

IES Proposed Revisions: Takeaway Lessons to Enhance International Accounting Education Standards Convergence

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Abstract

International accounting education standards convergence is an important issue as it enhances the global accountancy profession's competency and public trust to the profession. This paper attempts to conduct an analysis on IES 2, 3, 4 and 8 proposed revisions and the comment letters received from various respondents, to contribute to the IAESB's effort in improving international accounting education standards convergence across jurisdictions. A content analysis approach is applied to the proposed revisions as well as the submitted comment letters, then discussions are provided based on the result of analysis and relevant literatures on the field. Analysis on comment letters reveals some recurring comments from respondents that need to be addressed by the board. In addition, a demographical-related analysis on comment letters also discloses several issues. Recommendations are given for the IAESB to gain its legitimacy and for academics to participate more in an effort to promote international accounting education standards.

Keywords: accounting education; IAESB; IES; international accounting education standards

Abstrak

Konvergensi standar internasional pendidikan akuntansi adalah hal yang penting karena dapat meningkatkan kompetensi profesi akuntan secara global dan kepercayaan publik terhadap profesi. Artikel ini mencoba melakukan analisis atas usulan revisi IES 2, 3, 4 dan 8 dan komentar yang diterima dari berbagai responden, untuk berkontribusi pada upaya dari IAESB dalam meningkatkan konvergensi standar internasional pendidikan akuntansi antar yurisdiksi. Pendekatan analisis isi diterapkan pada usulan revisi dan komentar yang dikirimkan, diikuti oleh pembahasan yang didasari oleh hasil analisis dan literatur terkait yang relevan. Analisis terhadap komentar mengungkapkan komentar yang muncul berulang kali dari responden yang perlu ditanggapi oleh IAESB. Selain itu, analisis demografis terhadap komentar mengungkapkan sejumlah isu. Sejumlah rekomendasi diberikan kepada IAESB untuk memperoleh legitimasi dan kepada akademisi untuk lebih berpartisipasi dalam upaya mempromosikan standar internasional pendidikan akuntansi.

Kata kunci: pendidikan akuntansi; IAESB; IES; standar internasional pendidikan akuntansi

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INTRODUCTION

Globalization has affected many aspects of life, including the accounting profession. Many of the discussions surrounding this issue revolve around harmonization of international accounting standards and the adoption of IFRS (International Financial Reporting Standards) in various jurisdictions around the world. The topic of accounting education globalization is somewhat overlooked and not discussed that much compared to the accounting standards one, although recently it has attracted academicians to conduct research on that area. For instance, a research done by Watty, et al. (2014) found that there are variations in terms of accounting education systems in three examined countries (Sri Lanka, Japan and Australia). They tried to develop a global model for accounting education, however they realized that there is no one-size-fits-all model as there are diversities across countries. As indicated by Helliard (2013), a number of factors are involved in the development of accounting education, such as economic, political, historical and social factor. Hence, the comparability of accounting education and its consistent practice among countries is somewhat questionable. Despite this challenge, there is still a need for accounting education global standards, which comes from the intention to minimize the gaps of accounting education standards among countries, which can facilitate accounting professionals job mobility (Yusof & Noh 2016).

The institution responsible for developing international accounting education standards is the IAESB (International Accounting Education Standards Board), one of the four independent standard setting bodies under IFAC (International Federation of Accountants). The IAESB issues a range of publications, one of which is the Handbook of International Education Pronouncements,

often referred to as the IES (International Education Standards). In order to remain relevant with the ever-changing world, throughout the years the IES have undergone several revisions. As mentioned by Sugahara and Watty (2016), these revisions and improvements of IES are essential to improve the credibility of the issuing body, along with maintaining IES validity and reliability in the accounting education practice.

The most recent IES revision is the newly revised IES 7 Continuing Professional Development, which was published on 28 January 2019 and to be effective from 1 January 2020. Besides this, the IAESB, up to the writing of this article, is also in the process of revising IES 2, 3, 4 and 8 with emphasis on information and communication technologies (ICT) and professional skepticism, two traits deemed essential to be possessed by professional accountants in this technology era. These revisions arise because the IAESB concluded that current versions of IES did not adequately address the accounting profession's current and future needs in ICT and professional skepticism areas. This conclusion was based on several information gathering activities organized by the IAESB.

On December 2018, after taking into account consultations with stakeholders and insight from various sources, an exposure draft was released and comments/ feedbacks from stakeholders were expected. This article discusses the responses received from stakeholders and highlights several lessons that can be learned from this process, to give recommendations to the IAESB as well as stakeholders of accounting education, with the purpose of advancing the accounting profession through accounting education global standards, to better serve the public interest. Consequently, this article attempts to answer the following questions: (1) What

lessons can be learned from the process of IES proposed revisions? (2) How can the IAESB improve its effort to promote IES as the international standards for accounting education? However, one limitation of this paper is that the final version of the revision along with basis on conclusion which has not been released yet up to the writing of this article.

