Examining the Current Status of International Education Standards Compliance in ASEAN Countries

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Abstract

This study examined the IES compliance behaviour of IFAC members from the Association of South East Asian Nations (ASEAN) countries after ten years of International Education Standards (IES) implementation. The content analysis approach was employed. Data were collected from IFAC’s Member Compliance Program and websites of member bodies from ASEAN countries. Findings show that only three out of ten IFAC member bodies from ASEAN fully complied with the pre-qualifications standards of accounting education programme. Noncompliance are mainly in the content of accounting education programme specifically IT competences in IES 2 and the mentoring aspects in IES 5. This study recommends sustainable monitoring and supervision of IES implementation and compliance to achieve the intended IFAC IES objectives. Collaborative arrangements between universities regarding capacity building for academic staff, implementation of adequate accounting curricula and potentially joint degree programs could be put in place to push for IES full compliance among ASEAN countries to reduce regional accounting education differences while encouraging accountants’ mobility within the region.

Keywords: ASEAN, IFAC, IES, accounting education, mobility, compliance

1.0 Introduction

Accounting is a very popular field of study in ASEAN countries with over 80,000 accounting graduates per year (AFA & World Bank, 2014). ASEAN countries thus hope to improve the quality of accounting education to sustain capacity building and development within the ASEAN region. However, in reality, the quality of accounting education within ASEAN countries varies. For instance, Lao PDR and Vietnam did not include the International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA) in their university accounting curricula (AFA & World

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Bank, 2014). More so, there will be significant shortages of accountants with internationally recognized accounting qualifications in many ASEAN countries and this will hamper economic growth in the region (AFA & World Bank, 2014). For this reason, IFAC in its International Education Standards (IES) has set forth several education and training requirements to ensure that professional accountants and auditors fulfill, at least, the minimum qualification requirements to be able to serve the public with their professional accounting services. IFAC’s IES prescribe standards of generally accepted ‘good practice’ in the education and development of professional accountants (IFAC, 2003). It also expresses the benchmarks that member bodies are expected to meet in the preparation and continual development of professional accountants (IFAC, 2003). Therefore, complying with the pre-qualifications standards i.e. IES 1 to 6 is one of the Statement of Membership Obligations (SMOs) for all IFAC members. Within ten years of IES implementation and enforcement, IESs have been regularly revised to serve as a useful benchmark for assessing entry requirements into the accounting profession. However, to date, there has been lack of progress in accounting education harmonization efforts within ASEAN countries.

Moreover, as explained by IFAC’s (2003) handbook, IES 1-6 establish essential elements that education and development programs are expected to contain and that have the potential for international recognition, acceptance and application. IES1-6 are prescriptive in nature and provide examples or guidance on the best practices or the most effective methods for dealing with the issues being addressed. IES 1 lay down the entry requirements for an IFAC member body’s program of professional accounting education and practical experience which should be at least be equivalent to that for admission into a recognized university degree program or its equivalent. It also provides some commentary on how to assess entry-level qualifications. In addition, IES 2, 3, 4 and 5 prescribe the knowledge content of professional accounting education programs that candidates need to acquire to qualify as professional accountants. IES 2 involves three major headings: accounting, finance and related knowledge; organizational and business knowledge; and IT knowledge. IES 3-5 comprise professional skills, professional values, ethics and attitudes, and practical experience requirements.

Furthermore, IES 6 prescribes the requirements for a final assessment of a candidate’s professional capabilities and competence before qualification. Overall, IES 1-6 deals with the assessment of the professional capabilities (i.e. the professional knowledge, professional skills and professional values, ethics and attitudes) acquired through professional education programs.

2.0 The Need for IES Compliance

Many researchers in different disciplines have interest in compliance issues. Prior study on global compliance with International Accounting Education Guidelines (IAEGs) by Needles, Kantor, and Shoenthal (1992) has established benchmark measures...
of compliance but argued that there is lack of vital direction towards harmonizing accounting education, limited supportive evidences, and minimal guidelines. The implication of Needles et al.’s study to accounting education for professional accountants is the introduction of IES in 2004 by IFAC focusing on the learning and development required in developing and maintaining competence over the professional accountant’s career. IES thus provide IFAC members with a common reference point that has apparently helped to reduce international differences among jurisdictions. However, given the different forms of accounting educational systems worldwide, IFAC has to take up a process of extensive compliance assessment programme among all member bodies to be watchful of their compliance behaviour.

