRAPH 42**
Mentors help trainees in many ways, including helping them develop and demonstrate the professional knowledge, professional skills, and professional values, ethics and attitudes required of professional accountants.

**ED Change**

**Staff Comment**

- Guidance for mentors are not cost-effective and too bureaucratic – need major rethink.
- Is this really unrealistic?
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<tr>
<td></td>
<td>ICAS</td>
<td>There is a presumption that the rule of the mentor will be carried out by one person. It seems appropriate to recognise the possibility that the mentor role would be more properly performed if split between two persons. One person may be in a position to afford detailed assistance to the trainee on a regular basis. Another person may be able to influence practical experience and properly counsel the trainee.</td>
</tr>
<tr>
<td></td>
<td>ICAEW</td>
<td>ICAEW welcomes the attention that this Exposure Draft gives in paragraph 42 to the role of a mentor. This is a crucial function and is integral to a trainee’s professional development. ICAEW would however see this role as being set within the context of an authorised training organisation environment, where the general quality of training can be nurtured and monitored, rather than as something that exists alone and isolated within the firm. Alongside this, ICAEW would suggest that IFAC has failed to identify an equally important role that should sit with or above that of a mentor, and that is the role of the “qualified person responsible for training” within the organisation, i.e. a professional accountant and senior manager with overall responsibility for the quality of student training within the organisation. In some organisations, especially smaller ones, it is possible that the mentor and qualified person responsible for training will be the same person, but the larger the organisation the less likely this is to be the case. We therefore could not support the proposals for retired and “remote” members to be mentors, but we do agree that it is important for member bodies to monitor mentors and qualified persons responsible for training.</td>
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</table>
### PARAGRAPH 43
Mentors’ specific responsibilities may vary with the environment in which the mentor and their trainee(s) operate. Good practice suggests, however, that all mentors should aim to:

- understand trainees’ work, and their need to gain relevant practical experience for qualification as a professional accountant;
- regularly review trainees’ experience;
- influence trainees’ access to varied practical experience;
- communicate regularly and effectively with trainees, and with trainees’ line managers where appropriate;
- provide trainees with appropriate supervision, mentoring, counseling, and evaluation;
- provide feedback to trainees on their practical experience, and assess their achievement of competences; and
- report to member bodies on their assessment of trainees’ (a) application of ethical judgment, (b) behavior, and (c) development of the professional knowledge and skills required for qualification as a professional accountant.

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<tr>
<td>ICAI</td>
<td>We note that the ED does not suggest the frequency with which the reporting to the member bodies should be carried out.</td>
<td></td>
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<tr>
<td>AICPA</td>
<td>There is an excessive use of commas in the indented portion of this paragraph.</td>
<td></td>
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<tr>
<td>NZICA</td>
<td>Need to introduce the concept of planning the period of practical experience. This should also be a role of the mentor (in conjunction with the employer and the trainee).</td>
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<tr>
<td></td>
<td>CICA</td>
<td>The phrase “good practice suggests” is redundant. The fact that the information is in an IEPS already should denote that it is good practice. Good practice does not include “aiming” to do something – it should do it. We suggest this sentence read: “Mentor responsibilities can include:”</td>
</tr>
<tr>
<td></td>
<td>ACCA</td>
<td>For the sake of completeness ACCA recommends that “Participate in Mentor Training” be added to the list of mentor responsibilities on paragraph 43, page 14.</td>
</tr>
<tr>
<td></td>
<td>Deloitte</td>
<td>We believe it is important to draw a distinction between the trainees’ line managers, including those who provide supervision and appraise the individual on a day-to-day basis, and the role of the mentor. Further, we recommend that phraseology other than “supervision” and “reporting to” be used to describe the role of the mentor. Note that reference to the potential for mentor to participate in the appraisal of trainees is also included in paragraph 51. In addition, providing further good practice on how to interpret “experienced member” of an IFAC member body would be helpful.</td>
</tr>
<tr>
<td></td>
<td>EY</td>
<td>We suggest adding “Recommend appropriate training”</td>
</tr>
</tbody>
</table>
|     | PWC        | Paragraph 43 deals with the mentors’ specific responsibilities. The third bullet – mentors should aim to influence trainees’ access to varied practical experience – could be enhanced with the addition of some practical suggestions as to how a mentor could influence trainees' access to practical experience. Similarly the fourth bullet – mentors should aim to communicate regularly and effectively with trainees, and with trainees’ line managers where appropriate – could be modified to state:  
        ……, and with trainees’ line managers (or those who influence the work allocations in an organisation), where appropriate

        This reflects the reality in some environments where others, apart from a line manager, have an important role in allocation of work, and therefore, experience.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Second suggestion useful. |                                                                                                                                                                                                                                          |
### PARAGRAPHS 44

**Member bodies should consider limiting the maximum number of trainees reporting to one mentor, taking into account the need for the mentor to provide each trainee with appropriate supervision, mentoring, counseling, and evaluation.**