LITERATURE REVIEW

Based on the information available on its official website (<https://www.ifac.org>), the IFAC was established back in 1977. Its vision and mission indicate that this organization strives to make the accounting profession be acknowledged by the society through its vital role in serving the public interest. Some of the efforts put forward in order to achieve this are, among others, to develop, promote, and help the implementation of international standards and to help professional accountancy organizations in building their capacity. Its structure consists of: (1) the IFAC Council, which deals with strategic directions as well as constitutional-related matters (2) the IFAC Board, which performs overseeing function to make sure the attainment of IFAC's mission and consists of four subcommittees – audit, governance, planning and finance, public policy and regulation (3) the management, which is responsible for IFAC operational activities. There are four independent standard setting boards under IFAC's governance: IAESB, IESBA (International Ethics Standards Board for Accountants), IAASB (International Auditing and Assurance Standards Board), and IPSASB (International Public Sector Accounting Standards Board).

IAESB, which is the interest of this article, is responsible for developing accounting education standards that covers not only

technical skills, but also values, ethics, and attitudes (<https://www.iaesb.org>). By doing so, it contributes to improve the accounting profession's competency, thus elevate public trust for the profession. Similar to other standard setting boards, it also undergoes a due process mechanism in the development of its pronouncements. It is overseen by the IAESB's Consultative Advisory Group (CAG) and the Public Interest Oversight Board (PIOB) and is committed to become a transparent organization by allowing public to access various resources and materials. IAESB consists of members, observers and technical advisors.

As pointed out by McPeak, Pincus & Sundem (2012), the standards currently known as IES originated from guidelines issued by IFAC Education Committee (which then changed into IAESB). They also gave several examples of how IES were recognized and referred to by international organizations such as the World Bank, USAID (the United States Agency for International Development), and UNCTAD (the United Nations Conference on Trade and Development). The roles of IES include (McPeak, Pincus & Sundem 2012): (1) to promote accounting education quality globally (2) to improve convergence and consistent application of international education standards and practice (3) to facilitate global movement of professional accountants (4) to create a benchmark for international accounting education standards.

The most recent version of IES is the 2017 Handbook of International Education Pronouncements (IAESB 2017). This document consists of Framework for Education Pronouncements (2015 version) and a series of IES. The IES are structured as

follows: (1) IES 1 Entry Requirements to Professional Accounting Education (2014) (2) IES 2 Initial Professional Development – Technical Competence (2015) (3) IES 3 Initial Professional Development – Professional Skills (2015) (4) IES 4 Initial Professional Development – Professional Values, Ethics, and Attitudes (2015) (5) IES 5 Initial Professional Development – Practical Experience (2015) (6) IES 6 Initial Professional Development – Assessment of Professional Competence (2015) (7) IES 7 Continuing Professional Development (2014) (8) IES 8 Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016). As mentioned briefly in the introduction part, IES 7 has just been revised and will become effective starting from 1 January 2020. This article focuses only on IES 2, 3, 4 and 8, according to the released exposure draft by the IAESB at the end of 2018.

There has been IES-related research conducted, for example those which focus on IES compliance issue. Crawford, et al. (2014) found that compliance to IES as disclosed by the PAO (professional accountancy organizations) does not necessarily in line with the actual practice conducted. This result was based on IES 1-6 compliance analysis on 21 IFAC member bodies from 12 countries. Another research was performed by Yusof & Majid (2015), in which they limited their research scope to ASEAN (Association of South East Asian Nations) countries. There are 10 IFAC member bodies operating in 8 ASEAN countries and they discovered low compliance, whereby only 30% (3 out of 10) of the bodies complied fully to IES 1-6. In spite of low full compliance level, in general those member bodies are in line with IES

requirements. Incompliant practice to IES, this time specifically to IES 2, found in both developing as well as developed countries, was also the case in Yusof & Noh (2016).

Examples of non-compliance to IES as mentioned above may occur due to legitimacy issue as pointed out by Crawford, et al. (2014). Unlike other international standards counterparts, i.e. IFRS and ISA (International Standards on Auditing), which have gained legitimacy, the legitimacy of IES is still somewhat uncertain. Ideally, this should not be the case, because as standards, IES should "... have the same force as standards promulgated by other boards operating under the auspices of IFAC..." (McPeak, Pincus & Sundem 2012, p. 743). The fact that there are complicating factors like the diversities in economic, political, historical, social, culture, and language across countries (Helliard 2013; McPeak, Pincus & Sundem 2012) pose another challenge to IES implementation around the globe. Even more, it could be that there are still certain stakeholders of accounting education who are not familiar with the presence of IAESB and IES, although Hall and Bandyopadhyay (2012) concluded that there had been IFAC membership improvements between the year of 2004 to 2012. They further expected that IFRS adoption among jurisdictions would encourage IES adoption as well.

