

**2014–2016 IAESB™ STRATEGY AND
WORK PLAN
August 2014**

International Accounting Education Standards Board™

**2014-2016 IAESB
Strategy and Work Plan**

IAESB

International Accounting
Education
Standards Board™

This document was developed and approved by the International Accounting Education Standards Board™ (IAESB™).

The IAESB develops education standards, guidance, and information papers on pre-qualification education, training of professional accountants, and continuing professional education and development.

The objective of the IAESB is to serve the public interest by setting high-quality education standards for professional accountants and by facilitating the convergence of international and national education standards.

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2014-2016 IAESB STRATEGY AND WORK PLAN

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Chairman's Statement

1. I am pleased to present the *2014-2016 Strategy and Work Plan (SWP)* of the International Accounting Education Standards Board (IAESB).

Preamble

2. In fulfilling its mandate to enhance the competence of professional accountants, the IAESB has successfully engaged over the last four years in a substantive revision and redrafting of its eight International Education Standards™ (IESs™). The revision project has improved consistency and clarity of the principles-based IESs by:
 - Articulating the nature of professional competence in terms of technical competence, professional skills, and professional values, ethics, and attitudes;
 - Delineating the competence areas required to perform a role as a professional accountant;
 - Clarifying the obligations of International Federation of Accountants (IFAC) member bodies in developing and assessing professional accounting education; and
 - Setting the essential learning outcomes required to meet the public's expectations of the professional competence to be demonstrated by a professional accountant and audit engagement partner.
3. The suite of IESs aims to promote the quality of and consistency in professional accounting education around the world. While IESs are primarily aimed at IFAC member bodies and other professional accountancy organizations (PAOs), other stakeholders are encouraged to adopt these standards. Also, public confidence in the profession is ultimately influenced by the work of all professional accountants.
4. Both the structure and process of the standard-setting arrangements provide the level of authority necessary for the IESs. The standard-setting arrangements generate confidence in the standards of professional accounting education in an international setting. Through the IESs confidence is generated in financial reporting. The IESs set out the educational requirements for the initial and continuing professional development of professional accountants. The requirements in the IESs are enhanced by accompanying explanatory material.
5. The review, maintenance, and improvement of education standards for professional accountants, as well as other supporting materials, are a part of and central to the mandate of the IAESB in serving the public interest.

Strategic Context

6. In developing its *2014-2016 IAESB Strategy and Work Plan*, the Board has fully considered the wide range of comments on the 2013 Exposure Draft version from IFAC member bodies, regional organizations, professional accounting associations, public accounting firms, regulators, academics, and members of the public.
7. This final version of the Strategy and Work Plan has addressed stakeholders' comments by:
 - Revising the work priorities to reflect the IAESB's work on setting and maintaining the IESs, supporting the adoption and implementation of the revised IESs, and assessing the impact of the IESs;

