



International Accounting  
Education  
Standards Board

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## MINUTES OF

### THE INTERNATIONAL ACCOUNTING EDUCATION STANDARDS BOARD PUBLIC MEETING HELD JULY 11 and 12, 2018.

**PLACE:** New York, USA **Meeting No.** 2/18 (89)  
**VENUE:** IFAC Headquarters

#### PRESENT:

	<b>Voting Members:</b>	<b>Technical Advisors:</b>
United Kingdom	Chris Austin (Chair) (by teleconference July 11 AM)	Adrian Pulham
Indonesia	Sidharta Utama	Lindawati Gani
Lebanon	Rania Uwaydah Mardini	Catherine Edwards
Mexico	Blanca Tapia	Sylvia Meljem
South Korea	Yeong Kyun Ahn	
Sri Lanka	Manil Jayasinghe	
United Kingdom	Rachel Banfield (by teleconference July 11 and 12)	Suzie Webb
United Kingdom	Elizabeth Gammie (July 11 PM and 12)	
United States	Brian McGuire	Raef Lawson
United States	Bruce Behn	Steve Matzke
TAC	Susan St. Amant (July 11)	Daniel Slezak
TAC	Greg Owens	Sarah Jakubowski
TAC	David Simko	Susan Flis
TAC	Gareth Wellings	Mienkie Etcheverrigaray
TAC	Anne-Marie Vitale	Helen Partridge
Public Member	Yoshinori Kawamura	Shinji Takada
Public Member	Bernard Agulhas	Robert Zwane
Public Member	Isaac Njuguna	Edwin Makori

#### Observers:

CAG Chair	Ray Johnson
IAAER Observer	Keryn Chalmers
PIOB Representative	Aileen Pierce

#### IAESB Staff:

Managing Director, Professional Standards	James Gunn
Principal	David McPeak
Administrative Assistant	Sonia Tavares

#### APOLOGIES:

South Korea, Technical Advisor	Seon-Yeong Oh
UNCTAD Observer	Yoseph Asmelash

## **OPENING MATTERS**

### **1(i) Welcome**

Ms. Anne-Marie Vitale, IAESB Deputy Chair, welcomed IAESB members, technical advisors, and observers to the meeting. She extended a special welcome to Dr. Aileen Pierce who participated as the PIOB representative.

Apologies for the meeting were received from Mr. Seon-Yeong Oh (technical advisor to Mr. Yeong Kyun Ahn) and Mr. Yoseph Asmelash (UNCTAD Observer). Mr. Chris Austin, IAESB Chair, participated during the morning of July 11 by teleconference and provided his regrets for the afternoon of July 11 and July 12. Dr. Elizabeth Gammie provided her regrets for the morning of July 11. Ms. Susan St. Amant also provided her regrets for July 12.

### **1(ii) Approval of Agenda**

The meeting agenda was approved as is.

### **1(iii) Minutes and Action List of April 2018 (Nairobi, Kenya) Meeting**

The content of the minutes of the previous meeting was approved as is, but IAESB members provided a few minor typographical errors for correction.

### **1(iv) Report from the Deputy Chair**

Ms. Vitale reminded IAESB members of the need to deliberate on educational issues resulting from the agenda meeting papers with the view of protecting the public interest.

Ms. Vitale framed the proposed objectives of the upcoming meeting as follows, the Board will endeavor to:

- Identify project's tasks and activities that need to be prioritized for completion by June 30, 2019;
- Agree what will be project priorities for Board discussion over the next 11 months;
- Agree whether resources are sufficient or need to added so as to complete the Board's work plan until June 30, 2019; and
- Approve the content of the final version of IES 7, Continuing Professional Development (Revised).

Ms. Vitale noted that in their deliberations on project priorities, task forces and work groups will decide what projects tasks and activities should be a priority and accelerated so as to be completed by June 30, 2019 and what projects tasks and activities are no longer a priority but require some additional work so they can be transitioned to the International Professional Development Panel / Board (IPDP/B).

The review of representational Board activities and meetings over the last quarter was deferred to the October 2018 meeting.

