



International Accounting
Education
Standards Board

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Committee: International Accounting Education Standards Board

Meeting Location: IFAC Headquarters, New York, USA

Meeting Date: July 11-12, 2018

**SUBJECT: Revision of IES 7, *Continuing Professional Development*
– Issues Paper (07/18)**

INTRODUCTION

1. The overall purpose of this paper is to assist the IAESB (Board) members in their discussion of issues related to the revision of International Education Standard (IES) 7, *Continuing Professional Development* (2014).
2. At the April 2018 Board meeting the Board discussed the final analysis of exposure draft comments related to IES 7 (revised). The Board had two separate discussions about the proposed revision to IES 7:
 - A. The first discussion focused on the final analysis of comments and how the IES 7 task force (TF) addressed respondent feedback on the IES 7 (revised) exposure draft and the CAG feedback on IES 7 (revised). The Board provided feedback on IES 7 (revised) during this discussion.
 - B. During the second discussion, the TF provided the Board with an update on how the TF recommended addressing Board and CAG feedback on the analysis of comments and proposed final wording of IES 7 (revised).
3. This paper is designed to:
 - A. Summarize the history of the IES 7 project activities completed to date;
 - B. Summarize Board and CAG feedback from the April 2018 meetings and how the TF has addressed that feedback in the proposed final wording of IES 7 (revised);
 - C. Facilitate a final review of IES 7 (revised) and vote on whether or not to approve IES 7 (revised), an effective date, and retirement of the IES 7 extant standard; and
 - D. Facilitate discussion about proposed efforts to develop and release implementation support material for IES 7 (revised).
4. The TF has included reference to respondent feedback on the exposure draft in the discussion of issues below only for the purpose of helping to explain the TF's rationale for recommendations related to Board and CAG feedback received during the April 2018 meeting. This paper is not designed to revisit the final analysis of comments which was reviewed in detail during the April 2018 Board meeting.
5. To help organize how the Board spends time reviewing and discussing feedback from the April 2018 meeting, the TF identified four main issues which have been outlined in detail in the discussion of issues below. The majority of feedback received during the April meeting and how the TF addressed that feedback is summarized at Appendix 1.
6. This agenda item contains the following materials:

Agenda Item 2-1	Revision of IES 7, <i>Continuing Professional Development</i> – Issues Paper (07/18)
Agenda Item 2-2	Final proposed wording of IES 7 <i>Continuing Professional Development</i> (revised) – Clean version
Agenda Item 2-3	Proposed wording of IES 7 <i>Continuing Professional Development</i> (revised) – Track changes from April 2018 meetings
Agenda Item 2-4	Proposed wording of IES 7, <i>Continuing Professional Development</i> (revised) – Track changes from exposure draft
Agenda Item 2-5	Proposed outline and timeline for IES 7 (revised) implementation support materials (07/18)

BACKGROUND

A. Project scope

7. It is in the public interest that professional accountants undertake CPD to maintain and develop their professional competence throughout their career and that the effectiveness of CPD undertaken is globally consistent. The TF was originally charged with evaluating how IES 7, including potential supplementary implementation guidance, could be improved to support the public interest.
8. To evaluate IES 7, the TF completed comprehensive outreach activities with IES stakeholders between November 2015 and July 2016. This enabled the TF to present to the Public Interest Activity Committees' Consultative Advisory Group (CAG) and Board a comprehensive list of issues and recommendations about whether IES 7 was fit for purpose, consistently implemented, and serving the public interest.
9. Information about the project rationale, scope, and activities completed by the TF between November 2015 and leading up to the April 2018 Board meeting are outlined in Appendix 2.

B. Project activities – During and post the April 2018 Board meeting

10. During the April 2018 CAG and Board meetings, the CAG and Board discussed and reviewed, in detail, TF recommendations for the proposed final wording of IES 7 (revised), based on the final analysis of comments on the exposure draft (see [Agenda Item 2-1 from the April 2018 Board meeting](#)). The TF analyzed all CAG and Board feedback during the April meeting and developed recommendations for how to address that feedback. On the final day of the April meeting, the TF presented its recommendations to the Board.
11. During its analysis of CAG and Board feedback at the April meeting, the TF identified four issues that generated the most discussion. The TF has summarized these issues in the 'Discussion of Issues' section of this paper below. For each issue the TF has outlined the action it took to address feedback and the rationale for why the TF took the action that it did.
12. The TF summarized the CAG and Board feedback in addition to the four issues referenced in paragraph 11 at Appendix 1 below.
13. TF recommendations outlined in the 'Discussion of Issues' and Appendix 1 have been included in the final proposed wording of IES 7 (revised), presented at Agenda Items 2-2 through 2-4.
14. The Draft Working Group (DWG) reviewed the final proposed wording of IES 7 (revised) included in Agenda Items 2-2 through 2-4.

C. DISCUSSION OF ISSUES**Placement of 'minimum hours' in IES 7 (revised)****Summary of issues:**

15. Extant IES 7 prescribes a minimum number of hours as part of the input-based approach measurement requirement. In the IES 7 (revised) exposure draft, the Board removed references to the extant number of hours from both the requirement and explanatory material.
16. Based on the analysis of comments (see [Agenda Item 2-1, paragraphs 218-228, from the April 2018 Board meeting](#)), the TF recommended to the CAG and Board that an example number of hours be included in explanatory material to address respondent concerns with the complete removal of the extant hours.
17. The CAG and the majority of the Board supported the TF's recommendation related to the analysis of comments that minimum hours should be included as an example in explanatory material and should not be restored as a requirement.
18. Two Board members expressed concern about the removal of the minimum hours from IES 7 requirements noting the number of respondents who commented that they did not support the removal of the hours (see [paragraphs 219 and 223 at Agenda Item 2-1 from the April 2018 Board meeting](#)). Board members concerned with the removal of hours from the requirements noted that it may be too soon to remove hours from the requirement for some IFAC member bodies and that if removed, it may be difficult for the Board to re-establish a globally accepted minimum number of hours for the requirement.

Analysis and recommendations for issues:

19. The TF notes the Board's principal concern about removing minimum hours from the requirements of IES 7 comes from the number of exposure draft respondents who were presented as unsupportive of removing minimum hours from both the requirement and the explanatory material as presented at paragraph 223 in [Agenda Item 2-1 from the April 2018 Board meeting](#) (i.e., 18¹ of 42 respondents did not support the removal of the hours from both the requirement and explanatory material).
20. However, nine (9)² of the 18 respondents may be comfortable with IES 7 (revised) if benchmark hours are included in explanatory material:
 - a. Eight (8)³ of 18 respondents indicated the hours benchmark or guidance on establishing an appropriate or sufficient number of hours should at least be included in explanatory material; and
 - b. One (1)⁴ noted possible risks associated with removing minimum or benchmark hours from IES 7 (revised) requirements but indicated the requirements of IES 7 (revised), including the input-based approach as proposed in the exposure draft, were appropriate and clear.
21. The primary concern for the remaining nine (9)⁵ respondents is that the removal of a minimum number of hours will contribute to an inconsistent number of required hours or equivalent learning units used in input-based approaches which will make it difficult in situations where mobility of practice is important.
22. While the TF understands concerns there may be a variation in the number of hours adopted by users of the input-based approach, the TF notes that the removal of hours from the IES 7 (revised) requirements does not require any organization to change existing policy or practice.
23. The TF agrees with respondent feedback that one of the stated goals for the revision of IES 7 was to

¹ The 18 respondents include: IDW; SAIPA; PAFA; ICAEW; CPA Australia; ACCA; PwC; GAO; EFAA; Chartered Accountants Ireland; KPMG; WPK; ICAN; JICPA; CPA Canada; Deloitte; ICPAU; and ICAS

² The nine (9) respondents possibly comfortable with including minimum hours in explanatory material include: SAIPA; PAFA; ICAEW; ACCA; EFAA; Chartered Accountants Ireland; ICAN; CPA Canada; and ICPAU

³ The (8) respondents include: SAIPA; PAFA; ICAEW; ACCA; EFAA; Chartered Accountants Ireland; ICAN; and ICPAU

⁴ CPA Canada

⁵ The nine (9) respondents not supportive of removing minimum hours from the input-based approach requirement include: IDW; CPA Australia; PwC; ICAS; GAO; KPMG; WPK; JICPA; Deloitte

enhance 'consistency of CPD'. More specifically, the TF believes the Board's intention was to promote CPD that is more consistently relevant to the role of a professional accountant and therefore more consistently develops and maintains professional competence. The TF believes the placement of minimum hours as an example in explanatory material will produce more conversations about how CPD consistently develops and maintains professional competence in jurisdictions that do question whether current minimum hours used in an input-based approach are appropriate.

