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Mr. David McPeak  
Senior Technical Manager  
International Accounting Education Standards Board  
277 Wellington Street West, 4<sup>th</sup> Floor  
Toronto, Ontario  
M5V 3H2 Canada

30 September 2013

Dear Mr. McPeak:

### **Proposed 2014 – 2016 IAESB Strategy and Work Plan**

We are pleased to comment on the proposed 2014 - 2016 IAESB Strategy and Work Plan (SWP). We support the efforts of the International Accounting Education Standards Board (IAESB) to continue to develop high-quality standards and other publications reflecting good practice in the education, development, and assessment of professional accountants. Education on professional matters is a critical element to developing well-rounded accounting professionals and maintaining the public trust in the accounting profession. We believe that a strong global baseline of accounting education is important given the continued globalization of businesses and increasing mobility of accounting professionals. Therefore, we continue to believe that the International Education Standards (IESs) are critical in today's world. In this respect, we fully support the IAESB strategic objectives and priorities<sup>1</sup> outlined in the SWP and the consultation process to obtain input from global stakeholders to confirm that the SWP is reflective of both the IAESB strategy and the needs and priorities of stakeholders for standards relating to the education of professional accountants.

Overall, we support the IAESB's proposed work plan as set out in Appendix 1 of the SWP. We note, however, that the work plan is very ambitious. Given the resources available, we have concerns about the Board's ability to effectively achieve these projects and initiatives in the planned timetable. In our view, therefore, prioritization of projects will be very important, and we support assigning priorities as done in Appendix 1. However, we believe that certain projects should receive greater priority, while certain others should receive less. We have provided comments in this regard below, as well as other specific observations on the strategic priorities and projects for your consideration.

#### **Establish and develop IESs and pronouncements**

We support the revision of the IAESB Framework for International Education Standards (Framework). The Framework describes and defines educational concepts that are fundamental to the implementation of the IESs. However, as a result of the IESs Revisions Project, we believe that certain concepts and terminology in the Framework need updating. Therefore, a review and update of the Framework, in light of the clarified IESs, is appropriate.

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<sup>1</sup> As described in Figure 2 and Paragraph 18 of the SWP

However, this update should not be a long-term effort and we believe the expected completion date needs to align as close as possible with the effective date of the clarified IESs.

We support the development of the definition of a professional accountant. However, we believe that the Board needs to consult and collaborate with the other International Federation of Accountants (IFAC) standard-setting boards and staff on the development of this definition, given the potential effect it may have in particular on standards established by the International Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants. Therefore, we believe this collaborative approach should be reflected in the SWP.

We believe the Board should give further consideration to the timing of the development of the implementation guidance on IES 8. In our view, rather than publishing this guidance shortly after the issuance of IES 8, it may be more appropriate to wait until the standard has been effective for a period of time to be able to have a clearer understanding of the implementation guidance that may be needed. In this regard, we believe that a post-implementation review a reasonable period (for example, one to two years) after initial implementation would be useful to gather feedback from adopters to help drive the need for, and the related nature and extent of, any additional implementation guidance. Additionally, we believe that the Board should consider reaching out to the Small and Medium Practices Committee (SMP) and the Forum of Firms (FOF) to gather feedback from the perspective of accounting firms. We believe that input from the FOF and SMPs will be important in determining if IES 8 is being implemented effectively by Member Bodies for the benefit of their constituents. Finally, we believe the development of implementation guidance for IES 8 would be more appropriately categorized in the SWP as part of the strategic priority to support and provide guidance to facilitate the implementation of the revised IESs.

### **Support and provide guidance to facilitate the implementation of the revised IESs**

We believe that the IAESB should commit to updating the existing International Education Practice Statements (IEPS). More timely updates need to occur to the existing Practice Statements so they remain in alignment with the Clarified IESs.

We also believe that the IAESB should commit to a post-implementation review of the clarified IESs which should result in ongoing updates to implementation guidance and renew the commitment of the IAESB to develop additional implementation guidance. Therefore, since revised IES 1 and 7 will become effective in 2014, we believe that the SWP should include developing a plan for a post-implementation review of the revised IESs. The post-implementation review would assist the Board's efforts to monitor the implementation of the revised IESs and would drive the development of a new IEPS related to IES 8, as we indicated above, and would also provide input for the development of future implementation guidance in a latter strategy period. The post-implementation review should be focused on whether the clarified IESs are being consistently understood and implemented in a way that achieves the IAESB's goals in revising and redrafting them. We believe this post-implementation review should occur after a reasonable implementation period (for example, one to two years).

As a result of the suggestions above, we believe the priority assigned to projects within the strategic priority to support and provide guidance to facilitate the implementation of the revised IESs should be revised. The SWP assigns a priority of "targeted" to all projects within this strategic priority. Therefore, we question whether "targeted" is the right priority for projects

within this strategic initiative. We suggest that the priority assigned to these projects be changed to “committed”.

Additionally, we believe it would be helpful to clarify the terms “development of human capacity” and “capacity building” as referred to in this strategic priority, and particularly to clarify whether the terms are intended to have the same or different meanings in the context within which they are used.

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We would be pleased to discuss our comments with members of the International Accounting Education Standards Board or its staff. If you wish to do so, please contact Karen Golz (+ 212 773 8001) or Dan Montgomery (+1 216 583 2949).

Yours sincerely,



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