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HTM COMMENTS ON THE IFAC'S CONSULTATION ON THE IAESB PROPOSED FRAMEWORK FOR INTERNATIONAL EDUCATION STANDARDS FOR PROFESSIONAL ACCOUNTANTS

HTM-tilintarkastajat ry – GRM-revisorer rf represents more than 800 of the total of ca. 1500 auditors in Finland. Our members are certified (HTM) and authorised (KHT) auditors, who serve small and medium sized enterprises in Finland. The audit thresholds in Finland are very low (balance 100.000 euros, turnover 200.000 euros and 3 employees). Both categories of auditors fulfil the requirements of the European Union's directive on statutory auditors. The most generally used legal form of even the smallest enterprises is a limited liability company (responsibility limited to share capital and other legal requirements on the board and management). Auditing and bookkeeping/accounting are separate functions in Finland, even in small company environment.

General comments

We consider the Framework to be very well prepared and it gives flexibility and is broad enough for national decision making. As a member of the FEE we mainly agree with their response. We have, however, a few additional comments.

Introduction

In this part of the framework we wish to focus the attention also on the needs of the clients and users, not only on the profession. The globalization of the companies and trade is an essential basis to develop global standards. The global clients need assurance that the producers of financial information and those who give assurance on the financial information in any country where they conduct business, have certain competence level. Although this might be self-evident, it could be mentioned here as well.

Further, accountants and auditors produce financial information also without moving themselves outside of their home countries. Clients, even small companies, have business contacts abroad as well as daughter companies in other countries and they use local accountancy service providers, often other than international networks.

Purpose of the Framework

In the European Union the educational requirements of part of the accountancy profession, namely auditors, which we represent, are defined in the directive and the directive must be implemented in the national legislation.



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In some European countries the national accountancy bodies have been given a legal right to set educational requirements and grant licences for the accountancy profession, but not in all.

This means that the authorities drafting the laws, ie. the legislators are important stakeholders as well and should be included in the list of stakeholders.

Authority and scope of the Framework

Since our body represents auditors only, the European directive on the requirements of the statutory auditors overrides the standards. However, IFAC / IAESB the education standards can also be considered to cover the requirements in the directive and are taken into account in the work carried out whenever there are any European level requirements.

Translation, term ‘accountant’

The term accountant is widely used in the English speaking countries for both the persons compiling the annual accounts and those who audit them, as well as those working in the business as CFO’s etc. Also in IFAC’s standards it covers many types of accountants. In some contexts it might be difficult to distinguish what type of person is meant. For us it would be helpful to clearly state in the education standards which level of competency is meant.

As an explanatory comment, in our country and language (Finnish/Swedish) we have two terms for accountancy functions and two professions, 1) “bookkeeper” (accounting technician) (kirjanpitäjä / bokförare, person who records vouchers and also normally draws the annual accounts – in small companies and small bookkeeping firms) and 2) an “auditor” (tilintarkastaja / revisor). In the English language an accountant can also be called an auditor, which makes it sometimes confusing. Same problem has come out in international discussions also.

Yours sincerely,

HTM-TILINTARKASTAJAT RY

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