24. Based on CAG and Board feedback and the additional analysis of respondent feedback outlined above, **the TF recommends** that the minimum hour example be retained in IES 7 (revised) and modified to address Board and CAG feedback received during the April 2018 meeting.
25. Track changes on paragraph A25 at Agenda Item 2-3 reflect further revisions made to address CAG and Board feedback raised at the April 2018 meetings about how to incorporate minimum hours as an example in explanatory material.

DISCUSSION:

Drafting Convention: 'CPD that develops and maintains professional competence'

Summary of issues:

26. As described [at paragraphs 139-150 in Agenda Item 2-1 from the April Board meeting](#), a concern expressed by respondents to the exposure draft was that proposed revisions may have weakened IES 7 (revised) because the output-based approach was modified to focus on demonstrating achievement of learning outcomes rather than the direct demonstration of professional competence. Respondents questioned if IES 7 (revised) still placed enough consistent emphasis on developing and maintaining professional competence.
27. In response to that feedback, the TF reviewed language included throughout IES 7 (revised) to determine if the concept had been sufficiently and consistently incorporated in the standard. The TF observed that the objective for IES 7 (revised) has consistently focused on developing and maintaining professional competence throughout the Board's effort to revise IES 7. In addition, the concept of 'CPD that develops and maintains professional competence' was included in the exposure draft requirement at paragraph 9 (CPD for professional accountants) and in the requirement at paragraph 11 (facilitate access to CPD) to connect those requirements to the proposed objective of the standard. Finally, the TF noted that measurement paragraphs 12-14 inconsistently made reference to 'develop and maintain professional competence' as part of the requirements in those paragraphs.
28. The TF notes that CPD is defined in the IAESB Glossary of Terms as learning and development activities that develop and maintain professional competence and that the concept of CPD being geared toward developing and maintaining professional competence is included in IES 7 (revised) introduction and explanatory material paragraphs. However, the TF noted in respondent feedback on the exposure draft that some users of the IESs do not read or translate the glossary, introduction and explanatory material paragraphs which highlights the importance of IES requirements standing on their own for central concepts to a given standard.
29. The TF noted that the phrase 'CPD that develops and maintains professional competence' was approved by the Board for exposure at paragraphs 9 and 11 and that while three respondents questioned if that wording was appropriate (AAT; ACCA; IDW), the majority of respondents did not comment on this wording.
30. Based on those observations, the TF recommended to the Board at the April meeting that the wording 'CPD that develops and maintains professional competence' be added to the measurement requirement at paragraph 12, be retained at paragraphs 9 and 11 and that the concept of 'develops and maintains professional competence' be added to the wording of the requirements at paragraphs 13 and 14 so that IES 7 (revised) places consistent emphasis on the stated objective of the standard – that professional accountants undertake CPD to develop and maintain professional competence.
31. In preparation for the April Board meeting the DWG completed a review of TF proposed changes to IES 7 (revised) based on the final analysis of comments and did not agree with the TF's recommendation to retain references to 'CPD that develops and maintains professional competence' at paragraphs 9 and 11

nor the addition of that reference to paragraph 12. Specifically, the DWG noted that because the Board defines CPD in the Glossary of Terms as learning and development that develops and maintains professional competence, the phrase ‘CPD that develops and maintains professional competence’ is redundant and potentially confusing. The DWG is also concerned that the phrase implies that there is such a thing as CPD which does not develop and maintain professional competence which is inconsistent with the Board’s definition of CPD (i.e., it is possible that a learning and development activity would not contribute to the development and maintenance of professional competence, but such an activity would therefore, by definition, not be CPD).

32. Finally, the DWG understands the TF concern that not all readers of the IESs will find, read or translate the glossary, introduction sections of a standard, and the explanatory material, but that from a drafting perspective, it is important to write our standards so that they reference these resources consistently. It would be difficult to undertake standard development if the Board sought to accommodate every possible way in which someone might read an IES.
33. The TF presented this issue to the CAG and Board during the April meetings. The CAG supports the inclusion of ‘CPD that develops and maintains professional competence’, agreeing with the TF’s perspective, while the Board had mixed views (some were fine with the inclusion and some were not for similar reasons as outlined by the DWG).

Analysis and recommendations for issues:

34. The TF considered the following **alternatives** in response to this issue:
 - a. Continue to include reference to ‘develops and maintains professional competence’ at paragraphs 13 and 14 and reference to ‘CPD that develops and maintains professional competence’ at paragraphs 9, 11 and 12; or
 - b. Retain reference to ‘develops and maintains professional competence’ only at paragraph 13 and 14 while removing reference to ‘CPD that develops and maintains professional competence’ at paragraphs 9, 11 and 12.
35. The TF believes the risk of removing the reference to ‘CPD that develops and maintains professional competence’ is that a reader of IES 7 (revised) would accept a learning and development activity, as CPD, that does not develop or maintain professional competence because not all readers of the IESs use the glossary, introduction and explanatory material paragraphs where this linkage would be made consistently.. Given that five (5)⁶ respondents commented that the inconsistent inclusion of ‘develops and maintains professional competence’ between paragraphs 9-14 introduces this risk, the TF believes it is imperative that any ambiguity surrounding the purpose and intent of undertaking CPD be made clear throughout IES 7 (revised). One (1)⁷ commented that the wording ‘CPD that develops and maintains professional competence’ included at paragraph 9 makes the purpose of CPD clear to readers, which supports the idea that this wording is helpful in conveying the Board’s intent and objective for undertaking CPD.
36. The TF acknowledges that some readers⁶ of IES 7 (revised) may find the wording ‘CPD that develops and maintains professional competence’ redundant or confusing. The TF believes this risk is acceptable if the inclusion of that language helps make clear to other readers that CPD must develop and maintain professional competence.
37. The TF believes the risk noted by the DWG that the wording ‘CPD that develops and maintains professional competence’ may imply that there is CPD that does not develop and maintain professional competence is effectively mitigated by consistently referring to the development and maintenance of professional competence at paragraphs 9-14. In addition, the TF notes that no respondents questioned whether there is CPD that does not develop and maintain professional competence as a result of the

⁶ Five (5) of 42 respondents (ICAEW; PAFA; SAIPA; ICPAU; ICAS) noted that the inconsistent reference to developing and maintaining professional competence at various requirement paragraphs risks weakening the standard.

⁷ ICAEW

⁶ Three (3) respondents (AAT; ACCA; IDW) noted the wording as potentially confusing.

inclusion of that wording at paragraphs 9 and 11 in the exposure draft.

