



WIRTSCHAFTSPRÜFERKAMMER

Körperschaft des  
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## **Gemeinsame Stellungnahme von IDW und WPK zum Entwurf der “International Education Standards for Professional Accountants” des IFAC Education Committee**

Mit Schreiben vom 17. Januar 2003 haben das Institut der Wirtschaftsprüfer und die Wirtschaftsprüferkammer wie folgt gegenüber der International Federation of Accountants wie nachfolgende wiedergegebene Stellung genommen:

### **1. Guiding Principles for International Education Statements**

To ensure the application of uniform procedures for all IFAC committees we would recommend adjusting the operating procedures of the Education Committee, as well as the provisions for a consultative process and any quorum and voting requirements to match the procedures and requirements in other IFAC committees, such as the procedures and requirements in the IAASB. In contrast to the three year membership term before rotation for other members of the committee, like in the IAASB we believe that the membership term of the chair ought to be six years so that the chair has at least one term of three years' prior experience on the committee.

The term “*standard*” *paragraph* used in paragraph 17 could be misleading since the statement itself actually qualifies as a Standard. We recommend text in bold type-face be named *general principles and specific requirements* (in consonance with IAASB practice) to avoid the use of the term *standard* for different matters.

We believe that it does not make sense to use different definitions for the same terms in different standards. Consequently, the current definitions for terms common to more than one standard ought to be uniformly applied. A list of definitions for all terms used in a standard is not necessary in each standard if an overall glossary of terms is introduced separately into the whole set of Education Committee pronouncements. However, to ensure that the definitions used have a basis in the standards themselves, every definition listed in the Glossary of Terms ought to have been introduced in at least one standard. This may mean that a final determination of definitions may not be possible until all core standards have gone through the entire due process.

## **2. Introduction to International Education Standards for Professional Accountants**

### **2.1. Paragraph 10**

The draft indicates that because accountants face increasing demands they are not in a position to limit themselves to being just technically competent. The draft points out that, in addition to technical knowledge, personal qualities such as communications skills and entrepreneurial competence as well as sales qualifications are required. The accountant should be a *first class manager* and *entrepreneur* as well as a *good sales person*.

Certainly, the ability to sell his or her services is a prerequisite for an accountant's career and hence for his or her entrepreneurial success irrespective of whether the member of the profession is a sole practitioner, a partner or officer in a firm or an employee. Nevertheless, one should clearly distinguish between the requirement to be entrepreneurially competent to achieve success as a sole practitioner or in a firm (which is covered by the terms "first class manager" and "entrepreneur") and unbecoming sales conduct that may impair the reputation of the profession. Consequently, we recommend that the term "good sales person" be deleted.

### **2.2. Paragraph 19**

In our opinion the draft defines minimum "requirements". Hence, the term benchmarks, which suggests that these may not be exceeded, should be replaced with the term "requirements"

## **3. Entry Requirements**

### **3.1. Discussion Question 1**

The entry requirement for a program of study leading to membership in the profession should be the level of admission to a university. However, the profession should be open to applicants without university admission, if they have an equivalent education. The requirements for those with equivalent educational backgrounds should be defined at a high level.

The training as an accountant generally requires an academic background to ensure that the future professional accountant disposes of systematic theoretical knowledge enabling the development of solutions to problems without assistance in a highly dynamic environment of increasing complexity. In such an environment routines learned by rote often fail. Academic studies provide a foundation that makes life-long learning possible.

#### **4. Content of Professional Education Programs**

##### **4.1. Paragraphs 13 et seq.**

Given the high demands on the qualifications of professional accountants, a two-year period of studies is not adequate to impart basic professional-level knowledge. In our view, the education program should be of at least the equivalent of three years' full time study and such education should be focused more on specific topics relevant to professional accountants.

##### **4.2. Paragraph 18 et seq.**

The different areas covered by education, which appear to be ranked equally in the draft should be weighted and focus more on the core competences of accountants. The contents of training presented in paragraph 19 do not appear to be logically connected to the structure of paragraph 18. Furthermore, an explanation of the difference between "knowledge", "understanding" and "basic knowledge" may be helpful.

##### **4.3. Question 1**

The draft does encompass those areas of education required, but the educational priorities among these are not defined. Each of these areas are not of equal importance, e.g. accounting is of greater importance than topics such as *marketing* or *globalisation*.

The education should be focused more on core professional activities.

##### **4.4. Question 2**

The education needed would require at least three years' study at an academic level.

#### **5. Professional Skills and General Education**

##### **5.1. Paragraph 17 ff.**

The presentation of the *professional skills* should also be weighted.

##### **5.2. Paragraph 22**

The *ability to work in a team* contained in the list should be assigned to the *interpersonal skills* presented in paragraph 21.

### **5.3. Question 1**

The draft appears to cover the essential requirements for the personal qualities of applicants. Nevertheless, the draft should recognise that entry-level professionals do not have all of the abilities that they may need throughout their entire career.

### **5.4. Question 2**

Not all required abilities can be obtained by means of education. We refer to our comments on Question 1.

## **6. Professional Values and Ethics**

### **6.1. Question 1**

The draft appears to cover all essential aspects.

### **6.2. Question 2**

We believe that all of these requirements are implementable.

## **7. Experience Requirements**

### **7.1. Paragraph 18**

Academic education can only provide professional knowledge and methods in a very limited way. Hence, professional experience is more important to the provision of such knowledge and methods. Presumably experience after having completed an academic education is more important than that before, because the theoretical knowledge is already there. To ensure appropriate qualifications, professional training should be completed after and perhaps intermittently during professional education, but not before professional education.

### **7.2. Paragraph 19**

Systematic practical training is of great importance. We suggest that documentation of nature and scope of the practical experience be required as part of the registration for the professional exam to ensure that the applicant has sufficient practical experience in those areas of work of the relevant to accountants.

### **7.3. Question 1**

The requirements with respect to the duration of the practical training appear to be adequate. The standard should set forth the appropriate order of the steps to be undertaken towards qualification.

### **7.4. Question 2**

Compare our comments to paragraph 19.

## **8. Assessment of Professional Competence**

### **8.1. Question 1**

We believe the completion of a professional examination to be essential to the determination of whether the candidate meets minimum professional competency requirements. Furthermore, the standard should define the subject areas covered by the professional examination.

### **8.2. Question 2**

We are convinced that professional organisations generally acknowledge the necessity of a professional exam as a quality assurance mechanism and will take care that such a mechanism is implemented.

## **9. Continuing Professional Education**

### **9.1. Question 1**

The requirements for structured continuing professional education appear to be adequate. Furthermore the commitment to continuing professional education also encompasses members of the profession keeping themselves up-to-date on current developments in their profession through self-study of current literature. Consequently, the pronouncement should also emphasise the necessity of the *unstructured learning*. In fact, the required scope for unstructured learning may exceed that of *structured learning*. The corresponding statements in paragraph 25 of the International Education Guideline No. 2 *Continuing Professional Education* should be incorporated here.

### **9.2. Question 2**

In a dynamic environment characterised by increasing complexity continuing professional education is of special importance to meet the high demands upon the profession. A further

differentiation of requirements in this regard depending upon the services actually provided by the profession appears to be necessary. To retain the trust of the public in the work of financial statement auditors, such requirements must be even higher for accountants in public practice.

### **9.3. Question 3**

To enforce the commitment to continuing professional education, adequate controls are required.