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<td></td>
<td>HKICPA</td>
<td>Member bodies should consider limiting the maximum number of trainees reporting to one mentor (para. 44). Under the Institute’s Practical Experience Framework, the ratio is a maximum of 1:8.</td>
</tr>
<tr>
<td></td>
<td>ICAI</td>
<td>Whilst we support the outlined aims of these paragraphs we consider that there maybe practical difficulties in limiting the number of trainees assigned, particularly in some smaller entities. In addition, in large departments/ entities where a staff pooling system is used it maybe more difficult for a mentor to monitor experience. In large practices with specialised departments it may be more difficult for a mentor to influence trainees’ access to varied experience. This is why we have not specified a number here – for member bodies to decide.</td>
</tr>
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<td></td>
<td>AICPA</td>
<td>We recommend you remove this paragraph – it adds to the length but not to the value of the guidance.</td>
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<tr>
<td></td>
<td>NZICA</td>
<td>What is the IAESB’s recommendation as to how many trainees a mentor should have?</td>
</tr>
<tr>
<td></td>
<td>Deloitte</td>
<td>We also believe that the guidance in paragraph 44 that “…member bodies should consider limited the maximum number of trainees reporting to one mentor…” should either be expanded to provide the factors that should be taken into consideration (for example, the work load of the mentor) or deleted.</td>
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**Task Force believes this is an important paragraph – mentors must give adequate time to trainees**

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<td>Task Force believes this is an important paragraph – mentors must give adequate time to trainees</td>
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</table>

### Establishing a Mentoring Process

**Member bodies may consider establishing a formal mentoring process, supported by appropriate documentation (e.g., process flowcharts). It will likely identify key elements of such a process, including:**
Identifying Potential Mentors

PARAGRAPH 46

An important part of the mentoring process is a mechanism by which suitably qualified and experienced members of IFAC member bodies are encouraged to apply to become mentors. This could include:

- member bodies encouraging suitable professional accountants, including retirees, to volunteer to become mentors (member bodies may publish and advertise the advantages of carrying out this role);
- member bodies encouraging employers to identify potential mentors within their organization;
- trainees identifying and approaching potential mentors within their organization; and/or
- regulatory authorities or similar bodies appointing mentors.

NZICA  We consider this to be a policy or programme, not a process.

EY  We suggest adding *(bold)* “Performance review/evaluation of mentors

CMA  We suggest that professional accountants who are retirees and act as mentors maintain their continuing professional development requirement. This requirement will ensure that are relatively current with respect to business practices.
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<tr>
<td>1</td>
<td>ICAI</td>
<td>We believe that “proximity” is very desirable in relation to the mentor. The ED does not indicate how a ‘remote’ mentor can ensure that the requirements of Para 43 and 44 are complied with. Whilst this is partly addressed in Para 49, we consider that this is likely to be very difficult to implement in practice.</td>
<td></td>
<td>Is physical proximity really necessary given modern working environments?</td>
</tr>
<tr>
<td>2</td>
<td>CNCC/CSOEC</td>
<td>§ 46 « Identifying potential mentors » (first bullet) Both Institutions have a qualified opinion on the possibility of identifying potential mentors among the retirees who no longer have a professional activity and who thus risk being rather quickly outdated by developments in the profession and new or updated practice. On the other hand, these retirees could prove to be very helpful in enlivening exam training or using their experience to issue advice on professional orientation.</td>
<td></td>
<td>Also suggested elsewhere. Should we include retirees?</td>
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<tr>
<td>3</td>
<td>ICAS</td>
<td>Volunteer mentors external to firms. Not sure if this is really practical. Doubtful that firms would wish an external person to fulfil this role.</td>
<td></td>
<td>Intended for SMEs more likely to welcome external support.</td>
</tr>
<tr>
<td>4</td>
<td>AICPA</td>
<td>Paragraph 46 – The third bullet point states a trainee could identify and approach a potential mentor and Paragraph 47 itemizes mentors’ knowledge requirements and qualifications. It will be unusual for a trainee to be able to assess and approach a mentor unless there is a system of identification based on the qualifications. This point (third bullet point) does not meet the criteria of being a “mechanism” as identified in the opening statement of this paragraph. The fourth bullet point includes regulatory authorities appointing mentors, and we do not believe this mechanism is a generally accepted good practice. We recommend that both the third and fourth bullets be removed.</td>
<td></td>
<td>These are examples of what does happen in different environments.</td>
</tr>
<tr>
<td>5</td>
<td>ACCA</td>
<td>There will be exceptional situations where “…suitably qualified and experienced members of IFAC member bodies…” (page 15, paragraph 46) are not available. ACCA recommends therefore the guidance on the Alternative Mentoring Arrangements (page 16, paragraph 49) should include individuals who are not “experienced members” but in all other ways substantially meet the requirements stated in paragraph 47, page 15.</td>
<td></td>
<td>For TF Discussion</td>
</tr>
<tr>
<td>6</td>
<td>Deloitte</td>
<td>We recommend that the guidance on using retired members as mentors should be supplemented to give some discussion to topics such as:</td>
<td></td>
<td>Add further guidance</td>
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- **Membership of the IFAC member body** – membership typically requires payment of fees and retired members may be somewhat reluctant to continue their subscriptions. Member bodies may consider establishing classes of membership specifically for retired members to encourage them adopting these mentor roles.
- **CPD & keeping current** – We believe some explicit guidance on whether a retiree, acting as a mentor, is required to maintain CPD together with more general guidance on keeping current would be helpful. It might be useful to make reference to the illustrative criteria in paragraph 47 in this context.