38. Finally, while the TF agrees with the DWG drafting perspective outlined at paragraph 32 above, the TF notes that all of the extant IESs include language from the IAESB Framework and Glossary without making reference to those materials which allows readers to rely on the IESs without referring to those other materials. Based on respondent feedback about the risks associated with the inconsistent use of 'develops and maintains professional competence' at paragraphs 9-14, the TF believes it is important to include the language 'CPD that develops and maintains professional competence' at paragraphs 9, 11, and 12 to help readers of IES 7 (revised) understand CPD requirements without referring to other materials as the other IESs do.
39. Based on the above, **the TF recommends** that the wording 'CPD that develops and maintains professional competence' remain at paragraphs 9, 11 and 12.

DISCUSSION:

Drafting Convention: Cross-references in explanatory material

Summary of issues:

40. One of the primary objectives set-out by the Board for undertaking a revision to IES 7 was to improve clarity and understanding of the measurement approaches, particularly the output-based approach. The Board included a specific question, for respondents on the exposure draft, about whether proposed revisions to IES 7 helped clarify understanding of the output-based approach.
41. As noted [at paragraphs 156-162 in Agenda Item 2-1 from the April Board meeting](#), six (6)⁷ of 42 respondents provided feedback about the important connection between explanatory material for the measurement approaches and examples of verifiable evidence contained under monitoring and enforcement. Included in that feedback, were suggestions that the Board cross-reference the explanatory material for the measurement approaches to the examples of verifiable evidence included in explanatory material associated with the monitoring and enforcement requirements. Respondents commented that they found the examples of evidence particularly helpful to better understanding the measurement approaches but that it was not obvious, when reading the explanatory material for the measurement approaches, that helpful examples of evidence were contained later in the standard.
42. The TF believes addressing feedback from respondents that verifiable evidence is essential to understanding the measurement approaches, would be well aligned with the Board's objectives and notes that there is precedent for other IFAC supported standard setting boards including cross-references within explanatory material. Based on those factors, the TF recommended at the April meetings that the Board include cross-references to the examples of verifiable evidence within explanatory material for the output- and input-based measurement approaches.
43. For its presentation to the CAG and Board at the April meetings the TF noted that the DWG does not agree with setting a precedent within the IESs for establishing cross-references between IES explanatory material paragraphs. The DWG points out that there are numerous relationships between explanatory material paragraphs in all of the IESs and picking only a couple of instances to introduce a cross reference would be inconsistent from a drafting perspective. In addition, the introduction of cross-references at these specific paragraphs in IES 7 (revised) may confuse readers as to whether the Board views only those paragraphs that are explicitly cross-referenced as being related. The DWG recommended that the TF carefully consider the ordering of the Explanatory material, to ensure it is as logical as possible and therefore helpful to the reader. The DWG further recommended that if additional support to aid understanding of the standard is needed implementation guidance would be a better vehicle to use.
44. The CAG is supportive of including cross-references in explanatory material while the Board had mixed views (some agreeing with the TF recommendation and some agreeing with the DWG perspective).

⁷ The six (6) respondents include: PwC; FRC; NASBA; AICPA; Deloitte; and ACCA).

Analysis and recommendations for issues:

45. The TF carefully considered the placement and ordering of explanatory material in preparation for the April meetings and re-reviewed the placement and ordering during the April meeting following Board discussion of this issue. The TF notes that the Board received no comments that the underlying requirements for measurement and verifiable evidence (included with monitoring and enforcement) are in the wrong place. In addition, the CAG and Board did not provide feedback that the requirements for measurement and verifiable evidence are in the wrong place or out of order in IES 7 (revised).
46. The TF notes that the Board's drafting conventions outlined in the IAESB Framework describes explanatory material as 'intended to explain the scope, objective, and requirements in more detail.' The TF further notes, based on Board feedback on IES 7 (revised) explanatory material (e.g., the placement of explanatory material related to learning outcomes) that the Board has been consistent in only including explanatory material if the related requirement already includes the concept being explained. Specific to this issue, this means that the placement of examples of verifiable evidence in explanatory material related to measurement would not be appropriate because the measurement requirements do not reference 'evidence' or 'verifiable evidence'.
47. As a result, the TF has concluded that the only way to adjust the 'placement' or 'ordering' of explanatory material for verifiable evidence, so that it better connects with the explanatory material for the measurement approaches, is to move the requirement for verifiable evidence so that it is included as a measurement requirement. As noted at paragraph 45 above, respondents, the CAG and the Board have not commented that the requirements are out of place or out of order.
48. Therefore, the TF believes it is not practical to re-order the explanatory material for verifiable evidence in a manner that would address respondent feedback about the important relationship between measurement and evidence that might help understand the measurement approaches.
49. The TF understands the risks outlined by the DWG but believes the improvements to user understanding by including the references is greater than the risk of not doing so.. The TF agrees that including cross-references in IES 7 (revised) would set a precedent for the IAESB but notes that the Board retains the ability to use cross-references sparingly and only when considered necessary to helping the Board accomplish stated objectives for its standard setting efforts. With respect to IES 7 (revised), based on respondent feedback, the TF believes the inclusion of cross-references between explanatory material for the measurement approaches and examples of verifiable evidence is necessary to better accomplish one of the Board's stated objectives for undertaking the revision of IES 7 in the first place (to improve clarify and understanding of the measurement approaches).
50. Therefore, **the TF recommends** that the proposed cross-references included at paragraphs A21 and A24, at agenda items 2-2 and 2-3, be retained in the final version of IES 7 (revised).

DISCUSSION:

Wording of newly drafted explanatory material paragraphs

Summary of issues:

51. To address respondent feedback about the concept of 'develops and maintains professional competence' and the meaning of 'roles in the accountancy profession' the TF proposed adding the following paragraphs to explanatory material for CAG and Board comment during the April 2018 meetings:

- a. [Paragraph A2 at Agenda Item 2-5 from the April 2018 Board meeting:](#)

The concept of 'maintain professional competence' acknowledges that professional accountants may undertake CPD to sustain the technical competence, professional skills, and professional values, ethics and attitudes at the proficiency levels that were achieved by the end of IPD, because those proficiency levels continue to be adequate for the role the professional accountant performs. Conversely, the concept of 'develop professional competence', acknowledges that during CPD, a professional accountant may need to update, enhance or acquire new technical competence, professional skills and professional values, ethics and attitudes to pursue career progression, to successfully undertake

new roles, and to protect the public interest in a continually changing business environment.

b. [Paragraph A16 at Agenda Item 2-5 from the April 2018 Board meeting:](#)

Examples of roles and professional responsibilities that are often considered to be in the accountancy profession may include and are not limited to financial accounting and reporting; management accounting; finance and financial management; taxation; audit and assurance; governance, risk management and internal control; business laws and regulations; information technology; economics; and business strategy and management.

52. While the TF received comments on other paragraphs in IES 7 (revised) (see summary of comments and actions taken by the TF at Appendix 1 below) the TF determined that the nature and volume of feedback received on the two paragraphs outlined at paragraph 51 above, warranted specific attention.
53. Regarding the proposed paragraph at 51a (further explanation for the concept of develop and maintain professional competence) the Board noted that the proposed wording may be unintentionally narrow in its description of what it means to 'develop and maintain professional competence'. The concept of 'develops' also applies to situations when new roles or career progression are not being pursued and the concept of 'maintains' extends to more than just those competence areas and proficiencies obtained at the end of IPD. The Board also pointed out that the concept of 'develops and maintains professional competence' is used throughout the IESs and questioned if this concept would be better explained and positioned in the IAESB Glossary or Framework rather than in IES 7 (revised).
54. Regarding the proposed paragraph at 51b (further explanation for the role of a professional accountant and the accountancy profession) the Board noted that the proposed wording may be too narrow and may not be descriptive of roles within the accountancy profession.