## **CURRENT PROJECTS**

### **2. REVISION OF IES 7, CONTINUING PROFESSIONAL DEVELOPMENT**

Ms. Susan St. Amant, IES 7 Revision task force chair, provided IAESB members with copies of marked-up and clean versions of the proposed IES 7 (Revised), a proposed outline and timeline for IES 7 (Revised) implementation support materials, a due process matters paper, as well as an Issues paper that identified questions for discussion. During its discussions the Board (i) deliberated on significant issues resulting from respondents' feedback on the IES 7 Exposure Draft(ED); (ii) discussed drafting issues to revise the wording of the proposed IES 7 (Revised); (iii) voted on due process matters relating to the approval of the proposed IES 7 (Revised); and (iv) clarified the way forward in developing support materials on implementing IES 7 (Revised). The following summarizes the Board's discussion.

#### **IAESB Discussion of Issues**

##### **Significant Issues**

###### *Placement of 'minimum hours' in IES 7 (Revised)*

IAESB members expressed a mixed view on the placement of a minimum CPD hours in the proposed IES 7 (Revised). A minority of IAESB members opposed the removal of the prescribed number of CPD hours or equivalent learning units from the requirements of the standard. These members indicated that there were an important number of experienced member bodies and professional accounting firms that supported not removing the input measure from the input-based requirement. These members also suggested that removal of the number of CPD hours from the requirements of IES 7 would weaken member bodies' mutual recognition agreements and have a potential effect on the mobility of professional accountants across jurisdictions. Other members indicated that neither sufficient evidence nor the potential implications of removing input measures for the input-based requirement had been provided. It was suggested that including the examples of number of CPD hours in the Explanatory Material section could be perceived as a hidden requirement.

The Consultative Advisory Group (CAG) Chair reported that a majority of CAG members supported the removal of the number of CPD hours or equivalent learning hours from IES 7's requirements. Those CAG members opposed to the removal of the number of CPD hours indicated their concerns centered around weakening the requirements and lowering the standard with an impact on quality and consistency. It was also suggested that the removal could be risky and more emphasis was needed to focus on periodic checks that learning outcomes related to the 'input-based activities' are achieved.

The majority of IAESB members supported providing an example of a number of CPD hours or equivalent learning units in paragraph A25 of the Explanatory Material section of the proposed IES 7 (Revised). These members indicated that the example was a compromise for not including an input measure into principles-based requirements and avoiding the use of an anchoring bias which is not supported by empirical evidence from professional or academic literature. It was suggested that member bodies' mutual recognition agreements would be sufficiently informed by including an example of an amount of CPD hours or equivalent learning units in the Explanatory Material section of the proposed IES 7 (Revised).

#### *CPD that develops and maintains professional competence*

IAESB members supported including the phrase, 'to develop and maintain professional competence,' in the output-based and input-based measurement approach requirements of the proposed IES 7 (Revised). IAESB members included this phrase because it reinforced the goal of developing and maintaining professional competence and identified how the output-based and input-based approaches are to be demonstrated for measurement purposes. In addition, the phrase aligns with the Objective statement of IES 7 (Revised) and supports the Board's view for professional accountants undertaking relevant CPD to perform their role. The CAG supported the view that measurement requirements should emphasize a direct link between CPD and professional competence which is consistent with the purpose of the proposed IES 7 (Revised) and the *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants (2015)*. However, the IAESB decided not to include this phrase in the Measurement of CPD requirement on the basis that the phrase did not improve the clarity of this requirement.

#### *Cross-references in explanatory material*

IAESB members supported the need to provide examples of verifiable evidence to assist readers in understanding the requirements on measurement. The CAG expressed support for including cross-references in Explanatory Material for both input-based and output-based measurement approaches. However, IAESB members expressed a mixed view on how this should be done. A minority of IAESB members indicated that cross-referencing was inconsistent with the clarity drafting conventions. The Drafting Working Group (DWG) did not agree with setting a precedent within the IESs for establishing cross-references between IES explanatory material paragraphs because it may confuse readers as to whether the Board views only those paragraphs that are explicitly cross-referenced as being related. A majority of IAESB members supported the use of cross-references because it links examples of verifiable evidence with explanatory material for the measurement approaches to improve clarity and understanding of the respective output-based and input-based measurement approaches. These IAESB members indicated that cross-references enable users to fully understand the important relationship between measurement and evidence.

