



International Accounting  
Education  
Standards Board

545 Fifth Avenue, 14th Floor, New York, NY 10017  
T + 1 (212) 286-9344 F +1 (212) 286-9570  
www.iaesb.org

**Committee:** International Accounting Education Standards Board

**Meeting Location:** IFAC Headquarters, New York, USA

**Meeting Date:** July 11-12, 2018

**SUBJECT: Investigating the Target Audience for IESs – Issues Paper (07/18)**

### INTRODUCTION

1. The aim of this paper is to:
  - i. Set out a revised approach for a consultation paper on the topic for the Board's consideration based on feedback received from the Board at the November 2017 Board meeting, and take further feedback from the Board;
  - ii. Outline a proposed approach to obtain informal stakeholder feedback to formally issue of a consultation paper; and
  - iii. Obtain the Board's direction and feedback on the revised approach to the consultation paper and the proposed approach to stakeholder engagement.
2. This agenda item contains the following materials:

Agenda Item 4-1	Investigating the Target Audience for IESs - Issues Paper (07/18)
Agenda Item 4-2	Draft Consultation Paper: Investigating the Target Audience of the International Education Standards (IESs) (07/18)

### BACKGROUND

3. The current suite of IESs contain requirements which are written only to IFAC Member Bodies. Although accompanying content in the Scope section of the standards acknowledges that the standards will be of use to a range of other stakeholders involved in the education of aspiring professional accountants and professional accountants. It has been consistently understood in Board discussions that the focus of the requirements solely on IFAC Member Bodies is a consequence of the fact that IFAC Member Bodies are subject to the Statements of Membership Obligations. This statement means IFAC has some ability to monitor and measure, and so enforce and assess compliance with the standards by IFAC Member Bodies, but has no such ability in relation to other stakeholders.
4. In various public consultations, most recently as part of the outreach activity for the revisions to IES 7 some stakeholders have suggested that the IAESB could extend the requirements of the IESs to other stakeholders, and in the context of IES 7 specifically to the individual professional accountant. The impact of the IES 7 requirements on CPD on other stakeholders has also been noted to be enhanced; for example, the increased responsibility of the FRC(UK) regulator and Recognised Supervisory Bodies in the UK jurisdiction through its delegated tasks agreement with Recognised Supervisory Bodies on CPD. In discussions to date the Board has explored some of the issues this change would raise, but also recognized that there are potential benefits to extending the

## Agenda Item 4-1

audience for the IESs. In Board discussions on IES 7 it was agreed that this potential change is an issue that the Board needs to take a structured approach to, because this change could have potentially wider applicability than just to IES 7.

5. The Drafting Working Group was tasked with exploring this issue further and bringing back to the Board proposals on how to proceed, including considering the need for public consultation on this issue. At the November 2017 Board meeting it was agreed that a Task Force should be formally established for this project – drawing on the existing DWG, but also including Anne-Marie Vitale.
6. At their respective meetings in Mexico City in October/November 2017 the CAG and the Board were presented with a draft consultation paper as a basis for discussion, and with a view to issuing the paper for comment.
7. The CAG and the Board confirmed their overall support for the project and on the need for consultation with a broad group of stakeholders. The Board also agreed that a consultation paper was the right vehicle for consultation, but to ensure an open process there needed to be planning for outreach to stakeholder groupings beyond the typical audiences seen responding to the Board's exposure drafts. The Board asked the Task Force to redraft the consultation paper to provide a clear articulation for why the Board is consulting, who might be impacted by broadening the audience and provide a neutral analysis of benefits and challenges relating to the key issues.

### Recent Task Force Activity

8. The Task Force met by phone on two occasions since the last Board meeting, and have discussed the Board's feedback and revisited the overall approach to the consultation paper (see Paragraph 13).
9. A subset of the Task Force met with Greg Owens and Sarah Jakubowski from the Stakeholder Engagement and Communication Working Group and discussed practical strategies to engage with an appropriately board range of stakeholders.