Analysis and recommendations for issues:

55. Based on Board feedback, the TF revisited the wording of both paragraphs during the April 2018 Board meeting.
56. The TF agrees with the Board that the proposed paragraph at 51a above is unintentionally narrow and that because this concept applies to many of the IESs, this concept should not be further explained for the first time in IES 7 (revised) explanatory material. Therefore, **the TF has removed** the paragraph from the final proposed wording of IES 7 (revised) presented at Agenda Items 2-2 and 2-3.
57. The TF also agrees with Board feedback regarding paragraph 51b, that it is unintentionally narrow and does not accomplish what it is intended to accomplish. Based on respondent feedback surrounding the definition of the role of a professional accountant the TF believes it is critical that IES 7 (revised) make clear that IFAC member body responsibilities for CPD relate to the role of the professional accountant. If that is not clear, IES 7 (revised) would imply that IFAC member bodies are responsible for measuring, monitoring and enforcing CPD related to all of the roles their members might undertake (e.g., being a competent yoga instructor).
58. To develop a revised paragraph, the TF re-reviewed the IAESB Glossary and Framework and determined that the Glossary provides the following definition of a professional accountant:
Within the IESs, a professional accountant is an individual who achieves, demonstrates, and further develops professional competence to perform a role in the accountancy profession and who is required to comply with a code of ethics as directed by a professional accountancy organization or a licensing authority.
59. In addition, the TF notes that Framework paragraph 4 describes the accountancy profession as follows:
The accountancy profession includes, but is not limited to:
 - (a) *Preparing, analyzing, and reporting relevant and faithfully represented financial and non-financial information;*
 - (b) *Partnering in decision making, and in formulating and implementing organizational strategies;*
 - (c) *Auditing financial and non-financial information, and providing other assurance and advisory*

services; and

(d) *Preparing and analyzing relevant tax information.*

60. Therefore, **the TF recommends** that both paragraphs be combined and added to IES 7 (revised) to replace paragraph A16 (noted above at paragraph 51b), as follows:

Proposed Revisions for IES 7 (revised):	
Proposed in April 2018	A16. Examples of roles and professional responsibilities that are often considered to be in the accountancy profession may include and are not limited to financial accounting and reporting; management accounting; finance and financial management; taxation; audit and assurance; governance, risk management and internal control; business laws and regulations; information technology; economics; and business strategy and management.
Final Proposed Wording	<p>A1. Within the IESs, a professional accountant is an individual who achieves, demonstrates, and further develops professional competence to perform a role in the accountancy profession and who is required to comply with a code of ethics as directed by a professional accountancy organization or a licensing authority. The accountancy profession includes, but is not limited to:</p> <ul style="list-style-type: none"> (a) Preparing, analyzing, and reporting relevant and faithfully represented financial and non-financial information; (b) Partnering in decision making, and in formulating and implementing organizational strategies; (c) Auditing financial and non-financial information, and providing other assurance and advisory services; and (d) Preparing and analyzing relevant tax information.

61. Finally, **the TF recommends** that the revised paragraph be added to the beginning of explanatory material as newly added paragraph A1. The TF suggests relocating the paragraph because the concepts of ‘a professional accountant’ and ‘roles in the accountancy profession’ show up consistently throughout IES 7 (revised), beginning with the introduction section of the standard. In addition, some Board members suggested that references to ethics and ethical responsibilities could be brought closer to the beginning of explanatory material in IES 7 (revised). The TF notes that the definition of a professional accountant includes a reference to the code of ethics and therefore believes locating this new paragraph at A1 also addresses Board feedback about the placement of ethics in explanatory material.

Action Requested:

1. **Do you agree with the TF recommendations to address Board and CAG feedback from the April 2018 meetings as outlined between paragraphs 15-61, above, and Appendix 1 below? Why or why not?**

DISCUSSION:

Finalizing IES 7 (Revised)

62. In addition to the Board’s feedback discussed in detail above (between paragraphs 15-61) the TF has summarized feedback received from the Board during the April meeting on all remaining IES 7 (revised) paragraphs at Appendix 1 below.
63. The TF reviewed the timelines associated with the release of past IESs. Based on the potential for the Board to approve IES 7 (revised) for release by the end of calendar year 2018, the TF considered the following possible effective dates for IES 7 (revised) and included the conservative later date in the proposed wording of paragraph 7 for IES 7 (revised):

- a. January 1, 2020 or
 - b. July 1, 2020
64. In addition to being prepared to participate in a plenary page by page read out and possible final vote for IES 7 (revised), the TF anticipates the following questions about IES 7 (revised) also being brought to the Board for comment or vote during discussion of the IES 7 agenda item:

QUESTIONS FOR DISCUSSION IF IES 7 IS APPROVED FOR RELEASE:

2. Assuming IES 7 (revised) is approved, do you agree on whether there has been substantial change^A to the exposed document such that re-exposure is necessary? Agenda Item 2-4 provides a copy of the Marked-up changes to the Exposure draft of the revised IES 7 (Track changes from exposure draft).
3. Assuming IES 7 (revised) is released by the end of 2018, do you support a January 1, 2020 effective date or a July 1, 2020 effective date?
4. Assuming IES 7 (revised) is approved for release by the end of 2018 with an effective date of either January 1, 2020 or July 1, 2020 would you support the retirement of extant IES 7 occurring as of the effective date for IES 7 (revised)?

Footnote:

- A Situations that constitute potential grounds for a decision to re-expose may include, for example: substantial change to a proposal arising from matters not aired in the exposure draft such that commentators have not had an opportunity to make their views known to the IAESB before it reaches a final conclusion; substantial change arising from matters not previously deliberated by the IAESB; or substantial change to the substance of a proposed international pronouncement.

DISCUSSION:

Update on status of implementation support for IES 7 (revised)

Summary of issues:

65. At the conclusion of the April 2018 Board meeting, the TF was asked to revisit proposed plans, timelines, prioritization of topics for guidance, and potential resourcing needs related to the future development of implementation support material for IES 7 (revised).
66. To help organize and prioritize implementation support the TF has prepared Agenda Item 2-5, which outlines the TF's proposal for how to prioritize the development of implementation support materials related to IES 7 (revised):
 - a. The proposed order in which to develop guidance, by topic, is based on respondent feedback received during both initial consultation and the IES 7 (revised) exposure draft.
 - b. The proposals related to timeline and resources are based on assumptions that the Board will approve a final revised version of IES 7 (revised) during the July 2018 meeting and that the Board will approve the standard for release between the conclusion of the November 2018 Board meeting and the end of calendar year 2018.
 - c. The proposal related to the nature of the implementation guidance developed is based on the understanding that one of the Board's goals for IES 7 implementation support is to be able to release

some guidance concurrently with IES 7 (revised).

67. Note that Agenda Item 2-5 includes a discussion question for Board consideration, should the Board agree to approve IES 7 (revised) for release.

APPENDIX 1: Summary of Board feedback on IES 7 from the April 2018 meeting

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
1	N/A	N/A
2	One suggestion for bullet (e) to break-up 'networking' and 'sharing of knowledge and experiences'	<p>Note: This was paragraph 5 at the April meeting and was relocated to become the 2nd sentence of paragraph 2 following DWG review to assist flow of the introduction section.</p> <p>Deleted 'and sharing of knowledge and experiences,' to avoid confusion about whether 'sharing of knowledge and experiences' describes what networking is or if it is something different than networking.</p>
3	N/A	<p>Note: This was the 2nd sentence of the 2nd paragraph at the April meeting and was made into its own paragraph based on DWG review to assist flow of the introduction section.</p>
4	N/A	N/A
5		
6	N/A	N/A
7	N/A	N/A
8	<ol style="list-style-type: none"> 1) Three suggested replacing 'have' with 'is for' 2) One preference to replace 'undertaking' 3) Two suggestions to replace 'in the accountancy profession' with 'IESBA code reference to 'professional environment' 4) One suggestion to make 'ethical responsibilities' more clear 5) One question about wording - Is the objective to develop and maintain professional competence or to undertake CPD? 6) One comment of support for the removal of the public interest reference as not all roles (e.g., management accountants) may be 	<ol style="list-style-type: none"> 1) Changed from 'have' to 'is to establish that' 2) Retained use of concept but changed to undertake in re-worded paragraph. TF notes 'undertaking' is included in IES 5, 6, and 8. 3) Replaced 'in the accountancy profession' with 'role of a professional accountant and added a new first paragraph to explanatory material (A1) which pulls forward the Glossary definition of 'professional accountant' and Framework paragraph 4 which describes 'the accountancy profession.' The TF believes this is a compromise that pulls reference to the ethical code forward through the definition of professional accountant while still being

⁸ IES 7 references included in this table are the final proposed paragraph references included at Agenda Items 2-2 and 2-3.