### *Explanatory Material paragraphs on the professional accountant and their roles in the accountancy profession*

Respondents suggested clarifying Explanatory Material paragraphs on describing what it means to maintain and to develop professional competence, as well as providing examples that may be too narrow or not descriptive of roles performed by the accountancy profession. IAESB members agreed with the task force's proposal to include a new Paragraph A1 in the Explanatory Material section which defines a professional accountant and provide examples of roles within the accountancy profession from the *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants* (2015).

### **Drafting Issues**

As a result of respondents' and IAESB members' comments, the Board decided to make the following drafting changes to improve the clarity of the proposed IES 7 (Revised):

- Paragraph 2: Change 'role of the professional accountant' to plural to ensure consistency with paragraph 1 and remove the phrase, 'and contribute to the development and maintenance of professional competence,' because it appears in paragraph 1;
- Paragraphs 3 and 5: Change the phrase, 'a new role' and the phrase, 'the professional accountant' to plural to ensure consistency with paragraph 1;
- Paragraph 8: Change the reference to the title to include reference to paragraph A8;
- Paragraph 9: Change the reference to the title to start the reference at paragraph A9;
- Paragraph 12: Remove the phrase, 'that develops and maintains professional competence' to improve clarity;
- Paragraphs 13, 14, A3, A7, A9, : Change the phrase, 'their role as professional accountants' to singular to ensure consistency;
- Paragraph A3: Remove the word, 'all' because of the reference to 'a professional accountant' and change service to plural because professional offer many types of services;
- Paragraph A8: Change the phrase, 'applies to' to 'is necessary for' to recognize the need for professional development and remove the phrase 'of a professional accountant' to avoid unnecessary repetition within the same sentence;
- Paragraph A11: Change the phrase, 'identify learning outcomes and plan relevant CPD,' by deleting 'learning outcomes' and adding 'and record' to ensure consistency with the requirement on the requirement for CPD for Professional Accountants;
- Paragraph A16: Add the phrase, 'the development and' and change the word, 'regimes' to 'authorities' to ensure consistency with the wording of the *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants* (2015);

- Paragraph A18: Change the word, 'live' to 'in-person' when describing 'learning courses,' change the word, 'in-person' to 'live' when describing 'delivered,' change the word, 'bodies' to 'groups' to improve clarity, and move the phrase, 'educational program or training events to the end of the sentence to represent an example;
- Paragraphs A21, A24: Add the word 'verifiable' to 'evidence' and change the words 'may' to 'could' and 'verify' to 'demonstrate' to increase clarity;
- Paragraph A28: Add the word, 'professional' to qualify 'competence';
- Paragraph 32: Improve the clarity of the sentence by changing the wording to read: 'The following examples represent verifiable evidence that could be used to demonstrate that a specified amount of learning and development activities has been undertaken in an input-based approach:';
- Paragraph A33: Change the word, 'obligation' to 'responsibility' to increase clarity;
- Paragraph A35: Change the phrase, 'professional accountant roles' to 'roles of professional accountants' to plural to align with the verb, 'are';
- Paragraph A38: Add the phrases, 'to balance the risk of setting' and 'with the risk of setting a sanction' to improve clarity; and
- Paragraph A39: Change the verb 'is' to 'may be,' remove 'IESBA' to indicate any code, and delete 'will' to improve clarity.

#### *Editorial Changes*

The IAESB agreed to several small editorial changes to improve the clarity of the IES 7 ED. These editorial changes in paragraphs 10, 13, 14, A16, A22, A23, A27, and A31 of IES 7 (Revised) address issues that improved the understanding without substantially changing the content of these paragraphs.

#### *Consideration of Other Matters.*

IAESB members indicated that there were no other issues that needed to be discussed by the Board and all issues raised by ED respondents have been discussed and resolved.