- Reviewing the need for implementation guidance by first identifying the demand and then setting the priority for different types of guidance;
 - Adjusting the proposed project on scanning the environment to draw on existing data from IFAC's Compliance Program, where appropriate, with the aim of developing a baseline against which to evaluate the impact of the revised IESs;
 - Assigning the responsibility for proposed activities on stakeholder engagement and translation to IFAC and other organizations which are better positioned and resourced; and
 - Removing the projects to develop Strategy and Work Plans (2014-2016 and 2017-2019) because these are the means by which IAESB meets its objectives, and not ends in themselves.
8. These initiatives support the IAESB's view that the public interest is best served at this time by the following strategic objectives:
- Promulgating a series of high-quality standards and other publications reflecting good practice in the education, development, and assessment of professional accountants;
 - Promoting the adoption and implementation of the IESs;
 - Developing education benchmarks for measuring the implementation of the IESs; and
 - Periodically reviewing the need for further revisions to any of the IESs, or for developing additional standards.
9. Following completion of its work on the revision of IES 8, *Competence Requirements for Audit Professionals*, the IAESB will focus on supporting their adoption and implementation. At the same time, the IAESB will review the current state of professional accounting education to establish a baseline against which to assess the impact of the revised IESs after they become effective in July 2015. The IAESB will also periodically review the need for further work to maintain the existing suite of IESs, or to develop additional IESs.
10. In view of the significant shift in the nature of its work program, from standard setting to supporting adoption and implementation, the IAESB will review its composition, size, and ways of working to ensure that they are fit for the purpose to deliver the current SWP. This review will consider advice from consulting with the Public Interest Oversight Board (PIOB), the Consultative Advisory Group (CAG), and IFAC, and recommendations from IFAC's review of the Standard-setting Boards' Terms of Reference.
11. The IAESB envisions a collaborative approach in supporting the development of adoption and implementation guidance. This type of approach includes working with strategic partners and forming alliances with stakeholders who can leverage their expertise and resources in the development of guidance materials. The emphasis on supporting adoption and implementation guidance implies spending less Board time on projects that require the public interest oversight process. In light of its focus on supporting adoption and implementation guidance, the IAESB will also consider the frequency and duration of its meetings during the SWP period, in order to maximize effectiveness and efficiency.
12. The rationale for the 2014-2016 IAESB Strategy and Work Plan is set out in the 2014-2016 Strategic Statement below.

Acknowledgments

13. On behalf of the IAESB, I wish to thank my predecessor, Mark Allison, under whose leadership the initial work of the *2010-2013 IAESB Strategy and Work Plan* took place. A great debt of gratitude must go to the voluntary, yet diligent contributions of members of the IAESB and their technical advisors, as well as the administrative and management support by IFAC staff.
14. The *2014-2016 IAESB Strategy and Work Plan* builds on the body of previous work. I am confident that the direction of our work will reflect our deep understanding of the strategic and educational challenges confronting the global accountancy profession.
15. The IAESB will remain sensitive to the dynamic environment, and remain alert should there be a need to amend or improve its plan at any time.
16. An enhanced public confidence in the accounting profession serves the purpose of assuring and providing confidence to stakeholders who rely on the work of professional accountants. The successful execution of the *2014-2016 IAESB Strategy and Work Plan* presented herein will make a significant contribution to the achievement of this aspiration.