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
	<p>easily seen to have a direct impact on the public interest. The CAG preferred that reference to the public interest be included in the objective of IES 7, even if that makes IES 7 different than the other IESs.</p>	<p>responsive to exposure draft comments about the scope of IES 7 requirements regarding measuring/monitoring/enforcing CPD that extends beyond the role of the professional accountant.</p> <p>4) The TF and Board previously considered specifying competence areas, including ethics, early in the project (April 2016 Board meeting) and decided to avoid this approach in IES 7. TF believes the introduction of a new first paragraph for explanatory material (A1) helps address incorporate ethics more directly.</p> <p>5-6) See additional track changes on paragraph 8 at Agenda Item 2-3 to clarify the objective is to undertake relevant CPD to develop and maintain professional competence necessary to perform a role as a professional accountant. The TF did not add reference to the public interest to maintain consistency with the other IESs.</p>
9	<p>1) Two comments that this requirement and the standard in general are weakened because IES 7 is not addressed to professional accountants</p> <p>2) CAG and Board expressed concern that use of 'in the accountancy profession' will narrow the scope and view that the focus is on those in practice or just auditors. CAG suggested replacing 'in the accountancy profession' with 'the role of a professional accountant'.</p>	<p>1) The IAESB has a separate project in place exploring the target audience of the IESs as this issue impacts all of the IESs.</p> <p>2) Replaced 'in the accountancy profession' with 'the role of a professional accountant' to avoid issues noted by Board/CAG while also attempting to address respondent feedback that the scope and requirements do not unintentionally imply IFAC member bodies are now responsible for CPD that is unrelated to accounting roles.</p> <p>Additional track changes based on DWG review repositions 'relevant' and adds 'necessary' consistent with the revisions made to paragraph 8.</p>
10	N/A	N/A
11	N/A	NOTE: "to" was replaced with "to undertake" as part of DWG review
12	N/A	N/A
13	N/A	Note: 'in the accountancy profession' was replaced with 'as professional accountants' to be consistent with how IES 7 was revised following feedback received on paragraph 9.

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
14	One suggestion to add 'adequate' so it reads 'specify an adequate amount of L&D'	This change was not made. TF notes that 'adequate' is subjective and will be difficult to define. Note: 'in the accountancy profession' was replaced with 'as professional accountants' to be consistent with how IES 7 was revised following feedback received on paragraph 9.
15	N/A	N/A
16	N/A	N/A
A1	See summary of board feedback described in detail above at paragraphs 51-61.	See summary of board feedback described in detail above at paragraphs 51-61.
A2	N/A	N/A
A3	N/A	NOTE: Based on DWG review this was relocated from para A5
A4	1) One suggestion to change 'continue to be' with 'are' 2) One suggestion to change 'may' to 'should consider'	1) Changed 'continue to be' with 'are' 2) Did not make change to avoid introducing a hidden requirement
A5	N/A	Note: Based on DWG review this was relocated from para A6 and 'enforced' was added to the first sentence.
A6	One preference for 'on-going' rather than 'continuing'	Note: Based on DWG this was relocated from para A3 Changed so the paragraph reads: 'Lifelong learning represents the on-going'
A7	1) Two suggestions to replace 'the provision' with 'the performance' 2) One question about whether this paragraph explains the objective and related suggestion to move this paragraph to the scope section	1) Changed from 'the provision' to 'the performance' 2) Retained this paragraph where located to be consistent with other IESs Note: Additional changes for this paragraph (see Agenda Item 2-3) were made to align the wording of this paragraph with revisions made to paragraphs 8 and 9, described above and based on DWG review.
A8	1) One comment that bullet (a) should be aligned to the 2018 IESBA	1) Bullet (a) was revised to align language with the 2018 IESBA code

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
	<p>code of ethics</p> <p>2) One question about whether the inclusion of 'all sectors' is appropriate at bullet (b)</p>	<p>of ethics</p> <p>2) Removed 'in all sectors' from bullet (b)</p> <p>NOTE: Based on DWG review this paragraph was moved from the CPD for Professional Accountants section to the Objective section (remained para A8 when moved).</p>
A9	<p>1) One suggestion to delete 'therefore' in the second sentence</p> <p>2) One suggestion to remove 'specific responsibilities'</p>	<p>1) Removed 'therefore'</p> <p>2) Removed 'specific' from 'specific responsibilities'</p>
A10	<p>1) One concern that the reference to learning outcomes at bullet (a) might be interpreted to refer to just the learning outcomes in the IESs and related suggestion to remove the reference to learning outcomes</p> <p>2) One suggestion to relocate this explanatory material to explain the promotion of CPD requirement</p> <p>3) CAG - questioned if the wording of the phrase 'take a more active role in their CPD' could be improved or removed.</p>	<p>1) Retained learning outcomes at bullet (a) and changed to read 'Perform self-assessment activities to identify relevant learning outcomes and personal development gaps.' The use of learning outcomes was included in the exposure draft for public comment and the Board did not receive comments indicating the reference to learning out is confusing or limiting.</p> <p>2) TF considered the proper placement of the CPD Framework explanatory material for exposure. The TF believes A10-A13 are in the proper place for helping explain the aspects of the requirement at paragraph 9 which require professional accountants to record CPD and undertake relevant CPD (i.e., the CPD Framework is useful to recording and identifying relevant CPD).</p> <p>3) Replaced 'take a more active role in their CPD with 'identify, undertake, and record relevant CPD'. This will also help address questions about the location of this section in explanatory material.</p>
A11	<p>1) One question about the meaning of the wording 'In addition to CPD Framework" when reading para A10 and A11.</p> <p>2) One suggestion to relocate this explanatory material to explain the promotion of CPD requirement</p>	<p>1) Deleted 'In addition to a CPD Framework'.</p> <p>2) Did not make this change. See response to para A10</p> <p>NOTE: Based on DWG review, removed the 2nd sentence in bullet (c) which may be better placed in implementation support material.</p>
A12	<p>One suggestion to relocate this explanatory material to explain the promotion of CPD requirement</p>	<p>Did not make this change. See response to para A10</p> <p>NOTE: Track changes made based on DWG review to help clarity</p>