To find out whether there are consistent adoption and implementation of all eight standards by member bodies, Needles (2005) highlights that the roundtable in Durban, South Africa in 2004 was actually held to familiarize members of the international academic community with the first six IES which were initially developed as pre-qualification requirements. Based on updates at the roundtable, Needles concluded that it would take time for IES to be a readily accepted standards. He believed that developed countries may find it difficult to accept and be responsive to a new set of IES while developing countries may have difficulty finding resources to implement the IES. Another roundtable was held in Istanbul in November 2006 discussing issue of IES especially regarding the new and potential entrants to the European Union (EU). Needles (2008) hence argued that the process of uniformly implementing education standards globally is a challenging task. He thus concluded that IES compliance is not an overnight affair but a multi-year undertaking, requiring communication, resources, training, and benchmarking progress. He expected that if successful, South Eastern European Partnership on Accountancy Development (SEEPAD) will be a model of what can be done in some other parts of the world. However, widespread adoption of IES will also require acceptance and implementation by accounting educators and educational institutions. Thus the enforcement of education standards becomes a complex issue when it is also fundamental to know the background of a particular member country.

3.0 The Significance of IES for ASEAN Countries

ASEAN countries comprised of Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. Since the last decade, these ASEAN countries have evolved to become an industrialized community of nations such that even if they are still fragmented, they have managed to shape and reshape the ASEAN region. Despite the slump in the world economy, ASEAN countries are still determined to grow as they have gradually acquired the reputation engines of the global economy (Mundula & Salustri, 2012). The liberalization of trade and services, the inflows of investments and the idea of a common market and of a
common productive basis has strengthened the economic integration process of the region (Paganetto, 2012).

However, it should be noted that industrialization has come with liberalization and globalization where convergence of any standards is crucial to reduce international differences among countries as well as to increase global mobility among people in the world. With this aim of becoming an industrialized regional community, ASEAN countries are also progressively working towards the establishment of an economic community. They are working in a wide range of areas towards improving integration, through regulatory harmonization, reduction of trade barriers, and promotion of labour mobility between countries under the coordination of the ASEAN Secretariat (AFA & World Bank, 2014).

Given these facts and the crucial role played by the accounting profession in organizational success and the consequent effect on the economy of the nations, IES are developed by the IAESB especially in the effort to produce potential professionalaccountants for global mobility of accountants and reducing global differences (IAESB, 2009). These education standards are adopted by all IFAC member bodies worldwide which include ASEAN IFAC member bodies since 2005 and are indeed significant for accounting educators (Sugahara & Wilson, 2013).

Therefore, IES compliance is significant to ASEAN IFAC members as the standards will provide global benchmarks for initial professional development and continuing professional development of professional accountants. The standards prescribe technical competence and professional skills, values, ethics and attitude to serve the public interest. It prescribes good practice in learning and development of professional accountants throughout their careers. Also, it aims to promote quality and consistency in accountancy education around the globe. While IES are designed to assist primarily the professional accountancy organizations, the standards are also meant to assist accounting educators by setting out the principles for designing, delivering, and assessing accounting education for professional accountants (McPeak, Pincus, & Sundem, 2012).

Furthermore, IES benchmark will allow stakeholders to identify strengths and weaknesses of professional qualification of accountants and auditors in their region and this will ensure progress over time towards sustainable institutional capacity (Karreman, Ahern, & Marrian, 2007; Needles, 2008; Wilson, Pierce, Allison, Hoogendoon, Kral, & Watty, 2009). IES development and implementation has also become an important vanguard in making accounting education adopted globally (Sugahara & Wilson, 2013).

Getting the IES adopted across the globe brought about asking IFAC member bodies worldwide to conform to the pre-qualifications covered by IES 1 to 6, and post-
qualifications covered by IES 7 and 8 (Pincus, Saville, & McPeak, 2008). As a way of assessing the compliance behaviour of IFAC member bodies, IFAC has collected information about regulatory and standard setting framework among member bodies in different countries and information about compliance with the SMOs (Part 2) through the self-assessment compliance program.