### Appointing, Approving and Training Mentors

**PARAGRAPH 47**

Member bodies may establish appointment/approval and training systems to enable them to select and train the most qualified applicants. In doing so, member bodies may develop formal criteria for becoming a mentor, similar to those set out for illustrative purposes below:

**Mentors have a current understanding of:**
- the member body’s admissions policy;
- the member body’s code of ethics;
- issues facing the profession;
- the professional knowledge and professional skills required of trainees;
- expectations associated with the mentoring process;
- professional and technical issues relevant to practical experience; and
- any other specific requirements and responsibilities in relation to mentoring.

**Mentors are:**
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<tr>
<td></td>
<td>ICAI</td>
<td>We support the approaches to mentoring and consider that this should be easy (subject to the comments below) to implement in most professional practices. However we consider that it may be difficult to implement, in the manner outlined, in industry training situations. Some issues which we feel should be considered are:</td>
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<td></td>
<td>Consider further implementation costs – are these too high? Task Force should consider including some of these suggestions (e.g. minimum level of PQE).</td>
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<td>o We believe some consideration might be given as to whether a mentor should have a minimum level of PQE (say) 3 years;</td>
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<td>o Training the number of mentors required may be an onerous task for the member body at least initially;</td>
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<td>o We consider that “industry” firms seeking approval as training organisations should be required to demonstrate their ability to provide effective mentoring;</td>
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<td>o We see significant work involved in properly applying and monitoring a mentoring process as outlined and there could be a major cost factor for training firms. We would encourage a consistent standard for all trainees regardless of where they train;</td>
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<td>o We envisage that it will normally fall on member bodies, to devise much of the mentoring systems, documents, templates etc. as individual firms (particularly in industry) may lack the capacity to do so.</td>
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<td></td>
<td>In summary, we believe the guidance is very good but little consideration has been given to the costs of implementation.</td>
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</table>
We recognise that it may be difficult to attract members to become mentors given the level of responsibility and time input that would be required and as indicated in the ED the recognition of the time input towards CPD hours would be an attraction.

We note that there can be significant level of movement within accountancy practices – and the ED does not consider how an element of continuity is to be addressed for each trainee.

There is a risk of confusion over the term mentor as this could be confused with the role of the Training Principal for example. Greater clarity would help here.

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<tr>
<td></td>
<td>ICAS</td>
<td>Consider requiring that as a condition of becoming a mentor, the individual should have been a member of the IFAC member body for a minimum period of time eg 3 years.</td>
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<tr>
<td></td>
<td>AICPA</td>
<td>We recommend that the term “have” be replaced with the term “demonstrate”.</td>
</tr>
<tr>
<td></td>
<td>EY</td>
<td>We suggest adding (bold) “The professional knowledge and professional skills required of trainees… at the competency level”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>We suggest adding (bold) “Able to influence (at least to an extent) the work assignments and training received by trainees”</td>
</tr>
<tr>
<td></td>
<td>PWC</td>
<td>We suggest adding (bold) “At the pre-qualification level?”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Introducing “should” would contravene drafting conventions</td>
</tr>
</tbody>
</table>

Mentors should have a current understanding of:

Mentors should be:
The first bullet in paragraph 47 could also read (change in bold):

- the member body’s admission requirements

The bullet - mentors are of sufficient professional standing to undertake their responsibilities as a mentor - raised a question in our mind. In practical terms, what does this mean? Is this something over and above being a member of an IFAC member body?

The bullet – mentors are interested in training future members of the profession – could also be clarified. Is it the intention of this Practice Statement to suggest that by definition, if you are interested in being a mentor, you should also be interested in training? Whilst this might often be the case, training has a much broader remit. It may be clearer to suggest that:

- mentors are interested in the development of future members of the profession.

**Monitoring Mentors**

**PARAGRAPH 48**

Member bodies may consider establishing a system of periodic monitoring to help ensure that mentors (a) continue to meet the member body’s criteria regarding knowledge, skills and professional standing, and (b) continue to provide appropriate supervision, mentoring, counseling and evaluation for their trainee(s). Such systems could include:

- desk-based monitoring of mentors (requiring documentation attesting to mentors’ knowledge, skills, professional standing and activities);
- regular training and evaluation sessions for mentors;
- obtaining feedback from trainees on their mentors’ performance;
- site visits to mentors (perhaps as part of a “Registered Employer” site visit); and
- assessing and re-appointing mentors.
Alternative Mentoring Arrangements

**PARAGRAPH 49**
The IAESB recognizes that suitably qualified mentors may not always be available in a trainee’s workplace, particularly in small and medium-sized enterprises and in the corporate sector. Where this is the case, member bodies should consider establishing alternative mentoring arrangements, which could include:

a) A team of trained remote mentors who meet the member body’s criteria for mentors, and who are available where an employer is unable to provide such expertise. In these circumstances, it is essential that the remote mentor, the IFAC member body (and/or regulatory authority), the trainee, and the employer make an extra effort to work together. This may be done, for example, by establishing a “Mentor Charter
for Trainees” that details the required support and the obligations of all parties.

b) Seeking the support of suitably qualified mentors from those providing professional services to the employer, such as accountants and business advisors. Independence rules may prevent the auditor from undertaking this role.