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
A13	<p>1) Mixed feedback about the inclusion of the example (ethics) included at the end of bullet and whether that example carries unintended implications for how readers will interpret the meaning of this paragraph.</p> <p>2) One suggestion to relocate this explanatory material to explain the promotion of CPD requirement</p>	<p>1) Replaced the ethics example with the ‘financial accounting and reporting’ competence area from IES 2 and added an example of a specialist role to bullet (b) ‘a tax preparer’. Based on DWG review, believe the examples for bullets (a) and (b) are needed to help distinguish (a) from (b).</p> <p>2) Did not make this change. See response to para A10</p>
A14	N/A	N/A
A15	N/A	N/A
A16	<p>1) One suggestion to move paragraphs A10-A13 to this section of the explanatory material</p> <p>2) One comment that bullet (a) reads awkwardly with CPD Framework included in the wording (i.e., there are lot of 'ands')</p>	<p>1) Did not make this change. See response for comment to para A10</p> <p>2) Made CPD Framework a new bullet (b) that reads: ‘Encouraging the use of a CPD Framework by professional accountants to support relevant learning and development’</p>
A17	N/A	N/A
A18	<p>One suggestion to remove reference to ‘program of CPD’ and change lead-in so that this paragraph is better connected to the requirement</p>	<p>To better align this paragraph with the related requirement the paragraph was re-worded to read: 'The following represent examples of planned and un-planned learning and development activities that IFAC member bodies may promote for CPD:'</p> <p>NOTE: Track changes for bullets (a); (e); and (h) were made based on DWG suggestions to support clarity and understanding.</p>
A19	<p>1) One question/comment as to whether the words used in the list (a – c) are the right terms</p> <p>2) The Board noted that the language 'focused on learning outcomes' is confusing and suggested the wording be used instead: "Measurement includes evaluating evidence of CPD in terms of the achievement of learning outcomes or completion of a specified amount of learning and develop activity related to..."</p>	<p>1) TF believes these are the appropriate terms, as they refer to IESs 2, 3, and 4</p> <p>2) Deleted 'focused on learning outcomes' and adopted proposed wording following Board’s suggestion</p>
A20	N/A	<p>N/A</p> <p>NOTE: Track changes are based on DWG review to help clarity and</p>

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
		understanding.
A21	<p>1) One question/comment as to whether the concept of sufficiency is adequately addressed in explanatory material</p> <p>2) One comment/suggestion to change wording for paragraph A21 to follow the drafting convention used at paragraph A24 so that these paragraphs are presented consistently</p>	<p>1) The TF believes implementation guidance is needed for this concept. See Agenda Item 2-5.</p> <p>2) Changed A23 to read: 'An output-based approach measures CPD by determining whether...' which conforms the wording of this paragraph to the wording at A24. DWG suggested 'in terms of' be replaced with 'by determining' for clarity.</p>
A22	<p>1) Board commented that the inclusion of explanatory material for learning outcomes should not be introduced before measurement because learning outcomes are first introduced in measurement requirements. Board suggested relocating to explanatory material for the output-based approach.</p> <p>2) The Board cautioned against losing material on planned and unplanned learning and development when relocating learning outcomes references.</p> <p>3) One suggestion to change 'is' to 'can be' in last sentence to improve how the last sentence reads on its own.</p> <p>4) One question about whether it is appropriate to reference non-authoritative literature (paragraph A22 includes a footnote referring to IAESB Implementation Support Material for learning outcomes).</p> <p>5) One question about whether the learning outcomes definition should be included in the IAESB Framework rather than in IES 7?</p>	<p>1) The TF relocated the explanatory for the definition of learning outcomes to be part of explanatory material for the output-based approach at paragraph A22.</p> <p>2) The TF incorporated reference to planned and un-planned activities when revising paragraph A18, as described above.</p> <p>3-4) TF removed the sentence and reference to the guiding principles based on Board feedback and DWG feedback that the last sentence is confusing.</p> <p>5) The TF notes that the definition of learning outcomes is included in the IAESB Glossary of Terms. The TF believes the concept is important enough to include verbatim in IES 7 explanatory following the example set by IES 8 paragraph A20.</p> <p>NOTE: The 2nd sentence has been revised following DWG review to improve clarity and understanding of the meaning of the sentence. This connects learning outcomes to the concept of relevance used elsewhere in IES 7.</p>
A23	N/A	<p>N/A</p> <p>NOTE: Track changes are suggested by DWG to improve clarity and understanding.</p>
A24	One suggestion use a different word other than 'confirm' in the wording of this paragraph	Replaced with 'verify'
A25	1) Two suggestions to change 'might consider' with 'should consider'	1) Removed the reference to 'might consider existing practice'

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
	<p>2) CAG and Board noted a typo: 'comment' should be 'common'</p> <p>3) CAG and Board suggested replacing 'based on the concept' with 'practice' or re-word so paragraph starts with 'If an IFAC member body uses an input-approach...'</p> <p>4) One suggestion to consider including additional material about PAOs needing to justify the hours they establish.</p> <p>5) One question as to whether or not the number of hours should be challenged or changed when moving the minimum hours from the requirement to explanatory material and if a second example for equivalent learning units should also be added?</p> <p>6) One question as to whether explanatory material for splitting hours between competency areas should be added</p>	<p>where it is common' to avoid introducing hidden requirement with 'should consider' and based on revisions made to address comment 3 for this paragraph</p> <p>2) Addressed typo in re-worded paragraph</p> <p>3) Removed wording 'This IES is based on the concept that'</p> <p>4) TF did not add explanatory material suggesting PAOs need to justify the hours they establish because IES 7 does not establish in its requirements that PAOs need to justify the hours they establish. Incorporating a reference to justifying hours in explanatory material would introduce hidden requirements.</p> <p>5) Given respondent concerns over the removal or movement of hours from the requirements, the TF believes keeping the same hours as the example is part of a fair compromise. The TF considered equivalent learning unit examples and believes implementation guidance will be needed to make those additional examples clear.</p> <p>6) The TF believes paragraph A13 addresses this concept.</p>
A26	N/A	N/A
A27	<p>1) One suggestion to remove 'choose to' from the first sentence.</p> <p>2) One comment that the wording of bullet (a) is confusing and could be improved</p> <p>3) Two suggestions to avoid using 'confirming' in bullet (b)</p> <p>4) One suggestion to replace or improve the wording in bullet (c) for the reference to 'remaining accountants'</p> <p>5) One comment that the meaning of bullet (d) is confusing – specifically the use of the word 'replace'.</p> <p>6) One comment that the examples included may not support understanding for application of the approach</p>	<p>1) Removed 'choose to'</p> <p>2) Reworded bullet (a) to improve its clarity</p> <p>3) Replaced 'confirming' with 'verifying'</p> <p>4) Revised bullet (c) to avoid references to 'remaining accountants'</p> <p>5) Reworded bullet (d) to improve its clarity</p> <p>6) The TF notes that the examples provided are intended to help users of IES 7 understand how a variety of different approaches may be constructed rather than applied. The lead-in to the paragraph explains these are examples of how an approach may be constructed. The TF believes examples of application are needed for implementation support.</p>

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
A28	<p>1) One suggestion to delete everything from 'and' to the end of the last sentence.</p> <p>2) Two suggestions to relocate the paragraph defining verifiable evidence so it is the first para in the section on monitoring and enforcement</p>	<p>1) Changed wording of the last sentence to make it easier to understand. The TF notes the language included was the definition of verifiable evidence from the IAESB Glossary of Terms.</p> <p>2) Moved this paragraph so that it is the first explanatory paragraph for this section at paragraph A28.</p>
A29	N/A	N/A
A30	<p>1) Board suggested that implementation support may be helpful for this paragraph to help further explain the 'portion' that could be verifiable and examples of evidence for 'self-assessment'</p> <p>2) One suggestion to change 'proportion' to 'portion'</p>	<p>1) TF agrees implementation support would be the proper place to further expand on these concepts if deemed a priority by the Board for development</p> <p>2) Changed 'proportion' to 'portion'</p> <p>NOTE: Based on DWG review, the last sentence of the paragraph was split into two sentences to help clarify that learning activities which are not verifiable can still be evidenced and documented.</p>
A31	<p>One comment/concern that 'published' may be very broad and may need some kind limit (e.g., is a blog published)</p>	<p>The TF believes this is a concept to consider for possible implementation support in the future</p> <p>NOTE: Revisions to bullets (c) and (d) made based on DWG to promote clarity, understanding and consistent use of IAESB terminology.</p>
A32	N/A	<p>N/A</p> <p>NOTE: The parenthetical reference added to bullet (b) is suggested by DWG to connect the concept of verifying the hours or equivalent units for completed activities.</p>
A33	<p>One suggestion to strike monitoring at the beginning of this paragraph</p>	<p>Did not make this change. TF believes monitoring is important here to clarify whether this applies to monitoring or enforcement or both. Respondents asked the Board to be careful in this section of the standard with wording so as to avoid implying enforcement happens always or on the same interval as monitoring (i.e., monitoring should always happen but enforcement should happen only as necessary).</p>

