

27 September 2013

David McPeak
Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, NY 10017
USA

Dear David

The New Zealand Institute of Chartered Accountants welcomes the opportunity to offer comments on the IAESB's proposed strategy and work plan for the period 2014 to 2016. We are supportive of the role of the IAESB and recognise how your work supports the implementation activities of other standard setting bodies, as education provides the foundation to the implementation of international standards on auditing, ethics, and financial reporting. We consider the work of the IAESB during the period 2014-2016 should be primarily focused on the development of implementation guidance and other tools to assist current and aspiring member bodies to meet the current International Education Standards. We do not support the development of additional standards or updating IESs at this time with the current resources restraints.

We also suggest that several of the identified projects could be contracted out utilising member body expertise and this could expedite the project timeframes, for example the knowledge sharing and capacity building project and the benchmarking project which we consider should be assigned high priority.

Comment 1: page 8, Strategic Context, paragraph 7 (and repeated in the figure 2 on page 10)

We believe that high-quality standards establish a level for member bodies to attain, and should not simply reflect (good) practice.

Comment 2: page 11, Strategic Priorities, paragraph 18

While the IAESB has named three strategic priorities, we are unclear as to the priority or importance assigned to each of these. It would be helpful if the IAESB were to rank each project against a continuum so we could understand which projects are considered by the IAESB to be the highest priority and therefore most important.

Notwithstanding, we believe that priority (c) (support and provide guidance to facilitate the implementation of the revised IESs) should be the first (and possibly the only) priority. As stated earlier, we consider the work of the IAESB should now be focused on developing implementation guidance and best practice examples to support member bodies and IFAC's important work of assisting member bodies in developing nations.

We strongly support the work described in paragraphs 24-26.

Comment 3: page 13, Appendix 1, IAESB Activities and Projects, Establish and Develop IESs and Pronouncements

We disagree that these activities are critical to meet the IAESB's aims to enhance the competence of professional accountants.

In particular:

1. We deem the strategy and work plan is an operational activity and should not be included here;
2. That IES8 blurs the IPD/CPD focus of the other qualifying level IESs, and as previously suggested could possibly be withdrawn without further investment. We consider any further clarification of IES8 is most appropriately developed in the form of guidance. Given the exposure draft was released in 2012 for comment we would expect any further work in this area should be completed by mid 2014 at the latest;
3. We believe that the professional accountant definition is less important than assisting PAOs ensure their members reach a level that would satisfy any reasonable expectation of a "professional accountant". We suggest the work to define the term "professional accountant" should not be undertaken by the IAESB in isolation and we would recommend this is a project undertaken across IFAC. We recommend the work in this area also addresses the term "accounting technician" and recognises their role in professional accounting organisations and the important role they play in many countries including developing and emerging economies;
4. The framework is less important than assisting PAOs ensure their members reach a level that would satisfy any reasonable expectation of a professional accountant;
5. Guidance on use of a learning outcomes approach to designing qualifying programs is useful;
6. Guidance on implementation of IES8 is likely to be useful to some member bodies and firms – see comments above;
7. Scanning the environment for areas to develop more standards is less important than assisting PAOs ensure their members reach a level that would satisfy any reasonable expectation of a professional accountant. We would expect environmental scans are undertaken by the Board and/or staff on an ongoing basis and any issues raised for consideration in strategic planning and the development of work plans; as such we do not believe it should feature as a standalone project in the work plan;
8. Other projects not identified: we would be enthusiastic to have an IEP (not standards) developed on post-admission specialisations.

Comment 4: page 14, Appendix 1, IAESB Activities and Projects, Engage Stakeholders and Promote the Adoption and Endorsement of the Revised IESs

We disagree that these activities are critical to meet the IAESB's aims to enhance the competence of professional accountants. We appreciate the frustration of setting standards without any ability to influence compliance, but that is the function of IFAC's member bodies.

In particular:

1. We believe that adoption of and compliance with IESs will naturally follow after guidance is prepared and made available to developing nations. The promotion should be deferred, or limited to specific high needs cases.
2. Guidance is more urgent than translation of the standards. We understand translations are largely an IFAC staff function and therefore this work could be undertaken with oversight by the IAESB and require minimum input by the Board.

Comment 5: page 15, Appendix 1, IAESB Activities and Projects, Prioritise and Provide Guidance to Facilitate the Implementation of the Revised IESs

We agree that these activities are critical to meet the IAESB's aims to enhance the competence of professional accountants.

In particular:

1. We believe the revision of IEPS 1 should be a very high priority.
2. we believe the revision of IEPS 3 should be a very high priority
3. we believe the development of guidance on general education should be a very high priority
4. we believe implementation guidance on entry requirements into professional education programs should be a very high priority

Comment 6: page 16, Appendix 1, IAESB Activities and Projects, Promote the Benefits of the Revised IESs as a Benchmark for Country Accountancy Development and the Development of Human Capacity

We agree that these activities are critical to meet the IAESB's aims to enhance the competence of professional accountants. But these activities should be undertaken after the next activity (facilitate knowledge sharing and capacity building in the PAO community).

We welcome the development of benchmarking tools that would offer practical assistance to member bodies to measure progress towards compliance and identify areas for further improvement.

Comment 7: page 16, Appendix 1, IAESB Activities and Projects, Facilitate Knowledge Sharing and Capacity Building in the PAO Community

We agree that these activities are critical to meet the IAESB's aims to enhance the competence of professional accountants. We would like to see this treated as the

highest priority. It is disappointing that it is not prioritised in the work plan and is not being considered until 2016.

We strongly support the identification and sharing of educational materials, and the provision of a hosted access service by the IAESB. The availability of shared information is an efficient means of assisting and encouraging member bodies in their move towards compliance and in the raising of individual standards. This is one key project that could be outsourced and expedited.

Yours sincerely

A handwritten signature in black ink, appearing to be 'CN', written in a cursive style.

Craig Norgate FCA
Chief Executive
New Zealand Institute Chartered Accountants