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<th>Respondent</th>
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<tbody>
<tr>
<td></td>
<td>HKICPA</td>
<td>Member bodies should consider establishing alternative mentoring arrangements in cases where suitably qualified mentors are not available in a trainee's workplace (para. 49). Under the Institute’s Practical Experience Framework, this is addressed by the External Authorised Supervisor Scheme.</td>
</tr>
<tr>
<td></td>
<td>ICAI</td>
<td>Mentors will be available in small professional practices but may not be available in small commercial enterprises etc. Finding suitable mentors and the costs of running these schemes are major factors. The student / trainee cannot be put in a position of receiving insufficient support during the training period. Whilst the focus is on the provision of a suitable training environment, it is incumbent on member bodies to ensure that that environment is achievable by both small and large firms alike. It is also essential that the environment is not so over-specified that it becomes impossible or uneconomic for smaller entities to train. The increasing regulatory burden on training firms can affect the attractiveness of training.</td>
</tr>
<tr>
<td></td>
<td>ICAS</td>
<td>With remote mentors, it is hard to see how the mentor can verify that the trainee has demonstrated competence.</td>
</tr>
<tr>
<td></td>
<td>AICPA</td>
<td>Sections (a) and (b) need to be edited to remove unnecessary punctuation and clauses.</td>
</tr>
</tbody>
</table>

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<tr>
<th>ED Change</th>
<th>Staff Comment (where necessary)</th>
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<tbody>
<tr>
<td></td>
<td>Difficulty of finding mentors in such circumstances is one reason for suggesting remote mentors.</td>
</tr>
<tr>
<td></td>
<td>True, but limited verification better than none.</td>
</tr>
<tr>
<td></td>
<td>Redraft (a) and (b)</td>
</tr>
</tbody>
</table>
### Recording Practical Experience

#### PARAGRAPH 50

IES 5 (paragraph 19) requires mentors to periodically review trainees’ records of practical experience. Member bodies may therefore require trainees to periodically record their practical experience in paper or web-based logbooks, potentially in “real-time” for timely control, audit, and feedback. Using these records, mentors and/or member bodies can regularly monitor the relevance, depth, and length of experience.

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<tr>
<td></td>
<td>Deloitte</td>
<td>In the context of this paragraph, we believe that it is more appropriate to use the term “verification” of trainees’ records of practical experience rather than “audit”.</td>
</tr>
<tr>
<td></td>
<td>PWC</td>
<td>Paragraph 50 sets out how the recording of practical experience (as outlined in IES 5) might be done. Whilst we recognize these are suggestions, some of the requirements (for example, real time logbooks), appear quite onerous. It would be helpful if the responsibility of the member bodies in this area could be clarified, particularly in terms of the monitoring of these records (which in some cases is currently done by the relevant organisation). Is it the intention that the member body would take on a greater role in this area as seems to be suggested?</td>
</tr>
</tbody>
</table>

---

#### PARAGRAPH 51

Records of practical experience support the mentor’s ability to provide timely feedback to trainees and/or member bodies on any shortcomings well before the end of the period of practical experience. The mentor’s verification of these records provides the:

- member body with evidence that the period of practical experience has allowed trainees to demonstrate competence;
- employer with evidence useful for appraising employees; and
- trainee with evidence of experience that may be used when seeking future employment.
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<th>Staff Comment (where necessary)</th>
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<tbody>
<tr>
<td></td>
<td>IRBA</td>
<td>An elaboration is needed on what constitutes <strong>verification</strong> by the mentor.</td>
<td></td>
<td>Can we find a better word?</td>
</tr>
<tr>
<td></td>
<td>Deloitte</td>
<td>We believe that providing additional guidance on what represents good practice in terms of the nature and detail of evidence that is appropriate for the trainee to record (a) the scope and nature of practical experience and (b) to demonstrate competence would be a very useful addition to the proposed IEPS. A proforma template for an appropriate trainee experience record could be added as an appendix to the proposed IEPS. See also our comment under paragraphs 43 and 44 regarding the inclusion of evidence for appraisals.</td>
<td></td>
<td>Add trainee experience record as an appendix? Or encourage search on IFACnet?</td>
</tr>
<tr>
<td></td>
<td>ICAEW</td>
<td>ICAEW agrees with the point, raised under paragraph 52, of reviewing trainees’ records of practical work experience. ICAEW believes that such a check provides necessary quality assurance and helps to confirm that the training environment is providing suitable experience and support for the trainee.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NZICA</td>
<td>Unsure why the member body ”should” review trainees’ records of practical experience periodically. If this role has been delegated to the mentor and employer, and there are sufficient quality assurance processes around mentors and employers, why should the member body also check trainees’ records? We consider that this will add administrative costs unnecessarily.</td>
<td></td>
<td>Good point – if mentors are properly monitored is there a need for a separate review?</td>
</tr>
<tr>
<td></td>
<td>PWC</td>
<td>A reference to ‘registered employers’ could be usefully included in one or both of these paragraphs.</td>
<td></td>
<td>Guidance is provided on these below.</td>
</tr>
</tbody>
</table>
## Assessing Practical Experience

**PARAGRAPH 53**
As suggested in paragraph 33 above, member bodies may develop a framework for practical experience appropriate for their environment that directs mentors, employers and trainees to the areas in which they are expected to gain practical experience.

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<tbody>
<tr>
<td>IRBA</td>
<td>No mention is made of formal assessment as a tool to assess the practical experience of a trainee</td>
<td></td>
<td></td>
<td>Include in para 55?</td>
</tr>
<tr>
<td>CNCC/CSOEC</td>
<td>§ 53 - 58 “Assessing Practical Experience” Both Institutions approve the suggestions. We will certainly draw inspiration from this IEPS but we fear that the accumulation of pressures and administrative tasks on the mentor could lead to discouragement or a loss of independence between the trainee and his mentor.</td>
<td></td>
<td></td>
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</tbody>
</table>

To avoid this lack of independence, the French profession places the trainee under the supervision of two qualified professional accountants:
- the «mentor» who delivers, supervises and controls the practical experience on the job,
- and an «inspector», outside of the firm and no subordinate to the employer or the trainee, independent, nominated by the concerned regional Institution, who makes sure of the compliance of training period and respect, by the trainee, of his obligations (six-monthly activity reports, participation to seminars, …).