Peter Wolnizer
IAESB Chairman
June 2014

2014-2016 Strategic Statement

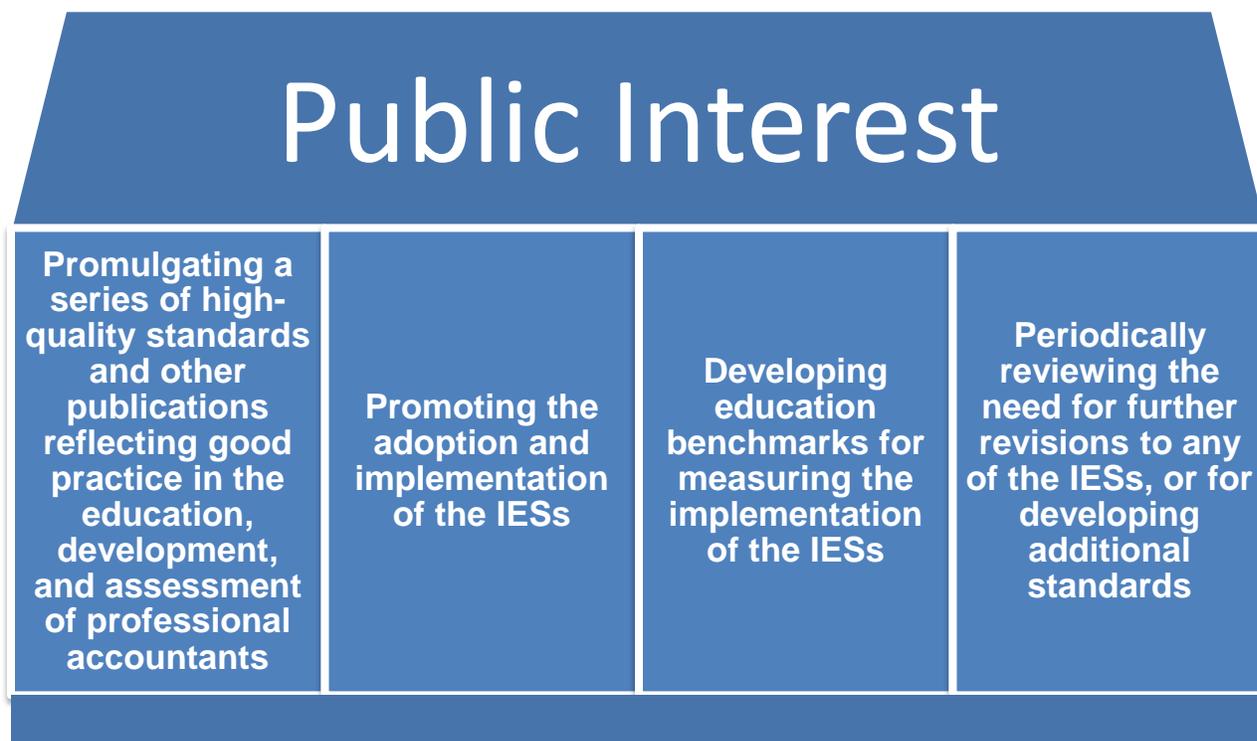
Our Purpose

17. The IAESB exists, in the public interest, to raise the level of confidence and trust of stakeholders in the work of professional accountants.
18. Recognizing the trend towards global convergence and the increasing mobility of professional accountants, the IAESB strives to achieve its purpose through the provision, promotion, adoption, and implementation of accounting education standards that seek to:
 - (a) Improve the quality of professional accounting education worldwide to enhance the competence and judgment of professional accountants; and
 - (b) Contribute to the development of the accountancy profession worldwide by assisting in building human capacity in accounting.

Our Strategy (2014-2016)

19. Having substantively revised and improved the IESs, the IAESB now sets out clear priorities that will inform its work program over the next three years (See Appendix 1). Figure 1 illustrates how the IAESB will serve the public interest through its 2014-2016 strategic objectives.

FIGURE 1: IAESB Strategic Objectives



20. The 2014-2016 work program combines completing the current IAESB's projects and introducing new projects that will support the adoption and implementation of the IESs, and prepares the Board to conduct a review of the impact of the revised IESs, early in the 2017-2019 SWP period.
21. The table below summarizes the three work priorities:

Work Priorities
(a) Setting and Maintaining the IESs, and Considering the Need for Additional IESs
(b) Supporting Adoption and Implementation of the Revised IESs
(c) Assessing the Impact of the IESs

Setting and Maintaining the IESs, and Considering the Need for Additional IESs

22. Over the last four years, the IAESB has conducted a substantive revision of its IESs for Initial Professional Development (IPD), which aimed at updating their content and improving their consistency and clarity. The immediate priority of the 2014-2016 work program is to complete the revision of IES 8, Competence Requirements for Audit Professionals. The IAESB will also consider the need for any additional IESs, for example considering the PIOB's views in relation to the learning and development required for professional accountants working on audits of financial institutions and financial instruments, for continuing professional development, and for integrated reporting.

23. The IAESB will also periodically scan the dynamic environment in which professional accountants work, drawing on the work of IFAC and other stakeholders, to assess the need to revise existing IESs or develop additional standards for professional accounting education. The IAESB will consult its stakeholders, including the CAG, PIOB and IFAC member bodies, with the aim of reporting its findings on an annual basis.