In realization to the above-mentioned non-compliance and challenges, several recommendations are offered to help facilitate IES implementation. For instance, to strengthen the collaboration and cooperation between higher education providers (universities) and PAO, the two major accounting education stakeholders, in finding

innovative ways to promote IES and smoothen the implementation process of as well as compliance to IES (Veneziani, Teodori & Bendotti 2016). More detailed ways for accounting educators as well as practitioners to get involved in overcoming IES implementation challenge are outlined by McPeak, Pincus and Sundem (2012). First, they encouraged educators and practitioners to participate in the accounting education standard setting process, such as commenting the exposure drafts issued by the IAESB. Second, educators may help IAESB by conducting research in the areas that IAESB are focusing and addressing. Third, to utilize IAESB's wide range of publications to develop accounting education training materials and programs so that they are in line with the IES.

RESEARCH METHOD

This article uses secondary data from two main source documents available from the IAESB website, i.e. The Proposed Revisions to IESs 2, 3, 4, and 8 Exposure Draft (December 2018, hereafter referred to as the Exposure Draft) and the comment letters submitted to the IAESB. Content analysis approach to analyze and evaluate the data is used. A total of 32 comment letters were submitted, however 1 comment letter (from Comision de Educacion, Uruguay) is excluded from analysis because it was not written in English. Details for the 31 comment letters are provided in Table 1. The origin column shows the geographical area where the comment letters come from (note that this is not applicable for public accounting firms as they consist of a network of member firms which operate globally), whereas the type column indicates whether the comment is issued by professional accountancy organizations (PAO), individuals, or public accounting firms (PAF). The last column (submission date) shows when the comment

letters were submitted. Footnotes below the table give some additional explanations.

DISCUSSION

The discussion section is divided into several parts. Firstly, a brief summary of the proposed amendments is provided, followed by a content analysis of the 31 submitted comment letters. The next part discusses demographical-related aspects of the respondents, then a comment on generic skills is provided.

The Exposure Draft (IAESB 2018) details the proposed changes for each IESs along with the rationale for such changes. For IES 2, the author identified 9 new learning outcomes (LO): one for the audit and assurance technical competence; two for governance, risk management and internal control; one for business laws and regulations; four for the information and communication technologies; one for business and organizational environment. Meanwhile, there are 4 new LO identified for IES 3: two for intellectual skill, one for interpersonal and communication skill, and one for personal skill. In IES 4, two LO are added to professional skepticism and professional judgment, whereas one is added to ethical principles. Lastly, there are 9 new LO added to IES 8: two for audit competence area, one for interpersonal and communication, one for personal, four for professional skepticism and professional judgment, and one for ethical principles. In addition to new LO, for each respective IES there are also some modifications, which consist of wording changes, revisions, repositions, as well as removal of existing LO due to reasons such as content overlapping and replacement by other LO. Some IES have LO that act as indicators of the required knowledge, understanding and application in each of the competence area.

Besides the above-mentioned proposed changes, the Exposure Draft also define three terms: information and communication technology, intellectual agility, and professional judgment, of which response or comments are expected.

Table 1 The 31 Submitted Comment Letters

No.	Name	Origin	Type	Submission Date	Brief Summary of Comments
1	Larry White	The Professional Accountants in Business Committee (PAIBC), United States	Individual	December 24, 2018	Definition changes suggestion; comments on management accounting LO
2	Chartered Accountants Ireland	Ireland	PAO	February 7, 2019	Answers to the four questions, no further comments
3	National Association of State Boards of Accountancy	United States	PAO	February 7, 2019	Some comments, suggestions and clarifications are provided
4	Association of Accounting Technicians	United Kingdom	PAO	February 8, 2019	Phrasing suggestions
5	KICPA (The Korean Institute of Certified Public Accountants)	Republic of Korea	PAO	February 26, 2019	Suggestions on classification, words; revision is timely
6	Deloitte Touche Tohmatsu Limited	-	PAF	March 1, 2019	Some observations, comments and detailed feedback are provided; raises the issues of board and project management
7	Asociación Interamericana de Contabilidad (Interamerican Accounting Association)	Regional Organizations ¹⁾	PAO	March 1, 2019	Suggestions on inclusion of several themes and definitions; broaden the project's outcome
8	BDO	-	PAF	March 1, 2019	Some notes and detailed feedback are provided; comments on IES 8; IFAC's role to communicate the revised IES
9	Ernst & Young LLP	-	PAF	March 1, 2019	Proposes some suggestions, including for definitions