### DISCUSSION

10. The Task Force reflected on Board's feedback in the October meeting and also recognized the prospect of this change affecting other Board projects (e.g., ICT) raising the possibility of changes needing to be made to the IESs. This discussion was seen as increasing the need to reach a conclusion on the issue.
11. The Task Force agreed on the need to step back from the November 2017 draft, which presented a level of detail (e.g., example learning outcomes to address different stakeholders), which suggested Board's thinking and viewpoint on the issue was further advanced than is actually the case.
12. The Task Force agreed that the priorities are:
  - **What:** To determine specifically what input needs to be obtained from stakeholders via whatever forms of engagement or consultation – so focus specifically on the questions we wish to pose to stakeholders;
  - **Who:** To identify which audiences need to be consulted with to obtain input on this issue – the Board has indicated its expectation of a broad consultation process; and
  - **How:** To assess options for engagement and consultation.

### *Approach to consultation paper*

13. The Task Force decided to simplify the consultation paper in the following ways:
  - Remove extensive background information on the approach to writing requirements in other sectors and elsewhere in IFAC;
  - Remove example learning outcomes written to other stakeholders;
  - Rework the considerations set out in the document to present the various points as objectively as possible; and
  - Rework the consultation questions, to present a neutral view of the possible approaches, and to separate out the concept of writing requirements to the professional accountant or aspiring professional accountant, and writing requirements to other stakeholders.
14. The Task Force wishes to seek the Board's feedback and input on whether the revised draft consultation paper represents an appropriate basis for consulting on this issue.

**Action requested:**

- 1. Do you agree with the revised structure and approach of the draft consultation paper?**
- 2. Do you agree with the questions posed in the consultation paper? If not, what changes would you suggest?**
- 3. What additional feedback/input do you have for the Task Force on the revised approach to the consultation paper?**

### *Consultation approach*

15. The Task Force considered the range of possible stakeholders that could be engaged as the consultation process is planned (See Appendix 1).
16. The Task Force recognized a tension between the value of securing a broad range of stakeholder inputs, and both the resource and time needed to progress such an activity, and the likelihood of extensive engagement from stakeholders.
17. The Task Force also recognized the challenge of consulting with individuals who are not members of an IFAC member body.
18. The Task Force asked for input from the SECWG to identify possible strategies for consultation. Based on discussion with the SECWG the following approaches were recommended:
  - Focus the formal consultation process on IFAC member bodies and other regular respondents to the Board;
  - Recognize that IFAC member bodies are representative bodies for both professional accountants and aspiring professional accountants, and so rather than seek to

## Agenda Item 4-1

consult separately with those target groups look to leverage that representative role, and encourage IFAC member bodies and other PAOs to directly gather input from individual members in crafting their response to the consultation. Consideration should be given to providing specific consultation materials to support member bodies to undertake this task; and

- In advance of formal consultation, test out the consultation paper and process through an 'informal socialization' process with a sample of respondents to get their feedback on how the consultation paper sets out the issue, and how it will be received, and use this input to finalize the paper and the consultation process.
19. Discussion with the SECWG team also raised the importance of ensuring the post consultation analysis clearly sets out what coverage of the profession the consultation represents. This will enable the TF to highlight gaps which need to be addressed through further consultation activity. It was recognized that this approach has wider application than just to this project and agreed it would be something the SECWG would support.

### **Action requested:**

- 1. Does the Board agree with the proposed approach to consultation? If not what changes would you suggest?**
- 2. Does the Board agree with the list of potential stakeholders (See Appendix 1 below) who should be targeted through the consultation process? Are there any other stakeholders you would add?**
- 3. Does the Board support informal socialization of the consultation paper with a sample of respondents ahead of finalizing the paper at the October meeting? Are there any specific stakeholders you would recommend including in this process?**

### **PROPOSED WAY FORWARD**

20. Following feedback from the Board, the draft consultation paper will be finalized and brought to the October 2018 Board meeting for approval.
21. Prior to the October Board meeting the informal socialization process will be conducted and feedback incorporated into the consultation paper and process.

### APPENDIX 1: Possible stakeholder groups for consultation

- Professional accountants
- Aspiring professional accountants
- Other licensed accountants (or members of IFAC body)
- Non-licensed accountants - individuals who work in the accounting profession but are not licensed e.g. individuals working in non-profit, government, or public sector or in management accounting.
- IFAC member bodies
- Academics and academic/educational institutions/associations
- Regional accounting bodies
- Education directors
- Regulators
- Oversight bodies
- Government ministries/legislatures
- Curriculum bodies, examination and assessment bodies
- Professional accounting firms/employers
- Other IFAC standard setting boards
- CPD content providers