**PARAGRAPH 54**
Where this is the case, the member body may require the mentor to confirm, in writing, that the trainee has demonstrated the required competences. As discussed in paragraph 32 above, member bodies may require trainees to demonstrate a continued ability to perform relevant roles or tasks to a level appropriate for qualification as a professional accountant.

| FAR SRS | To require that the mentor confirm in writing details of the individual’s practical experience and application of theoretical knowledge, is asking too much of the mentor. This is described in Chapters 53-58. | | | Not a requirement – |
ICAI

Given the comments made in relation to Para 47 above it may be more practical for the mentor to report to the Training Partner (where applicable) who in turn reports to a member body.

ICAS

The comment with regard to the word continued, as explained in paragraph 32 applies in this paragraph also.

Deloitte

As noted above, in our comments on paragraph 34, we recommend that the framework is further developed in this proposed IEPS to focus on outcomes so that it can be used by mentor, trainee and member body to assist in the review of whether the trainee has demonstrated the required competences.

**PARAGRAPH 55**

Mentors may assess trainees’ competence in several ways, including through:

- direct observation of trainees’ work;
- third party reports on trainees’ work;
- discussion with trainees of their work and learning (e.g., as part of an appraisal process); and
- formal interview (in conjunction with or in addition to appraisal and/or a performance review interview).
PARAGRAPH 56

Evidence and documentation that mentors may require to support their assessment of trainees’ competence could include:

- practical experience training records;
- learning logs, trainee diaries, or similar records; and
- portfolios of evidence (e.g., accounts prepared by the trainee, meeting reports, spreadsheet models, etc).

ICAI  Para 56 / 58

Both of these paragraphs refer to the trainee should maintaining a portfolio of evidence (e.g. copies of accounts, meeting reports etc prepared by the trainee). Such an approach may breach client confidentiality requirements and individual firm policies. We would suggest that this should be removed.

PARAGRAPH 57

As part of the assessment, member bodies should encourage mentors to provide regular feedback to trainees on their achievement of competences. Good practice suggests that this should take place at least annually (preferably more frequently), rather than only at the end of a period of practical experience.

IRBA  We suggest that regular feedback by mentors to trainees should definitely be more than once a year, since this will provide an opportunity to put in place any corrective measures for the trainee. We suggest that feedback should be at least every six months.

Member bodies are free to set more rigorous requirements- but probably not realistic for many environments.

Task Force to consider—should we remove this, or add a phrase such as “consistent with the needs of client confidentiality”?
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<thead>
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<th>No.</th>
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<tbody>
<tr>
<td>ICAS</td>
<td>Similar point to 49 It is not clear that a remote mentor can provide regular feedback.</td>
<td></td>
</tr>
<tr>
<td>ICAEW</td>
<td>Under paragraph 57, ICAEW would advocate that mentors/qualified persons responsible for training should be providing feedback and reviews for their trainees at least every six months. We do not feel that the recommendation for at least an annual review is in the best interest of the trainee, the organisation or the member body. Indeed, the paragraph seems to contradict itself, by stating that feedback should be given “preferably more frequently” than annually – which would imply that “best practice” would not be met by annual feedback.</td>
<td></td>
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</table>

**PARAGRAPH 58**
IES 5 (paragraph 18) requires that, before admitting a candidate to membership, the IFAC member body should ensure that the practical experience candidates have gained is acceptable. In order to assess trainees’ practical experience against its requirements for membership, the member body may require trainees, mentors and/or employers to document experience gained and competences achieved, including through:

- training records signed by the mentor;
- trainees’ learning logs, or similar records;
- trainees’ portfolios of evidence;
- records of appraisals, performance reviews and/or meetings with mentors; and
- reports by the mentor to the member body certifying practical experience gained and competences achieved by the trainee.

Any deficiencies identified by the mentor and/or the member body will need to be addressed prior to admission to membership.
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<tr>
<td></td>
<td>HKICPA</td>
<td>In order to assess trainees' practical experience against its requirements for membership, the member body may require trainees, mentors and/or employers to document experience gained and competencies achieved, including through training records signed by the mentor (para. 58). This is being done - the Institute’s students and prospective members are required to submit their Practical Experience Framework training records duly certified by their Authorised Employer/Authorised Supervisor in support of their membership application.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FAR SAS</td>
<td>There is no description as to how any possible incorrect assessment is expected to be handled</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AICPA</td>
<td>Training records should not need to by signed by a mentor (first bullet point.) This is a burdensome process in our and many other environments.</td>
<td></td>
<td>Task Force to discuss. Surely having mentors sign training records is an example of good practice? But we are not telling member bodies they must do this.</td>
</tr>
<tr>
<td></td>
<td>NZICA</td>
<td>We consider that the trainees’ records should be verified by someone, ideally the mentor or employer.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deloitte</td>
<td>The last sentence of this paragraph in its current format goes beyond providing “good practice” and should be either reworded or deleted.</td>
<td></td>
<td>Correct – we need to tone this down.</td>
</tr>
</tbody>
</table>