To date, though IESs are widely discussed as an important topic across accounting publications, Sugahara and Wilson (2013) argued that it is difficult to discern if these published discourse are sufficient to address the substantial issues raised by the introduction of the IES. The numbers of studies, which are limited to English language publications, are considered small, given the magnitude of reforms associated with IES (Sugahara & Wilson, 2013).

Although the development and implementation of the IES is a high stake issue for all accounting professionals and academics (e.g. McPeak, Pincus & Sundem, 2012), very little has been done, and accounting professionals and researchers have become too far removed from the interests of the profession and practitioners (Tilt, 2010). Moreover, studies on compliance behaviour are largely conducted in financial reporting standards and taxation (Belkaoui, 2004) but studies concerning accounting education standards and research on the level of IES compliance are scanty. Given this fact, studying how IFAC member bodies comply with the pre-qualifications standards, the assessment of compliance with IES 1 to 6 since 2005 by ASEAN member bodies is necessary. In IFAC professional accounting education, compliance means making sure that an accounting education matters are being handled in accordance with the enacted IES. This initiative is also to provide insight into how ASEAN developed and developing countries influence IES compliance. There is currently wide variation in the requirements, monitoring and enforcement of those requirements across ASEAN countries. It is hoped that the findings of this study will promote awareness of IES compliance behaviour of ASEAN IFAC member bodies to enhance at least regional mobility of accountants if not global mobility especially to Lao PDR and Myanmar being IFAC non-member bodies at the moment. In fact, using IES compliance as benchmark will aid understanding and promotion of the qualifications of accountants and auditors for regional as well as global development.

4.0 The Assessment

There are ten IFAC member bodies in eight ASEAN countries, namely Singapore, Malaysia, Brunei, Thailand, Indonesia, Philippines, Cambodia, and Vietnam. For comparison among ASEAN countries, this study took one of the benchmarking methodologies from Global Accounting Education 2012 study using IESs compliance as a global benchmark (Karreman, 2013) because IESs are widely-accepted as benchmarks for accounting education (Wilson, 2014, UNCTAD, 1998). IFAC website
was used as the main source of data collection based on compliance with IESs 1 to 6 for the content of professional accountancy education. Hence, a content analysis approach was employed in gathering related data for this study. This method is used based on the formal definitions of content analysis by Krippendorff (1980) and Weber, (1988). Krippendorff (1980) defines content analysis as a research technique for making a valid reference from the data according to their content. Whilst Weber (1988) defines it as a method of codifying text (or content) of a piece of writing into various group (or categories) depending on the dimensions. Both Krippendorff (1980) and Neuendrof (2002) have further described three essential process of content analysis that this study has followed.

First, the study identified the documents, texts, and related resources on IES compliance of member bodies. Documents and texts from IFAC’s Member Compliance Program which are readily available on http://www.ifac.org/ComplianceAssessment/published.php are chosen to analyze the content. Meanwhile, the time frame of the compliance assessment reports of member bodies was taken during the IFAC’s Member Compliance Program continuous exercise from 2005 to 2015 due to various response and submission dates by member bodies in fulfilling the required assessment demand from IFAC. For extended data, the related resources on IES compliance are available from websites of the member bodies and partnering institutions when data from compliance self-assessment needed more clarifications on the extent of compliance.

Second, the dimensions of the mandatory standards indicated in bold letters in the IES 1 – 6 are identified to construct data checklist (see Appendix 1). It is noted that this study examines the extent of compliance with only pre-qualification standards, the initial professional accounting education process for professional accountants, which is represented in IES 1 to 6.

The final process is to determine the measurement of the dimensions of the mandatory standards as depicted in the standards. Past studies using content analysis have demonstrated three different method of measurement, namely: words (Zeghal & Ahmed, 1990; Deegan & Gardon, 1996), sentences (Hackston & Milne, 1996; Tsang, 1998), and pages (Gray, Kouhy, & Lavers, 1995; Gray, Javad, Power, & Sinclair, 2001). However, there are arguments on the use of words in content analysis, as individual words do not convey any meaning without sentence to provide the context (Milne & Adler, 1998). Whilst the use of proportions of pages for content analysis is said as having the element of subjectivity due to differences in font size, margin and graphics and the differences between one report to another (Ng, 1985; Hackston & Milne, 1996). Therefore, sentence or phrase measurement is used in this study with less issue of judgement (Unerman, 2000) to observe the extent of IES compliance of member bodies.