10	Keith Bowman and Morley Lemon	Canada	Individual	March 1, 2019	Suggestions such as LO reorder, wording changes, definitions
11	The Japanese Institute of Certified Public Accountants	Japan	PAO	March 4, 2019	Details of a few changes are proposed; comments on definitions
12	Chartered Accountants Academy (CAA) and Training and Advisory Services (TAS)	Zimbabwe	PAO	March 4, 2019	Noted the existence of teaching silos
13	The Association of International Certified Professional Accountants	United States and United Kingdom	PAO	March 4, 2019	Provided some detailed suggestions to each IES; asked some clarifications; approach used (principles-based)
14	KPMG International	-	PAF	March 4, 2019	Requested some clarifications and provided some suggestions
15	Institute of Singapore Chartered Accountants	Singapore	PAO	March 4, 2019	Some specific comments and suggestions are provided
16	Instituto Mexicano de Contadores Públicos (IMCP)	Mexico	PAO	March 4, 2019	Proposed some specific changes to IES 2 and 8 LO; inclusion of artificial intelligence; addition of details
17	The Institute of Chartered Accountants in England and Wales (ICAEW)	United Kingdom	PAO	March 4, 2019	Raised the issue of prescriptive vs principles-based and the change in the IAESB; provided some queries on LO and comments on definitions
18	CPA Australia	Australia	PAO	March 4, 2019	Suggestion on professional skepticism term; comments in several areas focusing on skepticism for audit
19	Institute of Chartered Accountants of Scotland (ICAS)	United Kingdom	PAO	March 4, 2019	Asked some clarifications to specific LO; commented on the definitions
20	The Association of Chartered Certified Accountants (ACCA)	United Kingdom	PAO	March 4, 2019	Provided some suggestions, including terms
21	European Federation of Accountants and Auditors for SMEs	Europe	PAO	March 4, 2019	Some suggestions are proposed; pointed out the need of consistent standards

22	Institute of Chartered Accountants of Pakistan	Pakistan	PAO	March 4, 2019	Suggested action verbs that need to be aligned and provided comments on each proposed LO
23	CPA Ireland	Ireland	PAO	March 4, 2019	Suggested some modifications, rewording
24	PricewaterhouseCoopers International Limited	-	PAF	March 4, 2019	Suggested new LO, revision to definitions; the need of implementation guidance; importance of collaboration between standard setting boards
25	Malaysian Institute of Accountants	Malaysia	PAO	March 5, 2019	Proposed some LO additions and definition enhancement
26	The Common Content Project	15 leading accountancy bodies from 11 major EU member states ²⁾	PAO	March 5, 2019	Raised the issue of standards overlapping and improper timing; provided detailed comments on several LO
27	Association of National Accountants of Nigeria (ANAN)	Nigeria	PAO	March 6, 2019	Minor suggestion on type of ICT that needs to be indicated
28	Chartered Accountants Australia and New Zealand	Australia and New Zealand	PAO	March 6, 2019	Suggested longer implementation period for IES 8
29	Institute of Certified Public Accountants of Uganda	Uganda	PAO	March 6, 2019	Submitted some comments, proposed adding new LO, and required clarification on a term
30	Institut der Wirtschaftspruefer in Deutschland e.V. (IDW)	Germany	PAO	March 8, 2019	Raised the issue of standards overlapping and improper timing; gave detailed feedback
31	Wirtschaftsprueferkammer (WPK)	Germany	PAO	March 12, 2019	Commented on particular LO; no support to professional skepticism; not appropriate timing

¹⁾ Interamerican Accounting Association is one of four regional organizations recognized by IFAC. Regional organizations are "... independent bodies which share IFAC's mission and values and which, in many cases, share IFAC's membership. ROs play a valuable role by supporting the development of the international accountancy profession, facilitating convergence to international standards, and providing leadership in addressing issues affecting the accountancy profession in their region and/or constituencies." (<https://www.ifac.org/about-ifac/membership/member/regional-organizations>)

²⁾ Comprised of 11 countries: Austria (Institut Österreichischer Wirtschaftsprüfer, Kammer der Steuerberater und Wirtschaftsprüfer), Belgium (Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises), France (Compagnie Nationale des Commissaires aux Comptes, Ordre des Experts-Comptables), Germany (Institut der Wirtschaftsprüfer,

Wirtschaftsprüferkammer), Ireland (Chartered Accountants Ireland), Italy (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili), The Netherlands (Koninklijke Nederlandse Beroepsorganisatie van Accountants), Poland (Polska Izba Biegłych Rewidentów), Romania (Camera Auditorilor Financiari din România), Spain (Instituto de Censores Jurados de Cuentas de Espana), United Kingdom (Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants of Scotland)