## **Due Process Activities**

#### *Vote on Effective Date*

The IAESB approved an Effective Date of January 1, 2020 for implementation of IES 7 on the basis that IFAC member bodies are already implementing IES 7, including the requirement for measuring professional accountants' CPD from input-based, output-based, or both of these measurement approaches. Three members voted against the motion on the Effective Date of January 1, 2010 indicating that 18 months has been the norm for previous revised standards and there is no case for accelerating this norm.

The Board decided that an effective date of January 1, 2020 was appropriate because the revised IES 7 supports member bodies existing CPD procedures. IES 7 (Revised) continues to provide member bodies

with the flexibility to measure a professional accountant's CPD using input-based, output-based, or both measurement approaches. In addition, the revised IES 7 continues to require member bodies to establish a systematic process to monitor and enforce their CPD requirements. However, the revised IES 7 supports member bodies' procedures by requiring professional accountants to record relevant CPD activities, while enabling member bodies to specify the nature and extent of verifiable evidence that professional accountants are required to maintain for CPD that has been undertaken.

#### *Vote on Content of the Revised IES 7*

Following the discussion on the task force's recommendations on drafting issues for revising the exposure draft of IES 7, the IAESB voted to approve the revised version of the exposed IES 7, *Continuing Professional Development (Revised)*. Two members voted against the motion on the content of IES 7 (Revised): one member voted against because the prescribed minimum number of CPD hours were removed from the input-based requirement of the standard and the second member voted against because including an example of the number of CPD hours in the Explanatory Material section of IES 7 (Revised) might create unintended consequences.

The Board decided to approve the revised exposure draft of IES 7 without the inclusion of examples on output-based or input-based measures in the requirements of the standard. The Board decided that not including examples into the requirements avoided incorporating an anchoring bias which is not supported by empirical evidence from professional or academic literature, and was consistent with the drafting conventions of principles-based requirements used across the set of revised IESs.

#### *Vote on Re-exposure of the Revised IES 7*

After approving the final content of IES 7 (Revised), the IAESB voted not to re-expose the revised version of the exposed IES 7, *Continuing Professional Development (Revised)*. Two members voted against the motion on Re-exposure of the Revised IES 7 indicating that the example of a specified number of hours in paragraph A25 of the Explanatory Material was a substantial change.

The Board decided not to re-expose the revised IES 7 because the matter was aired in the exposure draft such that commentators had an opportunity to make their views known to the IAESB before it reached a final conclusion. In particular, the change of providing examples of measures of input-based CPD was presented in Paragraphs A22 and A23 of the ED and discussed in the Explanatory Memorandum of the Exposure Draft. In addition, the Board referred to the summary comparative analysis (see [Appendix 1 of Agenda Item 2-6 of the July 2018 IAESB meeting](#)) which shows the editorial and wording differences between the ED and the proposed finalized version of IES 7. This document shows how the Board responded to respondents' comments to the ED so as to enhance clarity and consistency of IES 7.

### *Vote on Removal of the Extant IES 7*

The IAESB voted to approve the removal of the extant IES 7 (2014) on January 1, 2020.

### *IAESB Discussion on the Basis for Conclusions*

The IAESB instructed staff to ensure that the Basis for Conclusions document be updated for any decisions taken as a result of this meeting.

### **Update on status of implementation support for IES 7 (Revised)**

IAESB members agreed with the task force's recommendations (See Agenda Item 2-5 of the July 2018 meeting) on topics, modality, timeline and resource needs for developing implementation support materials for IES 7, *Continuing Professional Development (Revised)*. IAESB members encouraged the task force to release support materials on explaining the measurement approaches, CPD activities, and monitoring and enforcement around the release of IES 7 (Revised) to ensure that requirements of IES 7 are well understood for purposes of adoption and implementation. The Board also agreed that further supports materials were needed on providing examples of good practice in implementing the measurement approaches, as well as examples of good practice for monitoring and enforcement of a variety of learning and development activities.

### **Proposed Way Forward**

The IAESB Deputy Chair directed the task force to work with IFAC staff to publish IES 7 (Revised) and develop the proposed implementation support materials for discussion by IAESB members at its October 2018 meeting.

