

**Final Pronouncement**  
January 2014

*International Education Standard (IES) 3*

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**Initial Professional  
Development – Professional  
Skills (Revised)**

**IAESB**

International Accounting  
Education  
Standards Board™

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The IAESB develops education standards, guidance, and information papers on pre-qualification education, training of professional accountants, and continuing professional education and development.

The objective of the IAESB is to serve the public interest by setting high-quality education standards for professional accountants and by facilitating the convergence of international and national education standards.

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# INTERNATIONAL EDUCATION STANDARD 3 (REVISED)

(EFFECTIVE ON JULY 1, 2015)

## INITIAL PROFESSIONAL DEVELOPMENT – PROFESSIONAL SKILLS

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## Introduction

### Scope of this Standard (Ref: Para A1–A8)

1. This International Education Standard (IES) prescribes the learning outcomes for professional skills that aspiring professional accountants are required to demonstrate by the end of Initial Professional Development (IPD). Professional skills are the (a) intellectual, (b) interpersonal and communication, (c) personal, and (d) organizational skills that a professional accountant integrates with technical competence and professional values, ethics, and attitudes to demonstrate professional competence.
2. This IES is addressed to International Federation of Accountants (IFAC) member bodies. IFAC member bodies have responsibility for ensuring that IPD meets the requirements of this IES. In addition, this IES may be helpful to educational organizations, employers, regulators, government authorities, and any other stakeholders who support the learning and development of aspiring professional accountants.
3. This IES specifies the competence areas and learning outcomes that describe the professional skills required of aspiring professional accountants by the end of IPD. IES 2: *Initial Professional Development—Technical Competence*, and IES 4: *Initial Professional Development—Professional Values, Ethics, and Attitudes*, specify competence areas and learning outcomes relevant to their areas of focus within IPD. Together, these IESs specify the competence areas and learning outcomes that describe the professional competence required of aspiring professional accountants by the end of IPD.
4. Definitions and explanations of the key terms used in the IESs and the *Framework for International Education Standards for Professional Accountants* are set out in the International Accounting Education Standards Board (IAESB) *Glossary of Terms*.

### Effective Date

5. This IES is effective from July 1, 2015.

### Objective (Ref: Para A9)

6. The objective of this IES is to establish the professional skills that aspiring professional accountants need to develop and demonstrate by the end of IPD, in order to perform a role as a professional accountant.

## Requirements

### Learning Outcomes for Professional Skills (Ref: Para A10–A15)

7. IFAC member bodies shall prescribe the learning outcomes for professional skills to be achieved by aspiring professional accountants by the end of IPD. These learning outcomes shall include those listed in Table A.

**Table A: Learning Outcomes for Professional Skills**

<b>Competence Area (Level of Proficiency) <sup>1</sup></b>	<b>Learning Outcomes</b>
(a) Intellectual  (Intermediate)	(i) Evaluate information from a variety of sources and perspectives through research, analysis, and integration.
	(ii) Apply professional judgment, including identification and evaluation of alternatives, to reach well-reasoned conclusions based on all relevant facts and circumstances.
	(iii) Identify when it is appropriate to consult with specialists to solve problems and reach conclusions.
	(iv) Apply reasoning, critical analysis, and innovative thinking to solve problems.
	(v) Recommend solutions to unstructured, multi-faceted problems.
(b) Interpersonal and communication  (Intermediate)	(i) Display cooperation and teamwork when working towards organizational goals.
	(ii) Communicate clearly and concisely when presenting, discussing and reporting in formal and informal situations, both in writing and orally.
	(iii) Demonstrate awareness of cultural and language differences in all communication.
	(iv) Apply active listening and effective interviewing techniques.
	(v) Apply negotiation skills to reach solutions and agreements.
	(vi) Apply consultative skills to minimize or resolve conflict, solve problems, and maximize opportunities.
	(vii) Present ideas and influence others to provide support and commitment
(c) Personal  (Intermediate)	(i) Demonstrate a commitment to lifelong learning.
	(ii) Apply professional skepticism through questioning and critically assessing all information.
	(iii) Set high personal standards of delivery and monitor personal performance, through feedback from others and through reflection.
	(iv) Manage time and resources to achieve professional commitments.
	(v) Anticipate challenges and plan potential solutions.
	(vi) Apply an open mind to new opportunities.
(d) Organizational	(i) Undertake assignments in accordance with established practices to meet prescribed deadlines.

<sup>1</sup> The level of proficiency for a competence area to be achieved by the end of IPD (as outlined in Appendix 1)

Competence Area (Level of Proficiency) <sup>1</sup>	Learning Outcomes
(Intermediate)	(ii) Review own work and that of others to determine whether it complies with the organization’s quality standards.
	(iii) Apply people management skills to motivate and develop others.
	(iv) Apply delegation skills to deliver assignments.
	(v) Apply leadership skills to influence others to work towards organizational goals.
	(vi) Apply appropriate tools and technology to increase efficiency and effectiveness and improve decision making

**Review of Professional Accounting Education Programs** (Ref: Para A16–A17)

8. IFAC member bodies shall regularly review and update professional accounting education programs that are designed to achieve the learning outcomes in this IES.