Source: <https://www.ifac.org/publications-resources/exposure-draft-international-education-standards-2-3-4-and-8>
(processed further by author)

Next, a discussion is provided for the 31 comment letters submitted in response to the IAESB's request for general as well as specific comments to the Exposure Draft. The specific comments consist of 4 questions as follows (IAESB 2018): the first question asks whether the respondents support the proposed revisions to learning outcomes related to the areas of ICT and Professional Skepticism and the suggested changes; the second question asks whether there are additional ICT and Professional Skepticism learning outcomes that are expected; the third question asks whether the new definitions of ICT, Intellectual Agility and Professional Judgment are supported and whether there are suggested changes; the fourth question asks whether there are further clarifications needed with regards to the terms in the new and revised learning outcomes of IESs 2, 3, 4 and 8.

With respect to general comments, not all respondents gave them. There is a recurring issue raised by several respondents, i.e. related with the timing inappropriateness of the Exposure Draft, as it is near the restructuring of the IAESB and the effective date of some IESs. One respondent mentioned the importance of communicating the IES changes to all stakeholders, for example through the

issuance of guidelines. An interesting point regarding professional skepticism was pointed out that this trait is more appropriate and specific to audit context. Furthermore, a number of respondents deemed that IAESB did not properly coordinate with the IAASB and IESBA regarding professional skepticism and judgment. Another thought-provoking comment was made to point out the importance of keeping the principles-based approach rather than a rule-based one. Some respondents also provided suggestions to the IAESB to include areas not yet covered in the Exposure Draft, such as project management skills, being proactive and open minded. There are also other technical-related comments, such as definition changes and LO which are too narrow.

Moving on the first specific question, in general respondents are supportive of the LO proposed revisions. However, there are some areas of concern, ranging from minor (for instance grammatical issue and LO placement) to major ones. Some of the major highlights are (1) the omission of essential non-accounting technical skills from the prescribed LO (2) the need to strengthen and clarify ICT-related LO (3) the opinion that the IAESB acted too far in

relation to professional skepticism, which should be within the realm of IESBA and IAASB (4) the prescriptive approach to LO which may not be appropriate (5) the partial approach to LO, in which they are divided into silos according to competence areas.

Next, the respondents gave their opinions as to whether the proposed ICT and professional skepticism LO are sufficient or there are still more to add. According to several respondents, the proposed LO are already sufficient and quite comprehensive. Nevertheless, there are a few concerns flagged by others regarding the need to include several aspects not yet contained in the LO, such as information security, quantitative skills, and digital technology issue. Some new LO to be included in IES 2 were also suggested, along with a few minor technical revisions. One respondent in particular disagreed with the approach taken by the IAESB to add ICT-related LO into certain competence areas, as it prefers a holistic view to ICT skills. Some respondents requested further clarification as well as improvement on IES 8.

The third part reflects respondents' views about the new definitions of three terms, namely ICT, Intellectual Agility and Professional Judgment. Overall, respondents agree with the proposed definitions. Similar to the first two questions, in this part respondents also gave their suggestions to improve the definitions, ranging from minor revisions such as choice of verbs and words, to more complex ones. Some respondents suggested to clarify and broaden the scope of ICT definition to include emerging digital technologies. Meanwhile, there might be a translation issue faced by Intellectual Agility term and a fear that the term is too broad. A different

challenge emerges for Professional Judgment, in which the critiques is similar to that of professional skepticism in question one, i.e. the need to align it with IAASB and IESBA definition.

The last section of the comment letters addresses any other necessary clarifications in relation to the terms and proposed LO. The majority of respondents felt that the current Exposure Draft suffice them and are already clear, hence no need for further explanations. Still, several other respondents thought that some terms do need clarifications, such as the term collaboration skills, impact, influence, intellectual agility, ICT, critical thinking, questioning mindset, curiosity, and contrary audit evidence. One respondent specifically expected a topic related to engagement quality control to be added into IES 8. A very thoughtful idea was given by one respondent, whereby it listed further refinements and implementation guidelines considered necessary for some LO.

Analysis on the submitted comment letters reveals some recurring comments from respondents that need to be addressed by the board. Firstly, it is about the timing issue of the proposed revisions, which is considered improper since it is near the board restructure period. Secondly, better coordination among standard setters under the authority of IFAC is encouraged, so that standards are not overlapping. Next issue is related with the approach to standard setting, which is supposed to principles-based, but not reflected in current IES which is more towards prescriptive. Lastly, the need for a holistic view is also pointed out, as currently the competence areas are divided into certain

classification, which might result in silo-minded perspective.