## **3. INFORMATION AND COMMUNICATION TECHNOLOGY**

Ms. Anne-Marie Vitale, ICT task force chair, provided IAESB members with copies of the following papers: Results of the evaluation of ICT-related skills in existing frameworks; Proposed learning goals and number of occurrences; Proposed learning goals and granular skills; and Evaluation of IAASB, IESBA and PCAOB standards for ICT-related skills. In addition, an Issues paper was provided that included questions for discussion. During its deliberations the Board discussed (i) constructs and processes; (ii) exclusion of qualitative factors and minimum number of occurrences; (iii) development and usage of learning goals; (iv) high-level and granular learning outcomes; gap analysis; and combining IESs 2, 3, and 4. The following summarizes the Board's discussion.



## **IAESB Discussion of Issues**

### **Constructs and Process**

IAESB members congratulated the task force for its efforts in consulting with various types of stakeholders and its depth and speed in analysing and presenting the information that has been gathered. IAESB members noted the factors that were considered in developing the learning goals and granular skills (See Agenda Item 3-1 of July 2018 IAESB meeting). Several members, however, suggested that further effort was needed to explain some of the terminology being used to present the findings. In particular, it was suggested that terms such as learning goals and granular skills needed to be further explained to improve clarity. Members also questioned: i) what was the benchmark used to determine the development of a learning goal, ii) whether the proposed granular skills were targeting IPD or CPD, iii) is there a risk of losing learning goals when the process moves to developing a granular skill, iv) is the formulation of granular skills coming from stakeholders' consultations or from the judgment of the task force, v) did the task force note any regional differences when analysing the data gathered, and vi) how will the proficiency levels be integrated into the formulation of granular skills. It was suggested that the work on developing the granular skills represents an important resource for member bodies when they are refreshing their competence frameworks and curricula.

### **Exclusion of Qualitative Factors and Minimum Number of Occurrences**

IAESB members questioned whether each instance of occurrence would be treated equally. IAESB members suggested that the number of occurrences is independent of the qualitative or quantitative nature of a learning outcome. It was suggested that further analysis and judgment should be based on the source of comment when there is very small number for occurrences of comments because of the quality of information and perspective that certain stakeholders may possess in certain areas or emerging areas. IAESB members generally agreed with the view of not adding in more qualitative considerations into the analysis, but also observed that member bodies are more likely to drive what is included in the ICT elements than sources such as findings obtained from the literature or instances in the standards.

IAESB members noted that the results on business acumen were surprisingly low and should not lose sight of the importance of risk in this ICT element. Several members observed that member bodies continue to include business acumen in their competence frameworks, recognizing its importance in performing the roles of an auditor and professional accountant in business. It was also pointed out that member bodies may consider business acumen so fundamental that they have already embedded it in their competency frameworks and did not see the need to emphasize its importance as an ICT element. IAESB members also suggested that the results on the occurrences of learning goals by ICT element, need to be interpreted with care because respondents may i) perceive that the learning goals are already included in the extant standards and ii) be at different stages in their ICT life cycle. It was suggested that the Board should not be limited to gathering evidence on number of occurrences, to recognize the need to future proof the learning

outcomes because of the pace in change in the ICT area, and to consider various sources of information when making decisions on ICT learning outcomes.

### **Development and Usage of Learning Goals**

IAESB members supported the process of developing an inventory of learning goals from the information gathering activities (See Agenda Item 3 of the IAESB July 2018 meeting). IAESB members, however, identified the following issues that needed further clarification: how these learning goals will be taken forward; how they will be maintained in the future; whether the added number of ICT learning outcomes would create an imbalance in terms of volume relative to the number of learning outcomes existing in other competence areas; was this process followed in developing the existing learning outcomes; whether the learning goals should be reviewed with the aim of elevating them into higher-order learning outcomes; and whether a series of additional indicative skills and learning outcomes would be included.