Supporting Adoption and Implementation of the Revised IESs

24. The revision of the *Framework for International Education Standards for Professional Accountants* (“Framework”) aims to define and align concepts that are contained within the revised IESs. The revision of the Framework will promote consistency in the use of terminology and concepts, as well as share good practices in the learning and development of a professional accountant. As a result, the revised Framework will state the principles and concepts that support the development and implementation of professional accounting education programs for professional accountants. Both the revised Framework and the revised IESs on IPD and Continuing Professional Development (CPD) establish the professional competence of a global accountancy profession which is the foundation upon which the public trust is sought.
25. In developing adoption and implementation guidance, the IAESB’s work program is expected to include, but not be limited to:
- (i) Guidance on Learning Outcomes Approaches: to establish principles for learning outcomes approaches that achieve professional competence in a professional accounting education program;
 - (ii) Information Papers: to share good practice and provide reference material, for example on entry requirements (IES 1) and on audit competence (IES 8);
 - (iii) Practice Statements: to update the existing International Education Practice Statements (IEPSs) on professional values, ethics, and attitudes (IEPS 1) and practical experience (IEPS 3); this may involve revisions to the existing IEPSs, or their replacement by some other guidance material; and
 - (iv) Other products: to provide additional material, such as toolkits or interpretation guidance, to assist IFAC member bodies in achieving good practice in learning and development, as prescribed by the IESs.
26. Prior to commencing work on developing guidance, the IAESB will establish what types of implementation guidance are needed, determine whether such products should be authoritative (that is, subject to full due process and binding on IFAC Member Bodies), and identify their relative priority and timeline for completion. This work will aim to complement the existing literature on implementation guidance on the IESs, while addressing identified gaps in good practice that is required in implementing the revised IESs.
27. These projects are aimed at accelerating and enhancing the required capacity and capability of IFAC member bodies and other PAOs to implement the IESs in an effective and efficient manner.

Assessing the Impact of the IESs

28. The IAESB aims to develop a continuous quality improvement process to inform the IAESB's projects on developing and maintaining the IESs. The first step will be to perform a baseline study on the current status of professional accounting education programs (entry requirements, professional accounting education program content, practical experience, and assessment) in IPD and CPD. This baseline study will use a sample of developing and developed IFAC member bodies, and will draw on existing data from IFAC's compliance program and other sources. Findings from this type of study will enable the IAESB to identify good practice that can be shared with developing PAOs or identify gaps in good practice which require developing implementation guidance, maintaining the revised IESs, or developing additional education standards. Subsequently, the IAESB envisages undertaking a post-implementation review of the revised IESs that will compare latest practice against the findings from the baseline study.

Implementation of Work Priorities

29. In developing the detailed work program in Appendix 1 for the 2014-2016 strategy, the IAESB recognizes the impact of resource availability on competing priorities.
30. For each of its activities and projects, the IAESB will develop success measures to ensure that sufficient clarity of purpose and expectation is provided to each project team.
31. A description of existing and planned or proposed new projects is provided in Appendix 1, and the project timetable is provided in Appendix 2.

APPENDIX 1: IAESB Work Program of Activities and Projects

	Priority ¹	Expected Date of Completion
Setting and Maintaining the IESs, and Considering the Need for Additional IESs		
Revision of IES 8, <i>Competence Requirements for Audit Professionals</i> <i>Develop a revised version of IES 8, Competence Requirements for Audit Professionals</i>	IN-PROGRESS	Q4 2014
Review and maintain the extant suite of IESs, and consider the need for additional IESs <i>Consider the need for further maintenance of the existing IESs, or development of additional IESs, depending on the findings from the baseline and post-implementation review studies, and feedback from the CAG, PIOB, and IFAC member bodies.</i>	COMMITTED	Q4 2016 (Annual updates)
Supporting Adoption and Implementation of the Revised IESs		
Revise the Framework for International Education Standards for Professional Accountants (“Framework”) <i>Promote consistency in the use of terminology and concepts; share good practices in the learning and development of a professional accountant; and develop the Definition of the Professional Accountant.</i>	IN-PROGRESS	Q2 2015
Establish what types of implementation guidance are needed to support implementation of the IESs <i>Develop a work program designed to support adoption and implementation of the revised IESs, based on feedback from the IES Exposure Drafts, the SWP Exposure Draft, and other sources. Project proposals likely to be considered include:</i>	COMMITTED	Q4 2014