This study analyzed the documents and texts available from IFAC’s Member Compliance Program for IES compliance content based on predetermined categories in
a systematic and replicable manner (Bryman, 2008). The content analysis focuses on
the member bodies’ compliance self-assessment reports which consist of three parts.
However only two parts are useful for this study, i.e. Part 2 containing information
about the assessment of organizations’ activities in addressing IFAC’s membership
requirements as described in the SMOs and Part 3 containing member bodies’ action
plans for continuous development and improvement. More information that further
explained the extent of compliance is gathered from the websites of the member bodies
and partnering institutions to assist in clarifying the extent of IES compliance. It is
noted that this study examines the extent of compliance with only initial professional
accounting education development for professional accountants which is represented
in IES 1 – 6.

5.0 Main Findings and Discussion

The content analysis reveals that three out of the ten IFAC member bodies from eight
ASEAN countries have fully complied with IES 1 to 6. They are Malaysian Institute of
Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA)
who are IFAC full member bodies since 1977 and Brunei Darussalam Institute of
Certified Public Accountants (BICPA) who is an IFAC associate member bodies since
2009. MICPA has shown full compliance with IES 1 to 6 based on the self-assessment
questionnaire SMO Part 2 and SMO Action Plan reported. Whilst BICPA does not
show full compliance based on self-assessment questionnaire SMO Part 2 and SMO
Action Plan reported. BICPA show full compliance with IES 1 and 5 only but on its
own has fulfilled IES 2, 3, 4, and 6 as it claims that the prerequisite to be an “associate”
member of BICPA is to be a member of the eight (8) professional accountancy bodies
of Australia, Canada, United Kingdom and New Zealand as listed both in BICPA’s
Constitution and also Brunei Darussalam’s Companies Act. If such individual does
not have the professional capabilities and competencies they would not be a member
of those bodies let alone to be a member of BICPA. Therefore, by this claim, BICPA
itself has fully complied as the eight professional accounting bodies Australia, Canada,
United Kingdom and New Zealand also has fully complied with the IES 1-6. This
is indicated in the content analysis carried out on the information gotten from self-
assessment questionnaire from Part 2, SMO Action Plan from Part 3, websites of the
member bodies and websites of partnering institutions.

Meanwhile, Singapore as the only developed nations of the ASEAN countries. The
Institute of Singapore Chartered Accountants (ISCA) has partially complied with the
IESs owing to its non-fulfilment with the mentoring aspect of IES 5 i.e. the practical
experience requirement. Also, ISCA does not in its accounting education program
offers Management Accounting and Control, Business Ethics and the IT courses. ISCA
claimed that Management Accounting and Control and IT Courses were considered part
of their pre-requisite for entry into the professional examination while Business Ethics was covered in the ICPAS Professional Examination. Nothing is mentioned about the Control course anywhere in the SMO Part 2 and Part 3 as well as their websites.

Thailand with Federation of Accounting Professions (FAP) as IFAC member body does not comply with IES 2, 3, and 4. The accounting education programme provided by Thailand recognized universities were also not available in English language. They were written in Thai language. More so, information on IES 3 and 4 were also not available as shown in the self-assessment questionnaire (Part 2), SMO Action Plan in Part 3 as well as the websites of three Thailand’s universities.

Both Indonesia’s IFAC member bodies, namely Institut Akuntan Publik Indonesia (IAP) and Ikatan Akuntan Indonesia (IAI) do not complete IES compliance information in IFAC’s compliance responses and action plans as monitored by IFAC. The official websites of both member bodies which were written in Bahasa Indonesia also do not provide IES compliance information.

Further content analysis on the self-assessment questionnaire (Part 2), SMO Action Plan (Part 3), PICPA website and University of the Philippines Diliman (Business Administration and Accountancy) websites also indicated that Philippines Institute of Certified Public Accountants (PICPA) has partially complied. This result is shown by non-compliance with No 3 of IES 2, No 4 of IES 3 and No 9, 10, and 11 of IES 5. No 3 of IES 2 in particular emphasize on content of professional accounting education programme, namely organizational and business knowledge such as economics, business environment, corporate governance, financial markets, quantitative methods and international business and globalization. Whilst from the information technology and competences perspective; the general knowledge of IT, IT control knowledge, IT control competences, IT user competences, and one of, or a mixture of, the competences of, the roles of manager, evaluator or designer of information systems were not covered. There is also no information related to No 4 of IES 3 and No 9, 10 and 11 of IES 5 in PICPA or university’s website visited.