### **High-Level and Granular Learning Outcomes**

IAESB members supported the approach of revising or developing high-level learning outcomes (Option A) rather than granular learning outcomes (Option B) because of the need for consistency and fit with the extant IESs (See Agenda Item 3-1 of the IAESB July 2018 meeting). Several members supported the approach of moving towards more granularity in developing learning outcomes. These members indicated that further work on developing granular learning outcomes should be continued because of the value and assistance it brings to PAOs in the implementation of the IESs. It was suggested that the mapping of new or revised learning outcomes needed to include a completeness check to avoid duplication. IAESB members also suggested that many of ICT learning outcomes might be considered as pervasive across the existing competence areas.

### **GAP Analysis**

IAESB members agreed that the revision or development of learning outcomes in IESs 2, 3, 4, and 8 would be based on a gap analysis of extant learning outcomes with the inventory of ICT learning goals. In addition, the granular skills will be transformed to detailed learning outcomes and issued as guidance to assist PAOs with the implementation of IESs 2, 3, 4, and 8.

### **Combining IESs 2, 3, and 4**

IAESB members expressed a mixed view on combining IESs 2, 3, and 4. Those members supporting the combining of these standards indicated that it would assist users in understanding of competence-based standards that integrates technical competence, professional skills, and professional values, ethics, and

attitudes. Those members not supporting the combining of these standards indicated considerations of: prolonging the project's timeline by trying to combine the 3 standards; adding a level of complexity to the proposed exposure draft on ICT learning outcomes, and keeping the multidimensionality of these three standards for IPD. Some members questioned whether the Board has the authority to do make this change without consultation with its stakeholders, and whether the combining of these standards is a substantive change in direction to the IAESB work program. In addition, members questioned what would be the driver of combining these standards, what would be implications of combining these standards on the other standards in terms of additional cross-referencing within the Board's implementation guidance, and what would be the timeline for this additional work. Before concluding on whether to combine or not combine IESs 2, 3, and 4, it was suggested that it would be helpful for Board members' consideration to draft a combined IES on professional competence for IPD to determine if it is feasible and to present the three tables of learning outcomes separately in a combined standard.

### **Proposed Way Forward**

IAESB members requested that the task force continue its work on identifying learning outcome gaps in the area of ICT and to assist in the preparation of the Exposure Draft for IAESB discussion at its October 2018 meeting.

### **4. IES TARGET AUDIENCE**

Mr. Gareth Wellings, IES Target Audience task force chair, provided an oral presentation on the task force's recommendation to discontinue the project on IES target audience because of a lack of time to complete consultations with the public and perform an analysis of respondents' comments before June 30, 2019. A few members noted that it might be beneficial to continue with the consultation because of the importance of the issues to the Board and its relevance to structuring the IPDP/B. However, IAESB members agreed with the task force's recommendation to discontinue the project on IES target audience. roposed Way Forward

The IAESB Deputy Chair requested task force members to focus their efforts on compiling information for transitioning the project to the IPDP/B.

### **5. MAINTENANCE OF IMPELEMENTATION SUPPORT MATERIALS**

Mr. Isaac Njuguna, Implementation Support work group chair, presented the work group's recommendations on i) withdrawing selected implementation support materials, ii) transitioning prioritized

implementation support materials to the IPDP/B for maintenance, and iii) completing ongoing project work. The following summarizes the Board's discussion.

## **IAESB Discussion of Issues**

### **Implementation Support Materials**

IAESB members agreed with the workgroup's recommendations to withdraw the following publications from the Inventory of Implementation Support Materials because they were outdated or did not align with the underling IES: Towards Competent Professional Accountants (2003), and Assistance Projects in Accountancy Education and Development (2000). It was also suggested to consult with staff of IFAC's Professional Accountancy Organizations Development before considering to withdraw an Advisory on Education and Training of Technical Accounting Staff (1999). IAESB members also agreed with the work group's recommendation of transitioning the following publications to the IPDP/B for further development work: Competence-Based Approaches to the Professional Preparation of Accountants (1998), Assessment methods (2004), and Accommodation of Candidates with Disabilities (2001).

### **Ongoing Projects**

In addition, IAESB members supported the work group's recommendations on the status of the following ongoing projects (See Agenda Item 5 of IAESB July 2018 meeting): Collation of feedback on IES 4 implementation experience and challenges and to make recommendations on any gaps in implementation by October 2018 IAESB meeting; Review of current list of Inventory of Implementation Support materials and make recommendations by April 2019 on further maintenance to the IPDP/B; and Stop the development of templates for preparation of Implementation Support Materials in coordination with the SECWG.