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
		NOTE: Revisions to bullets (a)-(c) are suggested by DWG to improve clarity, understanding, and consistent use of IAESB terminology.
A34	1) One suggestion to change 'reviewing' to 'obtaining' for bullet (a) 2) One suggestion to remove 'reviewing and' from bullet (b) 3) One suggestion to include a reference to working with 'Licensing regimes and regulators' from A16e here as well 4) One suggestion to strike monitoring at the beginning of this paragraph	1) Replaced 'reviewing' with 'obtaining' 2) Removed 'reviewing and' 3) Added new bullet (d) 'Working with regulators or other licensing authorities to assist in monitoring and enforcing CPD requirements.' 4) Did not make this change. See response for same comment on paragraph A33 above.
A35	N/A	N/A NOTE: DWG suggested the insertion of 'professional accountant' to improve clarity and understanding.
A36	One suggestion to remove reference to 'burdensome' noting that standards should avoid recognizing resource or other practical constraints	Revised wording at end of paragraph to refer to a range of time that may meet expectations and removed reference to 'burdensome'
A37	N/A	N/A NOTE: Track changes are based on DWG review to clarify that this paragraph explains what may be considered when developing sanctions rather than implying a member body may optionally apply sanctions.
A38	N/A	N/A
A39	CAG commented that this paragraph might work well as explanatory material for the introduction section of the standard	The TF believes that newly created paragraph A1 picks up an important reference to the ethical code and that this paragraph should stay with monitoring and enforcement to further explain those requirements.
A40	N/A	N/A
A41	One comment/observations that use of 'members' in this paragraph may be interpreted to mean the 'board or committee' should be	Removed reference to 'members'

IES 7 Ref ⁸	Summary of Board Feedback	Summary of How Feedback was Addressed
	comprised only by members of the PAO	
A42	N/A	N/A

APPENDIX 2: Project Rationale; Project Scope; Project Activities

A. Project rationale

1. As a result of its discussions at its April 2015 meeting the IAESB agreed that the following criteria would be used in determining whether or not to revise an extant IES:
 - i. Is the extant IES fit for purpose?
 - ii. Is the extant IES necessary?
 - iii. Is the extant IES continuing to add value?
 - iv. Are there sufficiently significant developments in professional education that risk making the standard obsolete?
2. The CAG Workgroup submitted a report to the IAESB Steering Committee for discussion at its July in-person meeting (2015). This report provided advice on: (i) matters arising from the IAESB Issues Paper, Criteria for New and Revised Standards (See); and (ii) future opportunities, gaps, issues, emerging trends that may impact the implementation of the current IESs and provide the basis for the possible development of new or revised standards. The report was well received by IAESB Steering Committee members and formed an important part of the discussion on emerging issues. Of particular interest by the Steering Committee were the areas of Continuing Professional Development and Competence-based Education.
3. Steering Committee members recognized that the input-based approach to measuring CPD appears inconsistent with the learning outcomes approach, whereby the input and combination approaches to Continuing Professional Development (CPD) measurement seem to be at odds with output-based measures and the learning outcomes approach promoted in the revised standards. In addition, there is growing use of CPD compliance as a mechanism for periodic recertification by a number of Professional Accounting Organizations (PAOs).
4. The IAESB Chair requested that the CAG develop the suggested areas of continuing professional development and competence-based education for further consideration by the IAESB at its November 2015 meeting.
5. At its September 2015 meeting, the IAESB CAG's discussion on these areas led to enhancing its report (See [Agenda Item 2-2 from IAESB November Meeting](#)) by identifying: some recent developments in CPD; the progress of other professions on CPD; and the need to recognize and integrate non-traditional learning methods such as "credit for life experiences" in education and assessment areas.
6. At its November 2015 Board meeting, the IAESB discussed the CAG's report and the related findings of the IES Usage Study Task Force and commissioned an IES 7 Task Force to undertake a number of research and consultation activities to further investigate the sufficiency of IES 7.
7. Additionally, in its December 2015 consultation paper on the IAESB's 2017-2021 Future Strategy and Priorities, the Board asked, "How can the requirements of IAESB IES 7, Continuing Professional Development (2014) support the learning outcomes approach of the other IESs, including IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)?" Twenty-one responses have been received (See summary of responses included in Appendix 2 of [Agenda Item 2-1](#) of April 2016 meeting).

B. Project scope

8. It is in the public interest that professional accountants undertake CPD activities to maintain and develop their professional competence throughout their career and that the effectiveness of CPD activities undertaken is globally consistent. The TF has been charged with evaluating how the extant IES 7, including potential supplementary guidance, can be improved to support the public interest.
9. CPD activities are best assessed in relation to how they maintain and improve competence specific to the role an individual professional accountant performs. However, there are significant challenges in identifying standard CPD learning outcomes:
 - Qualified accountants perform a wide range of roles with varying degrees of specialism and complexity, in different entities (financial services companies, finance departments,

accounting education etc.) and in different jurisdictions.

- Every entity will have different levels of specificity of role competences, and varying appraisal systems by which performance against these competences is assessed.
 - Every professional accountant has a different base level of knowledge, skills and experience at any given point in time, against which they would assess their development needs.
10. The revised IESs 2-4 mandate competence areas, minimum levels of proficiency and learning outcomes for an entry level professional accountant and IES 8 mandates competence areas and minimum levels of proficiency of an audit engagement partner (AEP). This is possible because there is an agreement on the minimum competencies required of a newly qualified accountant. Further there is an ISA description of the responsibilities of the AEP role (ISA 220), and the AEP role is unique in its significance in serving the public interest.
 11. By contrast, IES 7 does not mandate competence areas, minimum levels of proficiency nor learning outcomes for professional accountants. Under Explanatory material (paragraph A12), it suggests that “IFAC member bodies may choose to develop requirements or guidance on which CPD activities they consider relevant to the professional role(s) and function(s) professional accountants typically have. Alternatively, they may choose to rely on the judgment of professional accountants to make decisions on the relevance of CPD activities. They may also choose to set requirements in certain areas, and allow professional accountants the flexibility to choose relevant CPD activities in others.”
 12. In considering the scope of the Issues Paper presented in [Agenda Item 4-1 from the April 2016 Board meeting](#), the TF had determined it was not practicable to identify standard competences, levels of proficiency and learning outcomes that would be both relevant and specific to all professional accountants. Accordingly, the TF scoped this out of the project’s objectives but indicated it would remain alert to emerging issues and trends impacting the public interest and included for discussion the possibility of expanding learning outcomes related to professional values, ethics and attitudes.
 13. The scope of this Issues Paper focuses on what the TF has learned from completing remaining project activities since the April 2016 Board meeting and how those completed activities impacted the TF’s understanding of issues related to IES 7 and consequently the recommendations the TF has made in its Project Proposal.