A demographical analysis of the 31 respondents can be classified into several categories, such as country of origin, IFAC membership status, and type of respondent. Table 2 summarizes geographical-related information regarding the respondents. The country status is categorized into developed and developing countries based on the World Economic Situation and Prospects document published by the UN (2019). The total number

of respondents (26) is different from the 31 total respondents due to the exclusion of 5 public accounting firm respondents (marked as ‘not applicable’) as mentioned previously, as they consist of a network of member firms which operate globally, hence it is considered inappropriate to be categorized into certain geographical area. As can be seen from the table, the number of submitted comment letters that come from developed countries are almost twice the amount of developing countries (17 vs. 9). Moreover, European countries dominate the comment letters.

Table 2 Respondents’ Country of Origin

No.	Country of Origin	Country Status	Continent	Number of Respondents
1	Australia	Developed	Australia	1
2	Australia & New Zealand	Developed	Australia	1
3	Canada	Developed	America	1
4	Germany	Developed	Europe	2
5	Ireland	Developed	Europe	2
6	Japan	Developed	Asia	1
7	Republic of Korea	Developing	Asia	1
8	Malaysia	Developing	Asia	1
9	Mexico	Developing	America	1
10	Nigeria	Developing	Africa	1
11	Pakistan	Developing	Asia	1
12	Singapore	Developing	Asia	1
13	Uganda	Developing	Africa	1
14	United Kingdom	Developed	Europe	4
15	United States	Developed	America	2
16	United Kingdom & United States	Developed	Europe & America	1
17	Zimbabwe	Developing	Africa	1
18	European Union ¹⁾	Developed	Europe	2
19	Interamerican Accounting Association ²⁾	Developing	America	1
20	Not applicable	Not applicable	Not applicable	5
	Total			31

¹⁾ Consists of European Federation of Accountants and Auditors for SMEs and The Common Content Project. Since these organizations do not represent certain countries, EU is considered as the country of origin

²⁾ Comprised of Latin America countries hence cannot be identified to a particular country only

Source: processed by author

Meanwhile, table 3 below displays respondents' IFAC membership status. According to IFAC's website (<https://www.ifac.org/about-ifac/membership>), membership is classified into 2 categories: member and associate. In order to be acknowledged as a member, there are several criteria that must be satisfied entirely by PAO. Those PAO who cannot meet all of the criteria as prescribed to become a member but can fulfil additional criteria are given the associate status. Organizations that are involved to develop the accountancy profession but do not qualify the criteria to become associate are regarded as affiliates. In table 3, the membership status of mixed is addressed to The Common Content Project, which consists of 15 organizations, 11 of which are members and the remaining 4 are associates. Those organizations that are neither members/ associates nor affiliates are labelled as not applicable. The next table (table 4) shows the groupings of respondents according to their types. As can be predicted, PAO from various countries show their interest in the proposed IES revisions through their comment letters. Only 5 PAF are involved in this consultation process, 4 of which are the so-called Big Four accounting firms. Lastly, individual comments come from only 2 respondents.

This demographical-related information can reveal several insights. On its website, the IAESB expressed its expectation that stakeholders of accounting education would respond to the Exposure Draft. The list of stakeholders explicitly mentioned are professional accountancy organizations, public accounting firms and other employers,

universities and education providers, regulatory organizations, and government agencies. However, based on table 4 above, the comment letters only come from 3 types of stakeholders. It is worth noting that there was no response from higher education providers, although there was one response from individuals associated with certain university. Further, there were only 31 number of responses submitted while in fact there are 192 IFAC member organizations (consist of 149 members, 28 associates, 5 affiliates, 6 groupings, and 4 regional organizations), which indicates quite a low percentage. This rate would become even lower if those respondents whose membership status of 'not applicable' as listed on table 3 are excluded.

Table 3 Respondents' IFAC Membership Status

No.	IFAC Membership Status	Number of Respondents
1	Member	19
2	Affiliate	1
3	Mixed	1
4	Not applicable	10
	Total	31

Source: <https://www.ifac.org/about-ifac/membership/member-organizations-and-country-profiles> (processed further by author)

Table 4 Type of Respondents

No.	Type of Respondents	Number of Respondents
1	PAO	24
2	PAF	5
3	Individual	2
	Total	31

Source: processed by author

This somewhat low participation rate from member organizations could raise a concern about the importance and significance of the

Exposure Draft and IES in general as the international standards for accounting education, thus could hinder the effort of achieving convergence in accounting education international standards. In addition, as indicated on table 2, the majority of respondents come from developed countries, which could trigger questions such as why developing countries do not get involved as much as developed ones and whether their limited participations would result in a more challenging IES implementation process hence create a greater gap between these two country groups. In addition, lack of participation from developing countries may result in the standards leaning towards the agenda of the dominating developed countries and may not be representative of the situation and needs of developing countries. A number of reasons could contribute to the developing countries' low response, for example they might feel that they have weak bargaining power and influence over the standard-setter, or it could be that they were not even aware of the IAESB's comment request. This warrants further research so that any inhibiting factors could be dealt with properly.