### **Proposed Way Forward**

The IAESB Deputy Chair requested work group members to prepare recommendations on any gaps in IES 4 implementation support materials for discussion by the IAESB at its October meeting. The work group was also asked to complete the final version of the Inventory of Implementation Support Materials and compile any relevant information for transitioning the project to the IPDP/B.

## **6. STAKEHOLDERS ENGAGEMENT AND COMMUNICATIONS**

Mr. Greg Owens, Stakeholders Engagement and Communications work group chair, updated members on the work group's activities since April's meeting and presented the work group's recommendations on activities that the work group would either accelerate, stop, or stay the course until June 30, 2019. The following summarizes the Board's discussion.

## IAESB Discussion of Issues

### Prioritization of remaining SE&C Working Group activities

IAESB members supported the work group's proposed work plan (See Agenda Item 6 of IAESB July 2018 meeting) until June 30, 2019. IAESB members suggested that the IAESB eNews series should not be discontinued, but used to promote further awareness of the Board's work and upcoming publications. IAESB members also suggested that the SECWG develop for task forces and work groups a template for packaging information to transition to the IPDP/B. It was suggested that critical to the success of any future work in accounting education needs to be on improving the interface to provide information to and receive feedback from stakeholders.

### Proposed Way Forward

The IAESB Deputy Chair requested work group members to continue its activities as presented, but to continue the eNews series to promote further awareness of the Board's work and upcoming publications. The work group was asked to provide a progress report to the IAESB at its October 2018 meeting.

## 7. PROFESSIONAL SKEPTICISM

Mr. David Simko, Professional Skepticism task force chair, presented recommendations on activities and project tasks that the task force would either accelerate, stop, or stay the course until June 30, 2019. The following summarizes the Board's discussion.

### IAESB Discussion of Issues

IAESB members noted with appreciation the task force's list of tasks, plans, and professional skepticism activities until June 30, 2019 (See Agenda Item 7-1 of IAESB July 2018 meeting). IAESB agreed with the task force's recommendations to stop work on the remaining Accounting Education Insights articles on information technology and the exercise of professional scepticism by other professions, as well as on the collection of good practices in the learning and development of professional scepticism by Universities and PAOs.

The task force will continue its work in identifying learning outcomes gaps related to professional skepticism, responding to the IESBA's consultation paper, *Professional Skepticism – Meeting Public Expectations*, and participation in monthly meetings with IESBA, IAESB, IAASB Professional Skepticism task force chairs. IAESB members indicated that the work on learning outcome gaps would need to be included in an Exposure Draft that proposes a revision of ICT and professional skepticism learning outcomes at the October 2018 meeting. It was also suggested that ICT and professional skepticism learning outcomes should obtain directional comments from members of the behavioural competence task force.

## **Proposed Way Forward**

The IAESB Deputy Chair requested task force members continue activities relating to responding to the IESBA Consultation paper and meeting on a monthly basis with the IESBA and IAASB Professional Skepticism working group chairs. In addition, task force members were asked to continue its work on identifying learning outcome gaps in the area of professional skepticism and to assist in the preparation of the Exposure Draft for IAESB discussion at its October 2018 meeting.

## **8. PUBLIC SECTOR ACCOUNTING, REPORTING, AND ASSURANCE**

Ms. Rania Uwaydah Mardini, Public Sector Accounting, Reporting, and Assurance task force chair, presented recommendations on project activities that the task force would either accelerate, stop, or stay the course until June 30, 2019. The following summarizes the Board's discussion.