C. Project activities

Completed activities between the November 2015 and April 2016 Board Meetings

14. Since the November 2015 Board meeting, the TF undertook a number of research and consultation activities to inform the project proposal, including seeking advice from the CAG during the April 2016 meeting.
15. 144 IFAC member bodies and the public were invited to respond to questions related to their experience of implementing IES 7 (See Appendix 3, below, for Survey Questions). The TF has received 47 responses from 43 member bodies (three submitted multiple responses) and one response from the public (see [Agenda Item 4-2 of the April 2016 Board meeting](#) for analysis of responses).
16. The TF has conducted focus group discussions with the ‘Forum of Firms’ and completed an analysis of their feedback (see [Agenda Item 4-3 of the April 2016 Board meeting](#) for analysis of comments).
17. The TF has reviewed the IAESB CAG Report to the IAESB ([Agenda Item 2-2 from the November 2015 Board meeting](#)).
18. The TF consulted with the IES Usage Study task force to include IES 7 relevant findings and issues from that effort.
19. The TF’s preliminary findings and recommendations were discussed with the CAG at their meeting in April 2016 (i.e., two days prior to the Board meeting). The CAG’s feedback was included as Agenda Item 5-4 for the April meeting (NOTE: This was provided to the Board as an addendum to the IES 7 Issues Paper during the Board’s April 2016 meeting).
20. At its April 2016 Board meeting, the IAESB discussed the IES 7 TF’s preliminary issues and recommendations (see [Agenda Item 4-1 from the April 2016 Board meeting](#)). The Board asked the TF to

continue with its activities in progress and to bring forward an updated summary of issues and recommendations in a Project Proposal to the November 2016 Board meeting.

Completed activities between the April 2016 and April 2018 Board Meetings

21. Completed analysis of comments related to previously conducted focus group discussions with the IFAC SMP Committee, and the IFAC PAIB Committee.
22. The TF completed its review of examples of CPD principles, standards and guidance developed for other professions (actuaries, medics, pharmacists etc.) as well as U.S. professional accountants and accountancy CPE program sponsors, and CPD policies from IFAC member bodies using an output-based measurement approach.
23. The TF completed outstanding interviews with member bodies, regional organizations, the PIOB, IFAC committees, the Forum of Firms, and regulators. See Agenda Item 2-3 for a comprehensive list of IES 7 related outreach and consultation.
24. The TF analyzed results from all completed activities and developed a set of revised issues and recommendations for inclusion in a Project Proposal. The TF developed a Draft Project Proposal and shared it with the Steering Committee in July and CAG in September for comment.
25. At its November 2016 Board meeting, the IAESB discussed the IES 7 TF's updated issues and related Project Proposal for the revision of IES 7 (see [Agenda Item 3-1 from the November 2016 Board meeting](#)). The Board approved the Project Proposal for the revision of IES 7, asking the TF to develop an exposure draft for issues related to CPD activities; CPD framework; and measurement. The Board concluded that the TF should also prepare a Consultation Paper to further explore the fourth issue identified in the Project Proposal related to the target audience of IES 7.
26. At the November 2016 Board meeting, the TF recommended that IES 7 be revised and additional implementation guidance be developed to address issues identified through completed outreach activities. In summary, the TF identified four significant issues resulting in recommendations to revise IES 7:
 - a. Clarify CPD Activities;
 - b. Incorporate concepts of a CPD Framework into IES 7;
 - c. Revise and clarify the principles and requirements for CPD measurement approaches to support understanding and consistent implementation; and
 - d. Revise the target audience of IES 7 to include professional accountants (i.e., adding requirements directed to professional accountants in addition to those already directed to IFAC member bodies)
27. The Board approved that the TF develop proposed revisions to IES 7 for the first three issues and present a proposed exposure draft to the Board in April 2017 for those issues. The Board agreed the fourth issue (target audience) was a valid issue and recommended that additional input from the public be obtained before proposed revisions to IES 7 is exposed for public comment. The Board agreed to develop a consultation paper specific to the fourth issue as a separate project from remaining work on IES 7.
28. At the April 2017 meeting, the Board approved the release of an exposure draft for IES 7 (revised) with a 90 day response period. The exposure draft was released for comment on June 5, 2017 with comments due by September 19, 2017, with additional extension from September 5, 2017. The Board received 42 responses on the proposed revision of IES 7.
29. At the November 2017 meeting, the TF presented to the Board its preliminary analysis of comments on the exposure draft ([see Agenda Item 3.1 from the November 2017 Board meeting](#)). As a result, the Board asked the TF to:
 - d. Complete its analysis of comments on the IES (revised) exposure draft; and
 - e. Develop and present a final recommendation on the wording of IES 7 (revised) at its April 2018 Board meeting.

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30. To prepare for the April 2018 CAG and Board meetings, the TF completed its analysis of comments, developed recommendations for the final proposed wording of IES 7 (revised) based on that analysis of comments, conducted three teleconferences, attended an all-day in-person meeting, and met with the Board's Draft Working Group (DWG) to address DWG comments on the final proposed wording of IES 7 (revised).
31. To complete the analysis of comments and develop recommendations for the final proposed wording of IES 7 (revised), the TF coded and themed every comment received on the exposure draft. The TF then organized those themes based on how they relate to the standard (e.g., suggestions relative to the requirements versus comments relating to explanatory material). [Agenda Item 2-3 from the April 2018 Board meeting](#) presents the TF's coding of all comments by theme, organized to follow the flow of the standard, and cross-referenced to the TF's analysis of comments and proposed recommendations, which were presented for Board discussion at [Agenda Item 2-1 for the April 2018 Board meeting](#).

APPENDIX 3: Survey Questions to IFAC Member Bodies

- Q1: **What is the name of your organization?**
- Q2: **My organization implements the International Education Standards™ (IES).**
Options:
 - Strongly Disagree
 - Disagree
 - Agree
 - Strongly Agree
- Q3: **Describe the activities your organization undertakes to promote and assist the implementation of IES 7.**
- Q4: **In my opinion, the implementation of IES 7 improves the competence of professional accountants.**
Options:
 - Strongly Disagree
 - Disagree
 - Agree
 - Strongly Agree
- Q5: **If you believe you are successful in implementing IES 7, please provide a few tangible examples of how you implement this standard.**
- Q6: **My organization meets or exceeds the requirements of IES 7.**
Options:
 - Strongly Disagree
 - Disagree
 - Agree
 - Strongly Agree
- Q7: **Overall, I am satisfied with the IES 7.**
Options:
 - Strongly Disagree
 - Disagree
 - Agree
 - Strongly Agree
- Q8: **Which requirements of IES 7 are most useful?**
- Q9: **What challenges do you have relative to the application of IES 7?**
- Q10: **What specific improvements to IES 7 would you recommend?**
- Q11: **Does your organization establish the continuous professional development (CPD) requirements applicable to your members? Choose one:**
 - Yes: Describe the activities your organization undertakes to require the implementation of CPD? - Write In (Required)
 - No: Which organization in your jurisdiction establishes the CPD requirements applicable to your member? - Write In (Required)
- Q12: **As defined by IES 7, which of the following approaches to measuring the attainment of CPD is used in your jurisdiction? *Select the one that applies:***
 - Output-based approach - requiring professional accountants to demonstrate, by way of outcomes, that they have developed and maintained professional competence
 - Input-based approach - establishing an amount of learning activity for professional accountants to develop and maintain professional competence
 - Combination approach - combining elements of the input- and output based approaches, setting the amount of required learning activity, and demonstrating outcomes achieved, whereby professional accountants develop and maintain professional competence
- Q13: **Should all three approaches for measuring the attainment of CPD (input, output and combination) continue to be available? Why or why not?**
 - Yes - Write In (Required)
 - No - Write In (Required)
- Q14: **Describe the activities your organization undertakes to monitor the compliance with CPD requirements.**
- Q15: **Who are the primary providers of CPD in your jurisdiction?**