Kampuchea Institute of Certified Public Accountants (KICPA) who is also an associate member body like Brunei, however, partially complied with IES as shown in the self-assessment questionnaire (Part 2), SMO Action Plan (Part 3), and the website of KICPA. KICPA does not comply with IES 5 and mentoring has not been introduced.

Vietnam Accounting Association (VAA), which is currently under suspension of its membership by IFAC (AFA & World Bank, 2014), also show partial IES compliance due to its non-compliance with No 3 of IES 2 and No 4 of IES 3. No 3 of IES 2 refers to the content of professional accounting education likewise PICPA non-compliance which are not covered as depicted in VAA’s website and Vietnam National University. And, there is also no information related to No 4 of IES 3.
This finding on whether member bodies comply or partially comply with the IES is unrelated to the member bodies being categorized as developed or developing country. Thus, while developed countries like Singapore, for instance, may find it difficult to accept and be responsive to IES compliance, developing countries like Thailand, Indonesia, Philippines, Cambodia, and Vietnam may also have difficulty finding resources to implement the IES, thus partially complied with IES (Needles, 2005). This is inconsistent with the findings of AFA and World Bank (2014), which concluded that the more developed countries within ASEAN countries have already achieved full compliance with IES. So, it is suggested that the focus now should be on assisting the ‘lesser developed’ countries’ professional associations to raise their education standards in a sustainable manner as quickly as possible especially Lao PDR and Myanmar.

For instance, Laos Institution of Certified Public Accountant (LICPA) is a member of the AFA but is not an IFAC member. The Accounting and Audit Laws require clarification of LICPA’s exact responsibilities regarding training, examination, and certification and licensing of accountants and auditors. AFA and World Bank (2014) reported that with only three administrative staff, LICPA lacks sufficient capacity to carry out the functions expected of any modern professional accountancy body.

Meanwhile, Myanmar Institute of Certified Public Accountants is looking forward to become IFAC member by changing its registration under the Ministry of Home Affairs to be incorporated as a not for profit association under Myanmar Companies Act as they sent observers to IFAC World Standards Setters Conference 2014 to observe the inner working of the IASB.

Worthy of note is also the fact that ASEAN IFAC member bodies have accounting pre-qualifications requirements that are broadly in line with IES though there is a little variation in the IES compliance execution.

In general, possible factors affecting IESs compliance/non-compliance behaviour of member bodies are connected with economic status, institutional isomorphism, legitimacy, educators’ awareness, skills and competencies, language barrier, lack of physical facilities and resources, process involved, level of IT development and support, culture as well as the acceptance to the IES standards. These factors were found to be diverse across both developed and developing countries. The phrase of ‘one size does not fit all’ seemed to be the best explanation for this scenario.

However, the limitation that should be considered when interpreting the results of this study is the relatively small number of IFAC members within ASEAN examined in this study. The sample, while being of sufficient size to perform the analysis, is nonetheless small relative to the universe of IFAC members that may at this time have completely complied or about to comply with the IS 1-6. Also, the standardized or specific factors affecting compliance by member bodies are not derivable from this study.
6.0 Recommendations and Conclusion

Given the findings of this research, it is recommended that coordination, facilitation and oversight of the IES be provided by the IFAC enforcement committee on the member bodies in ASEAN countries. It would also be of benefit to make collaborative arrangements between universities in these countries regarding capacity building for academic staff, implementation of adequate accounting curricula and potentially joint degree programs.

Implementation of a common standard for practical experience requirements, mentoring arrangements and the monitoring of achievements; and opportunities for graduates to obtain appropriate practical experience and accreditation of training organizations is also recommended.

It is equally important to put in place the monitoring and enforcement of IES requirements across ASEAN countries as this would help fulfil the significant financial management capacity building requirements in terms of institution building and human capital development in both the private and public sectors.