**Assessment of Professional Skills** (Ref: Para A18–A20)

9. IFAC member bodies shall establish appropriate assessment activities to measure the achievement of the professional skills of aspiring professional accountants.

**Explanatory Material**

**Scope of this Standard** (Ref: Para 1–4)

- A1. An aspiring professional accountant is an individual who has commenced a professional accounting education program as part of IPD. IPD is the learning and development through which aspiring professional accountants first develop competence leading to performing a role as a professional accountant. IPD includes general education, professional accounting education, practical experience, and assessment.
- A2. General education may help aspiring professional accountants to develop professional skills, by giving them a broader perspective and assisting them to communicate effectively, research, analyze, and apply logical reasoning and critical thinking to problems.
- A3. IPD continues until aspiring professional accountants can demonstrate the professional competence required for their chosen roles in the accountancy profession. Internationally, there are significant legal and regulatory differences that determine the point of qualification (or licensing) of professional accountants. Each IFAC member body may define the appropriate relationship between the end of IPD and the point of qualification (or licensing) for its members.
- A4. Professional competence can be described and categorized in many different ways. Within the IESs, professional competence is the ability to perform a role to a defined standard. Professional competence goes beyond knowledge of principles, standards, concepts, facts, and procedures; it is the integration and application of (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes.

- A5. The inclusion of professional skills in IPD lays the base for performing a role as a professional accountant. Further development of professional skills is a focus of Continuing Professional Development (CPD), which is covered in *IES 7 – Continuing Professional Development*.
- A6. Within this IES, professional skills are categorized into four competence areas:
- (a) *Intellectual* relates to the ability of a professional accountant to solve problems, to make decisions, and to exercise professional judgment;
  - (b) *Interpersonal and communication* relate to the ability of a professional accountant to work and interact effectively with others;
  - (c) *Personal* relates to the personal attitudes and behavior of a professional accountant; and
  - (d) *Organizational* relates to the ability of a professional accountant to work effectively with or within an organization to obtain the optimal results or outcomes from the people and resources available.
- A7. A competence area is a category for which a set of related learning outcomes can be specified. Competence areas within professional skills include intellectual and organizational; competence areas within technical competence include financial accounting and reporting, taxation and economics; and competence areas within professional values, ethics, and attitudes include ethical principles as well as professional skepticism and professional judgment.
- A8. Learning outcomes establish the content and the depth of knowledge, understanding, and application required for each specified competence area. Learning outcomes can be demonstrated within the context of a work environment or professional accounting education program.

### **Objective (Ref: Para 6)**

- A9. Establishing the professional skills that aspiring professional accountants need to develop and demonstrate by the end of IPD serves several purposes. It protects the public interest, enhances the quality of the work of professional accountants and promotes the credibility of the accounting profession.

### **Requirements**

#### **Learning Outcomes for Professional Skills (Ref: Para 7)**

- A10. Table A lists the learning outcomes for professional skills to be achieved by aspiring professional accountants by the end of IPD, regardless of their intended future accounting specialization or role. These learning outcomes provide the base to enable professional accountants to develop specializations in different accounting roles, for example an audit engagement partner or a taxation specialist.
- A11. In the design of professional accounting education programs, the four competence areas listed in Table A may not be identical to the names of prescribed courses or subjects. Also, the learning outcomes associated with one competence area (for example, organizational) may be achieved across more than one course or subject. The achievement of some learning outcomes (for example, those within intellectual) may extend across several different courses or subjects, none of which may be devoted solely to that competence area.

- A12. There are many ways to describe and classify levels of proficiency. The description developed by the IAESB is provided in Appendix 1, Description of Levels of Proficiency.
- A13. In Table A, each competence area has been assigned a level of proficiency that aspiring professional accountants are expected to achieve by the end of IPD. This level of proficiency indicates the context in which the relevant learning outcomes are expected to be demonstrated. Together, the learning outcomes and the level of proficiency of the competence area, provide information to help IFAC member bodies design their professional accounting education programs.
- A14. In professional accounting education programs, an IFAC member body may: (a) include additional competence areas; (b) increase the level of proficiency for some competence areas; or (c) develop additional learning outcomes that are not specified in this IES. This may occur when an IFAC member body prepares aspiring professional accountants to work within a particular industry sector (for example, the public sector) or for a particular role (for example, a management accountant or an auditor).
- A15. IFAC member bodies, educators, and other stakeholders are encouraged to identify the most appropriate approach to learning and development for professional skills, taking into consideration the national and cultural environment. An appropriate approach is likely to include a mixture of learning and development activities which combine structured learning programs and practical experience. For example, practical experience supervisors play an important role in helping aspiring professional accountants to develop professional skills within the workplace.