¹ LEGEND: IN-PROGRESS-The IAESB is currently working on the project; COMMITTED- The IAESB has decided to undertake the project in the 2014-2016 period; TARGETED- The IAESB has decided to undertake the project once the projects of the two other categories have substantially been completed.

	Priority ¹	Expected Date of Completion
<p>Guidance on learning outcomes approaches for professional accounting education</p> <p><i>Establish the principles of a learning outcomes approaches that achieve professional competence in a professional accounting education program, including identifying the principles required to design and assess specific learning outcomes achieved in educational courses/modules and learning activities of professional accounting education programs, training, and practical experience. Articulate the integrative focus of a learning outcomes approach across the IESs in achieving the overarching learning goal(s) of a professional accounting education program</i></p>	TARGETED	Q4 2015
<p>Information paper on audit competence (IES 8)</p> <p><i>Develop an International Education Information Paper that identifies examples of competence frameworks for audit engagement partners and provides examples of good practice in fulfilling the requirements for continuing professional development of an audit engagement partner</i></p>	TARGETED	Q4 2015
<p>Information paper on entry requirements to professional accounting education programs (IES 1)</p> <p><i>Develop an International Education Information Paper that provides examples of: (1) good practice on setting entry requirements into professional accounting education programs; (2) alternative pathways to entry into a professional accounting education program, and (3) information that ensures good communication practices on chances of successful completion to ensure better decision-making for entrants into professional accounting education programs.</i></p>	TARGETED	Q1 2016
<p>Revise or replace IEPS 1 on professional values, ethics and attitudes</p> <p><i>Revise or replace International Education Practice Statement (IEPS) 1 to align with revised IES 4 to reflect a learning outcomes approach and to ensure consistency with changes in terminology. The extant IEPS 1 provides guidance on (1) implementing IES 4, (2) developing professional values, ethics, and attitudes in accordance with that standard, and (3) how member bodies may ensure professional accountants continue to develop professional values, ethics, and attitudes throughout their careers through Continuing Professional Development.</i></p>	TARGETED	Q2 2016

	Priority ¹	Expected Date of Completion
<p>Revise or replace IEPS 3 on practical experience</p> <p><i>Revise or replace International Education Practice Statement (IEPS) 3 to align with revised IES 5 to reflect a learning outcomes approach and to ensure consistency with changes in terminology. The extant IEPS 3 provides guidance for (1) IFAC member bodies to implement the requirements of IES 5; and (2) employers, mentors and trainees on their roles and responsibilities regarding a period of practical experience.</i></p>	TARGETED	Q3 2016
Assessing the Impact of the IESs		
<p>Continuous quality improvement process to inform development and maintenance of IESs, including accompanying implementation guidance</p> <p><i>Establish a baseline for professional accountancy education, drawing on IFAC’s Compliance Program and other data; and identify good practice (to share) and gaps in implementation (to inform learning outcomes or other implementation guidance).</i></p>	COMMITTED	Q2 2015

APPENDIX 2. Project Timetable

Project	2014				2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Setting and Maintaining the IESs, and Considering the Need for Additional IESs												
Revision of IES 8												
Review, Maintain & Consider Additional IESs												
Supporting Adoption and Implementation of the Revised IESs												
Revision of Framework												
Establish types of implementation guidance												
Guidance on Learning Approaches												
Information Paper on IES 8												
Information paper on IES 1												
Revise or replace IEPS 1 on professional values, ethics, and attitudes												
Revise or replace IEPS 3 on practical experience												
Assessing the Impact of the IESs												
Continuous quality improvement process												

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