**Working with Employers**

**PARAGRAPH 59**

Employers, in many cases, play vital roles in (a) working with IFAC member bodies and trainees to ensure the completion of a period of practical experience that satisfies member bodies’ requirements, (b) identifying and supporting mentors, and (c) helping to match mentors and trainees.
## CMA

**Paragraphs 59 – 74**

Paragraphs 59 to 74 reinforce the view that the Exposure Draft is predominately focused on the assurance environment. To extend the recommendations to all professional accountants training in business makes the proposals impractical, specifically from the perspective of SMEs. The proposals on obtaining practical experience are similar to those employed by firms in assurance; however, we suggest that most employers of professional accountants in business and particularly SMEs, would likely neither have the staff resources, time nor the interest in the process.

As an example, organizations would likely classify the effort required to undertake to become a “Registered Employer”, as well as to report on and maintain this status as extremely onerous. The matter of member bodies interfering in the operation of employers that choose to be “Non-Registered” (paragraph 74) is very sensitive and would likely not be welcomed.

We therefore suggest that paragraphs 59 to 74 be removed from the document and replaced with material appropriate to professional accountants in business. In this instance, it is suggested that input concerning the appropriate practical experience processes be obtained from the Professional Accountants in Business Committee.

## CICA

Delete the phrase “in many cases”.

---

**PARAGRAPH 60**

In some cases, IFAC member bodies and employers may choose to enter into formal arrangements to provide relevant practical experience and support to trainees. Such arrangements may be titled “Registered Employer” schemes, or similar. Guidance on establishing these is given in paragraphs 62 to 69 below.
In paragraph 60 we suggest that all member bodies (including employers) should be required to provide relevant quality practical experience and support to trainees.

This goes well beyond IES 5, which only applies to member bodies.

Establishing Registered Employer Schemes

IFAC member bodies may consider establishing a “Registered Employer” (or similarly titled) scheme that recognizes employers that provide an environment in which trainees gain relevant practical experience.

This is similar to the Institute’s Authorised Employer/Authorised Supervisor scheme, and the suggested "Registered Employer" principles for recognition (Table 2) are already adopted by our scheme.

“Registered Employer” schemes may recognize employers for a fixed period of time, after assessing their ability to provide relevant practical experience. They may also include a mechanism for renewing approvals after re-assessment. A process for revoking Registered Employer status may also be needed where it becomes clear that an employer is no longer able either to provide relevant practical experience, or to abide by the principles and rules of the member body’s scheme.
Assessing and Approving the Practical Experience Environment

**PARAGRAPH 64**
Member bodies establishing a “Registered Employer” scheme may encourage employers to adopt four basic principles for trainees’ IPD during a period of practical experience, similar to those illustrated in Table 2 below:

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</table>

**Table 2: Illustrative “Registered Employer” Principles for Initial Professional Development**

Deloitte: We find presenting this information in a table format is somewhat cumbersome and suggest that a numbered list to paragraph 64 would suffice and be more readable.

- Point 3 in the list in its current wording “…usually via a mentor…” implies that the role of the mentor is optional. We do not believe that this is consistent with paragraph 18 of IES5.
- Point 4 – we suggest adding the phrase “and work assignments” to the sentence to emphasize that the work assignments of the trainee should be monitored and adjusted over the three year period to ensure a well balanced experience. The revised point 4 would read as follows:
  “Trainees are regularly appraised, at least once per year, and their development needs **and work assignments** re-assessed”

**PARAGRAPH 65**
IFAC member bodies may need to collect and assess evidence from employers to ensure that they are (a)
following the principles set out by the member body, and (b) providing a suitable environment for trainees to gain practical experience. Evidence could include:

- employment contracts;
- job descriptions and role profiles;
- employer training policies;
- specific documents relating to the roles and responsibilities of trainees and mentors;
- staff handbook;
- appraisal/performance review documents; and
- time sheets.

**ICAEW**

ICAEW strongly supports the principles identified for registering an employer for Initial Professional Development and the recommended evidence that should be provided under paragraph 65.

**Deloitte**

We believe this list of illustrative items should be expanded to also include those listed in paragraph 56.

**PWC**

Data protection laws which prevail in certain jurisdictions could mean that some of this data cannot be easily provided by employers to member bodies. It may be useful for this paragraph to recognise this reality and to make appropriate suggestions for dealing with it, for example, requesting consent from individuals.

In our view, providing appraisal/performance review documents and/or timesheets to member bodies would be time consuming and we do not support this suggestion. In general, we also question whether timesheets provide the qualitative data that is necessary to meet the intent of this paragraph.

We also suggest that the phrase ‘Evidence could include’ could read ‘Subject to the level of detail that is considered necessary, evidence could be gathered from one or more of the following sources:’

This change would help avoid the interpretation that the bullet points in this paragraph are interchangeable and/or that each one...
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<tr>
<td></td>
<td></td>
<td>constitutes a similar level of quality of evidence.</td>
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<td></td>
</tr>
</tbody>
</table>

**PARAGRAPH 66**

Member bodies may adopt additional requirements for registered employers that prepare trainees for qualification in specialist areas, such as audit. In some jurisdictions, such employers are referred to as “Approved Training Organizations,” or similar.

**Deloitte**

We recommend that the second sentence in this paragraph be moved to paragraph 62, where “registered employers” are described.