**Review of Professional Accounting Education Programs** (Ref: Para 8)

- A16. Professional accounting education programs are designed to support aspiring professional accountants to develop the appropriate professional competence by the end of IPD. Such programs may include formal education delivered through qualifications and courses offered by universities, other higher education providers, IFAC member bodies, and employers, as well as workplace training. The design of the professional accounting education programs may involve substantive input from stakeholders other than IFAC member bodies.
- A17. The requirement to review and update professional accounting education programs on a regular basis reflects the rapidly changing and complex environment within which professional accountants operate. A typical review cycle may be three to five years, but it may be appropriate to undertake a more frequent review, for example to take account of changes in legislation, regulations, and standards relevant to professional accountants.

**Assessment of Professional Skills** (Ref: Para 9)

- A18. *IES 6, Initial Professional Development—Assessment of Professional Competence*, provides the principles that apply to the design of assessment activities used to measure the achievement of professional skills and other elements of professional competence.
- A19. Various assessment activities can be used to measure the achievement of the professional skills of aspiring professional accountants. Work-based simulations or group exercises are examples of activities that enable aspiring professional accountants to develop and demonstrate achievement of learning outcomes related to professional skills, within a professional accounting education



program. Practical experience also enables aspiring professional accountants to participate in assessment activities to demonstrate their professional skills. Examples of such activities include (a) keeping a diary, (b) participating in 360 degree assessments, (c) compiling portfolios of evidence of achievement of learning outcomes, or (d) being monitored by a practical experience supervisor.

- A20. Assessment of professional skills in the workplace may require a different approach to that of written examinations in order to achieve high levels of reliability, validity, equity, transparency, and sufficiency. For example, assessment design may include:
- (a) Specification of learning outcomes that are clear and detailed in order to minimize ambiguity and increase the reliability and transparency of the assessment;
  - (b) Training of workplace assessors in order to achieve consistency between assessors and equity between candidates; and
  - (c) Creation of work-based simulations in order to provide sufficient, equitable, and reliable assessments of professional skills.

### **Description of Levels of Proficiency**

This description of levels of proficiency supports the IAESB’s use of learning outcomes in its publications such as International Education Standards (IESs) 2, 3 and 4. It provides descriptions of three levels of proficiency. These descriptions, together with the learning outcomes, provide information to help IFAC member bodies design their professional accounting education programs for a variety of professional accounting roles and specializations.

<b>Level of Proficiency</b>	<b>Description</b>
Foundation	<p>Typically, learning outcomes in a competence area focus on:</p> <ul style="list-style-type: none"> <li>• Defining, explaining, summarizing, and interpreting the underlying principles and theories of relevant areas of technical competence to complete tasks while working under appropriate supervision;</li> <li>• Performing assigned tasks by using the appropriate professional skills;</li> <li>• Recognizing the importance of professional values, ethics, and attitudes in performing assigned tasks;</li> <li>• Solving simple problems, and referring complex tasks or problems to supervisors or those with specialized expertise; and</li> <li>• Providing information and explaining ideas in a clear manner, using oral and written communications.</li> </ul> <p>Learning outcomes at the foundation level relate to work situations that are characterized by low levels of ambiguity, complexity, and uncertainty.</p>
Intermediate	<p>Typically, learning outcomes in a competence area focus on:</p> <ul style="list-style-type: none"> <li>• Independently applying, comparing and analyzing underlying principles and theories from relevant areas of technical competence to complete work assignments and make decisions;</li> <li>• Combining technical competence and professional skills to complete work assignments;</li> <li>• Applying professional values, ethics, and attitudes to work assignments; and</li> <li>• Presenting information and explaining ideas in a clear manner, using oral and written communications, to accounting and non- accounting stakeholders.</li> </ul> <p>Learning outcomes at the intermediate level relate to work situations that are characterized by moderate levels of ambiguity, complexity, and uncertainty.</p>
Advanced	<p>Typically, learning outcomes in a competence area focus on:</p> <ul style="list-style-type: none"> <li>• Selecting and integrating principles and theories from different areas of technical competence to manage and lead projects and work assignments and to make recommendations appropriate to stakeholder needs;</li> </ul>

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<b>Level of Proficiency</b>	<b>Description</b>
	<ul style="list-style-type: none"><li>• Integrating technical competence and professional skills to manage and lead projects and work assignments;</li><li>• Making judgments on appropriate courses of action drawing on professional values, ethics, and attitudes;</li><li>• Assessing, researching and resolving complex problems with limited supervision;</li><li>• Anticipating, consulting appropriately, and developing solutions to complex problems and issues; and</li><li>• Consistently presenting and explaining relevant information in a persuasive manner to a wide-range of stakeholders</li></ul> <p>Learning outcomes at the advanced level relate to work situations that are characterized by high levels of ambiguity, complexity, and uncertainty.</p>

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