As pointed out by Crawford, et al. (2014), there are several impeding factors to the international harmonization of accounting education standards: diversity of audience, cultural factors that influence national practices, IAESB's lack of power in terms of monitoring and enforcing compliance to standards, and several standards that are of broad and vague nature. They concluded that the IAESB has not gained full legitimacy for

its IES from those audiences who do not take part in the standard setting process and are not represented sufficiently in the IFAC governance structure. The next two tables summarize the representativeness of countries in the IFAC and IAESB board, based on the information disclosed on each website. On IFAC's website, it is stated that the membership is based on financial contributions from the members and by also taking into account gender, regional representation, as well as professional background. Whereas according to IAESB's website, any stakeholder may nominate members to be included in the board. Based on table 5, it can be seen that IFAC board members originated from developed countries (13) outnumber the developing ones (9). Members from Europe dominate the board composition by having 7 representatives, almost one-third of the total members. A similar pattern is seen on IAESB member composition on table 6, which is dominated by developed countries, but in this case members from Europe and America (i.e. United States) are of equal numbers. Both IFAC and IAESB should be aware of this board representativeness issue, since it could be that the dominance of comment letters coming from developed countries might be linked to their higher representativeness than developing countries, although further research is needed to justify this premise. As discussed by McPeak, Pincus & Sundem (2012), taking into accounts the needs from developing countries is a major challenge for the IAESB, yet this should be part of the agenda.

Table 5 IFAC Board Member Composition

No.	Country	Role	Country Status	Continent	Total
1	Australia	Board Member	Developed	Australia	1
2	Barbados	Board Member	Developing	America	1
3	Brazil	Board Member	Developing	America	1
4	Canada	Board Member	Developed	America	2
5	China	Board Member	Developing	Asia	1
6	France	Board Member	Developed	Europe	1
7	Germany	Board Member	Developed	Europe	1
8	Iceland	Board Member	Developed	Europe	1
9	Ireland	Board Member	Developed	Europe	1
10	Italy	Board Member	Developed	Europe	1
11	Japan	Board Member	Developed	Asia	1
12	Korea, Republic of	President	Developing	Asia	1
13	Morocco	Board Member	Developing	Africa	1
14	Nigeria	Board Member	Developing	Africa	1
15	Pakistan	Board Member	Developing	Asia	1
16	Portugal and United Kingdom	Deputy President	Developed	Europe	1
17	South Africa	Board Member	Developing	Africa	1
18	Turkey	Board Member	Developing	Asia	1
19	United Kingdom	Board Member	Developed	Europe	1
20	United States	Board Member	Developed	America	2

Source: <https://www.ifac.org/about-ifac/structure-governance/board> (processed further by author)

Table 6 IAESB Member Composition

No.	Country	Role	Country Status	Continent	Total
1	France	Member	Developed	Europe	1
2	Indonesia	Member	Developing	Asia	1

3	Japan	Member	Developed	Asia	1
4	Kenya	Member	Developing	Africa	1
5	Korea, Republic of	Member	Developing	Asia	1
6	Lebanon	Member	Developing	Asia	1
7	Mexico	Member	Developing	America	1
8	South Africa	Member	Developing	Africa	1
9	Sri Lanka	Member	Developing	Asia	1
10	United Kingdom	Deputy Chair	Developed	Europe	1
11	United Kingdom	Member	Developed	Europe	3
12	United States	Chair	Developed	America	1
13	United States	Member	Developed	America	4

Source: <https://www.iaesb.org/about-iaesb/members> (processed further by author)

Besides considering board composition issue, it is also important for the IAESB to consider cultural factors when developing standards and to strive for a more inclusive environment of international accounting education standard-setting process, in order to gain support and compliance from its wide audience (Crawford, et al. 2014). Therefore, the standard-setting process could represent a public interest perspective, not just the interests of certain parties which may end up with the non-desirable regulatory capture or private interest perspectives.

Next discussion in on generic skills, which are arranged in IES 3. Research has indicated the importance of generic skills in addition to, or on the top of, accounting technical skills. For example, Chen (2014) found that the change in accounting education in selected sample countries focused on nurturing generic skills. In a previous research, Tempone, et al. (2012)

described the generic skills that are most crucial in the workplace, according to employers surveyed. Similarly, Abayadeera and Watty (2016) discovered that accounting students as well as employers, consider generic skills as more important than technical skills when it comes to career success, however they are not covered adequately in the curriculum, despite several approaches suggested by academics, such as those suggested by De Villiers (2010).