We are trying to be audit specific here, but ended up being unclear. Do we need this at all?

**Monitoring Employers Previously Registered**

**PARAGRAPH 67**

Periodic monitoring of registered employers helps to ensure a continuing, suitable environment for gaining practical experience. Member bodies may therefore establish monitoring systems for registered employers that include regular site visits. These could include:

- meetings with employer representative(s) and reviews of employer documentation and training records; and
- meetings with mentors and trainees to determine an employer’s continued adherence to the “Registered Employer” scheme.

**HKICPA**

This is currently being done, to a certain extent, by the Institute’s Authorised Employer/Authorised Supervisor renewal and annual information update exercise. We plan to beef up monitoring of the Authorised Employers and Authorised Supervisors by introducing a quality assurance programme under the Fifth Long Range Plan.
Establishing a System of Periodic Reporting

**PARAGRAPH 68**
Where it is impractical to regularly visit all registered employers, as described in paragraph 67 above, member bodies may establish alternative systems of periodic reporting that monitor employers’ adherence to the “Registered Employer” scheme. Such systems could include:
- periodic, desk-based monitoring of employer documentation and training records; and
- obtaining feedback from mentors and trainees (by post, telephone or e-mail) to determine an employer’s continued adherence to the requirements of the “Registered Employer” scheme.

**PARAGRAPH 69**
In establishing a system of monitoring registered employers, member bodies may choose to combine elements of (a) periodic site visits, (b) regular desk-based monitoring and (c) feedback from mentors and trainees.

Working with Non-Registered Employers

**PARAGRAPH 70**
Employers that are not members of a “Registered Employer” or similar scheme may still, in many cases, provide the practical experience required by a member body. This is often the case for trainees gaining practical experience in the corporate sector. In such situations, the member body, together with mentors and
No. | Respondent | Respondent Comment |
--- | --- | --- |
| | **trainees, will likely need to work with the employer to:** | ED Change | Staff Comment (where necessary) |
| | ● plan the trainee’s practical experience so that it meets the employer’s needs, as well as the practical experience requirements of the member body; | | |
| | ● ensure that the trainee gains a breadth and depth of practical experience, at increasing levels of complexity and responsibility; and | | |
| | ● provide evidence that the trainee has gained the competences necessary for qualification as a professional accountant. | | |

IRBA | More information is required on the rationale behind “non-registered” employers. | | |

ICAS | Non-registered employers as a concept seems in danger of failing to provide adequate practical experience for a trainee, indeed this is recognised in paragraph 72. An alternative approach would be to work with the definition of a registered employer to bring all of those attempting to offer practical experience to trainees within that definition. If the employer can provide appropriate experience why should they not just become a registered employer? | | Interesting proposal – should all employers become “registered” if they are offering practical experience? - what about implications for member body monitoring and control? |

NZICA | Why isolate corporate sector organisations? They too should be eligible for the ‘registered employer’ scheme. | | IAESB is trying to acknowledge reality here. |
PARAGRAPH 71
In order to assist trainees before they begin a period of education leading to qualification as a professional accountant, member bodies should consider publishing easily accessible practical experience requirements and guidance that detail the expected roles and responsibilities of mentors, employers and trainees. Examples of the content of such practical experience requirements and guidance are provided, for illustrative purposes only, in the appendices to this IEPS.

HKICPA  Institute has done so via issuing the Practical Experience Framework training programme and support manual which are also available on our website. These materials have also covered the suggested content areas in the appendices of the IEPS.

PARAGRAPH 72
Sometimes it is clear that an employer is unable or unwilling to provide the required practical experience. In this case, good practice suggests that the member body inform both the employer and the potential trainee, ideally before registration, that alternative arrangements need to be made to meet the member body’s requirements for qualification as a professional accountant.

ICAS  If employers are non-registered it is hard to see how the member body can influence the employer to provide practical experience. Only allowing students to train with Registered Employers would appear to avoid this situation from happening.

We’re simply trying to reflect the realities of a non-audit, non-regulated environment, where not all employers (a majority) are registered.
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<tr>
<td></td>
<td>ICAEW</td>
<td>ICAEW does not support the view expressed in paragraphs 70 and 74 that practical experience can be gained by trainees in an environment that is not “registered” by the member body. This is an absolutely fundamental point as, to us, the concept of the authorised training organisation as the only acceptable provider of work experience towards the qualification is vital and immutable. Just as we believe that education and experience should not be separated, so we believe that it is essential that the member body authorises, monitors and reviews (via physical visit) the organisations that are allowed to train. ICAEW would regard anything else as a significant dilution of standards as quality assured work experience is a foundation stone of the qualification process of a professional accountant.</td>
<td></td>
<td>Similar point to ICAS.</td>
</tr>
<tr>
<td></td>
<td>EY</td>
<td>In general we do not prefer subjective terms such as unable and unwilling. For example, what kind of criteria should one apply to determine that an employer is unable or unwilling? In our view, these terms should not be in a practice statement. Additionally, since we do not agree that Non-Registered Employers should be permitted to provide trainees with a less suitable environment than Registered Employers (see above), this paragraph should be removed.</td>
<td></td>
<td>Paragraph too –ve as drafted. Propose deletion.</td>
</tr>
<tr>
<td></td>
<td>PWC</td>
<td>A sentence could be added to the end of paragraph 72 to state that ‘It is also good practice for member bodies to follow up to ensure that the alternative arrangements have been implemented.’</td>
<td></td>
<td>This would be covered by member body’s monitoring of mentors and/or trainees.</td>
</tr>
</tbody>
</table>