Also, in line with this study’s limitations highlighted above, future research should improve on this research and widen its scope by including IFAC members in countries of other continents, and should consider exploring the standardized or specific factors affecting compliance by member bodies. By then, the ongoing effort to promote IFAC’s IESs Member Compliance Strategy 2016-2018 in setting up quality assurance and investigation, and discipline mechanism would be another strategic transformational area.

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References


## Appendix 1

### IFAC INTERNATIONAL ACCOUNTING EDUCATION STANDARDS INDEX

<table>
<thead>
<tr>
<th>No</th>
<th>ITEMS</th>
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<tbody>
<tr>
<td>IES 1 – ENTRY REQUIREMENTS</td>
<td></td>
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<tr>
<td>1.</td>
<td>At least equivalent to that for admission into a recognized university degree program or its equivalent.</td>
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<td>IES 2 – CONTENT OF PROFESSIONAL ACCOUNTING EDUCATION PROGRAMS</td>
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<td>2.</td>
<td>At least 2 years full-time study (or the part-time equivalent) in a degree in accounting, or a professional qualification, to gain this knowledge.</td>
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<td>3.</td>
<td>The content of professional accounting education consist of: (i) accounting, finance and related knowledge; (a) financial accounting and reporting; (b) management accounting and control; (c) taxation; (d) business and commercial law; (e) audit and assurance; (f) finance and financial management; and (g) professional values and ethics. (ii) organizational and business knowledge; and (a) economics; (b) business environment; (c) corporate governance; (d) business ethics; (e) financial markets; (f) quantitative methods; (g) organizational behaviour; (h) management and strategic decision making; (i) marketing; and (j) international business and globalization. (iii) information technology knowledge and competences. (a) general knowledge of IT; (b) IT control knowledge; (c) IT control competences; (d) IT user competences; and (e) one of, or a mixture of, the competences of, the roles of manager, evaluator or designer of information systems.</td>
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<td>IES 3 – PROFESSIONAL SKILLS</td>
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<td>4. Acquire the following skills:</td>
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<td>• intellectual skills;</td>
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<td>• technical and functional skills;</td>
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<td>• personal skills;</td>
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<td>• interpersonal and communication skills; and</td>
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<td>• organizational and business management skills through general education provided by the institution helps to develop these skills</td>
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<th>IES 4 – PROFESSIONAL VALUES, ETHICS AND ATTITUDES</th>
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<td>5. Prescribe the professional values, ethics and attitudes required. The coverage of values and attitudes should lead to a commitment to:</td>
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<td>(a) the public interest and sensitivity to social responsibilities;</td>
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<td>(b) continual improvement and lifelong learning;</td>
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<td>(c) reliability, responsibility, timeliness, courtesy and respect; and</td>
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<tr>
<td>(d) laws and regulations.</td>
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| 6. Prescribe minimum subject areas that include: |
| (a) the nature of ethics; |
| (b) differences of detailed rules-based and framework approaches to ethics, their advantages and drawbacks; |
| (c) compliance with the fundamental ethical principles of integrity, objectivity, commitment to professional competence and due care, and confidentiality; |
| (d) professional behavior and compliance with technical standards; |
| (e) concepts of independence, skepticism, accountability and public expectations; |
| (f) ethics and the profession: social responsibility; |
| (g) ethics and law, including the relationship between laws, regulations and the public interest; |
| (h) consequences of unethical behavior to the individual, to the profession and to society at large; |
| (i) ethics in relation to business and good governance; and |
| (j) ethics and the individual professional accountant: whistle blowing, conflicts of interest, ethical dilemmas and their resolution. |

| 7. Framework for exercising professional judgment and acting in an ethical manner. |

| 8. Acknowledge different approaches reflect national and cultural environment |
IES 5 – PRACTICAL EXPERIENCE

9. Minimum of 3 years. A period of relevant graduate (beyond undergraduate, e.g., masters) professional education with a strong element of practical accounting application may contribute no more than 12 months to the practical experience requirement.

10. Monitoring and control: guidance from an experience professional accountant (mentor), the member body and/or regulatory authority.

11. Record and assess experience periodically by mentor.

IES 6 - ASSESSMENT OF PROFESSIONAL CAPABILITIES AND COMPETENCE

12. Should be formally assessed before the qualification of professional accountant is awarded. The final assessment carried out by an IFAC member body or a regulatory authority with substantive input from an IFAC member body.

13. Test of theoretical knowledge and practical application of knowledge. 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.