In spite of the urge to put more emphasis on developing generic skills, it appears that technical skills are still dominating the Exposure Draft. In IES 2, which discusses technical competence, there are 11 competence areas, and a total of 54 detailed LO. Meanwhile, generic skills are covered in IES 3, termed as professional skills, which consist of 4 competence areas and a total of 24 LO. Aside from the fact that there are less areas and LO,

those LO as prescribed in IES 3 are not as detailed as those described in IES 2. This could be due to the IAESB's focus on ICT and professional skepticism issues. Nevertheless, some parties may interpret that generic skills are secondary to technical ones, contrary to what has been indicated by some research as mentioned before.

The discussion so far has shown that the IAESB strives to make its IES to remain relevant with the current world by continually revising the standards. This time it focuses its revision on ICT and professional skepticism areas. It proposes to add several new LO in IES 2, 3, 4 and 8 as well as performs some modifications to existing LO. In addition, 3 new terms are introduced: information and communication technology, intellectual agility, and professional judgment. These new terms emerged in response to the rapid technological advancement that impacts on the profession globally.

The effort that IAESB has put in coming up with this Exposure Draft is highly valued and appreciated. Nonetheless, it is expected that the IAESB would consider giving more portions for generic skills, so that they could be regarded equally as important as accounting technical skills. Regarding the comment letters received, the 31 respondents gave their general as well as specific feedback. There are 4 major highlights that need to be considered further by the IAESB: (1) the timing of the proposed new standards which is considered inappropriate as it is near the board's restructuring period (2) the need to improve coordination amongst 3 independent standard setters (IAESB, IAASB, IESBA) (3) the need to maintain principles

based approach in standard setting (4) the importance of holistic view in designing LO so that they are not compartmentalized or boxed into rigid competence areas.

Several interesting aspects of the comment letters are also observed. The majority of respondents are PAO from developed countries originated from Europe and have IFAC membership status of 'member'. There were only a few types of stakeholders responded to the Exposure Draft, contrary to what the board expected. Compared to total IFAC members, the participation rate from member organizations are quite low (below 20%). Finally, there exists representativeness issue in both of the boards (IFAC and IAESB) composition. To gain more participation as well as involvement from developing countries and to ensure that they are represented adequately are some of the challenges that need to be addressed in order to attain harmonization of international accounting education standards and increase IAESB's legitimacy.

All stakeholders should bear in mind that there is no one-size-fits-all model to accounting education, due to various diversities across nations in terms of accounting education systems, specifically in the three E's – education, experience, examination (McPeak, Pincus, Sundem 2012). Further, they stated that it is the educational outcomes, not the programs, that should be converged. They continued on by stressing the importance of finding the common ground for the desired competences expected from professional accountants. In 2014, Watty, et al. tried to construct a model for accounting education

based on observation on accounting education systems in Australia, Japan and Sri Lanka, but they noted that the proposed model should be viewed as a starting point to accommodate differences among countries into continual IES updates. Further, Helliari (2013) suggested the IAESB to insert constructivist, experiential and situated learning approaches when revising IES LO and recommended the board to design strategies in order to improve its pragmatic legitimacy for the IES. One of the strategies could be that of effective communication targeted at accounting academics to improve awareness of the IAESB including its effort to converge accounting education through IES (Sugahara & Watty 2016). This is in line with McPeak, Pincus, Sundem (2012), where they reminded the IAESB to also be relevant to other group of stakeholders of accounting education besides IFAC member bodies. A mutual interaction is a must to achieve accounting education convergence, so IAESB's efforts to gain acceptance and legitimacy from academics should be responded accordingly by academics. There are various ways for academics to do this, for example by responding to a range of IAESB publications, conducting research on accounting education that can help the IAESB to develop standards, getting more involved in standard-setting process, sharing accounting education good practices, and paying attention to IES (McPeak, Pincus, Sundem 2012).

CONCLUSION

This paper tries to analyze the comments received from respondents in relation to the proposed amendments to IES 2, 3, 4 and 8 and to shed the light on lessons that can be gained

from it. Based on the discussion provided above, there are at least 3 major issues that need to be acted on by the IAESB, i.e. representativeness of developing countries, efforts to involve academics more in the standard-setting process, and legitimacy (along with enforcement and monitoring) of IES as global accounting education standards. Several suggestions were also given to academics to increase their involvement in IAESB's efforts to harmonize accounting education international standards.

Some suggestions for future research are: (1) impact analysis on the implementation of the new IES (2) the adoption status of IES around the world (3) exploration of factors determining involvement or non-involvement in the consultation and standard-setting process conducted by the IAESB (4) interaction among international standard-setting bodies under IFAC. Accounting education is an interesting research area, and hopefully there will be many research to come, particularly in the field of accounting education global standards, as a means to enhance the accounting profession standing to serve the public interest.

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