**PARAGRAPH 73**

To ensure that the objectives of a period of practical experience are met, regular and effective communication between the member body, the mentor, the employer and the trainee is essential. Good practice suggests that member bodies ensure that appropriate mechanisms are in place to facilitate regular communication between these parties

|     | CICA       | The phrase “good practice suggests” is redundant. The fact that the information is in an IEPS already should denote that it is good practice. |          | Useful drafting suggestion. |

We suggest this sentence read:

“Appropriate mechanisms should be in place to facilitate regular communication between these parties.”
PARAGRAPH 74
Member bodies may wish to establish periodic monitoring systems of non-registered employers to ensure that trainees continue to gain the relevant practical experience required to qualify as professional accountants. These could include:

- more frequent/more in-depth monitoring of mentors, to ensure they continue to provide adequate supervision, mentoring, counseling, evaluation, support and advice to trainees;
- more frequent/more in-depth monitoring of trainees’ records, to ensure they are gaining relevant experience likely to satisfy the member body’s admissions requirements;
- obtaining feedback from mentors and trainees (in person, or by post, telephone or e-mail) as to the suitability of the practical experience environment; and
- meetings (if possible) with mentors and employer representative(s) to discuss trainees’ progress and the practical experience environment.

CICA This last bullet, in our view, is probably the strongest practice in the list and yet it is qualified – to occur only “if possible”.

The last bullet should be the first bullet and the words “if possible” should be deleted. Moreover, additional examples of best practice that include the employer should be added to this list.

ACCA Where an employer has been “registered” there is a clear relationship upon which the Member Body may monitor that employer to ensure that trainees are gaining relevant and effective practical experience. However, in the absence of such a relationship, as is the case with non-registered employers, the Member Body will have no locus standi on which to monitor. ACCA recommends, therefore, that the thrust of paragraph 74, page 22, be modified to reflect the reality that monitoring in these circumstances will be voluntary and the ability to enforce any recommendations is limited.

Useful drafting suggestion – the bullets are introduced by “could include” anyway.

Need to stress voluntary nature of such arrangements.
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<td></td>
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<td>In paragraph 74 we suggest that member bodies be <strong>required</strong> to establish periodic monitoring systems of non-registered employers to ensure that trainees continue to gain the relevant quality practical experience required to qualify as professional accountants.</td>
<td></td>
<td>Is this realistic? Member bodies may not be able to gain access.</td>
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**APPENDICES**

**General Statements of Support**

ICAEW  
ICAEW would like to compliment IFAC on the information provided in the appendices which is clear and provides useful suggested content and example requirements that will be helpful for both member bodies and employers. However, it was not completely clear to us whether the appendices were supposed to relate to all circumstances or only to those of the non-registered employer environment. For example, paragraph 71 (and indeed 72) is within the section headed, “Working with Non-Registered Employers” whereas the appendices refer to registered employers.

**General Statements of Concern**

ICAEW  
However, it was not completely clear to us whether the appendices were supposed to relate to all circumstances or only to those of the non-registered employer environment. For example, paragraph 71 (and indeed 72) is within the section headed, “Working with Non-Registered Employers” whereas the appendices refer to registered employers.  

Need to clarify this in final version – appendices relate to all.
Appendix 1: Illustrative Guidance for Mentors, Employers and Trainees

Good practice suggests that member bodies should consider developing easily accessible (a) practical experience requirements and (b) guidance for employers, mentors and trainees which are clear and appropriate to the environment to which they relate. Suggested content (for illustrative purposes only) for these is provided below:

Deloitte

We found putting all the sections of this appendix into one continuous table made it difficult to read and to clearly distinguish between “guidance on practical experience requirements” and “other guidance”. We have the following recommendations:

- Divide the existing table into two separate tables
- Add major headings to each new table (e.g., “Suggested Content of Practical Experience Requirements” and “Suggested Topics for Other Guidance”).
- Add subheadings within each new table to highlight the guidance pertinent to different audiences (e.g., Mentors; Employers, Trainees).

In addition, we would add the following points:

- For mentors – (a) highlight the monitoring process covering their activities; (b) describe the reporting process they should follow
- For trainees – (a) describe their responsibilities – so that there is a clearer balance between those of the mentor, employer and trainee; (b) describe the reporting process and content of records to be submitted.
- For Employers – (a) requirements for monitoring mentors and trainees; (b) responsibility for reporting to the IFAC member body.

Add major headings to each new table (e.g., “Suggested Content of Practical Experience Requirements” and “Suggested Topics for Other Guidance”).

EY

Comments on Appendix 1:

TF to consider re-organizing tables.
Appendix 2: Additional, Illustrative Guidance for Trainees

In some circumstances, trainees themselves may play a substantial role in establishing suitable conditions for obtaining the practical experience required by their member body. Where this is the case, member bodies should consider publishing additional guidance for trainees to help them:

a) Obtain employment that will allow them to complete the required period of practical experience;

b) Obtain guidance from a suitably qualified mentor, enabling trainees to demonstrate the professional knowledge; professional skills; and professional values, ethics and attitudes required of professional accountants; and

c) Plan and record the period of practical experience to ensure that both trainee and employer objectives are met.

Suggested content (for illustrative purposes only) of such guidance is provided below:
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V. Editorial Comments

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