### **IAESB Discussion of Issues**

In general, IAESB members supported the task force's proposed work plan to stop work aimed at developing a project proposal and exposure draft on public sector learning outcomes. IAESB members, however, encouraged the task force to consider trying to obtain the biggest impact from the work that has been done. It was suggested that non-authoritative guidance should be developed. This guidance would discuss not only those extant learning outcomes that support the learning and development of professional accountants who would intend to work in the public sector, but also should discuss any gaps in the learning outcomes which need to be included in the learning and development of public sector accountants. In addition, IAESB members encouraged the task force to update any of the extant learning outcomes that lack public sector references for example, reference to IPSASs in the competence area of financial accounting and reporting. IAESB members indicated that the following should be transitioned to the IPDP/B: the findings from the task force research activities needed to be summarized and the vision of what outcomes the Board was intending to accomplish by this project.

## **Proposed Way Forward**

The IAESB Deputy Chair requested task force members to continue their work in preparing non-authoritative guidance on identifying learning outcomes gaps that would assist in developing professional accounting education for professional accountants working in the public sector and to compile any relevant information for transitioning the project to the IPDP/B.

## **9. BEHAVIORAL COMPETENCE**

Mr. Bernard Agulhas, Behavioral Competence task force chair, presented the task force's next steps in completing its project work until June 30, 2019. The following summarizes the Board's discussion.

### **IAESB Discussion of Issues**

Mr. Agulhas indicated that the task force will hold a teleconference to finalize its work on identifying skills and behaviors that demonstrate behavioral competence. It was suggested that the task force's work on identifying behaviors and underlying skills could also be used to support projects on professional skepticism and ICT. In addition, IAESB members suggested that members of the task force could be allocated to the professional scepticism and ICT task forces so as to ensure that the behavioral competence perspective is considered in revising or developing prospective learning outcomes.

### **Proposed Way Forward**

The IAESB Deputy Chair requested task force members to assist, where possible, in revising or developing prospective learning outcomes and to compile its project's findings and suggestions for transition to the IPDP/B.

## **10. IAESB 2018-2019 WORK PLAN PRIORITIES**

Ms. Anne-Marie Vitale presented for discussion with IAESB members a proposed list of projects and their prioritized activities (See Agenda Item 9-1 of the July 2018 meeting) until June 2019. The following summarizes the Board's discussion.

### **IAESB Discussion of Issues**

IAESB members supported the proposed list of projects and their prioritized activities until June 2019. However, some IAESB members indicated that the proposed work plan is aggressive and its success is dependent on having sufficient resources. IAESB members concluded that work plan is challenging, but is doable. It was suggested that success would be improved by adopting a risk-based approach to scheduling resources and meeting time for mission critical projects, as well as identifying check points over the next 11 months to assess progress of proposed projects and whether further resources are needed to complete the plan. IAESB members also suggested that a draft timetable of projects' activities over the next 3 meeting would assist in scheduling, especially if there is an understanding of what activities the Board has control over and what activities are dependent on factors that the Board does not control. Other factors that IAESB members identified included: timing of meetings; flexibility in scheduling CAG meetings; additional demand on members time, especially those volunteering to the advisory group on the new accounting education model; and sufficient time for task forces to complete their analysis of ED responses.

## **Proposed Way Forward**

Ms. Vitale thanked IAESB members for their support and commitment to the proposed work plan. Because the work plan is aggressive the Board will need to identify milestones with the task forces and work groups to identify the progress status of the projects and make adjustments to resources, if needed, to ensure success. The IAESB Steering Committee will monitor projects on behavioral competence and maintenance of implementation support materials to ensure that Board has appropriate capacity and will develop draft agenda timetables for the next 3 meetings to ensure appropriate meeting time for Board discussion on projects.

## **OTHER MATTERS OF INTEREST**

### **11. IAESB AND OTHER IFAC DASHBOARD REPORTS**

The IAESB received Dashboard reports on the activities of the Standard-setting Boards supported by IFAC.

### **12. DRAFTING WORKING GROUP- PROGRESS REPORT**

The DWG report was deferred to October 2018 IAESB meeting.

## **FUTURE MEETINGS & OTHER BUSINESS**

### **13-1. FUTURE MEETINGS**

The IAESB Deputy Chair reminded members that their next formal meeting would be held in New York, USA on October 24 to 26, 2018. The CAG and Board are also scheduled to meet in 2019 as follows:

- April 8 and 9 CAG meeting in Bali, Indonesia;
- April 9 to 11 IAESB meeting in Bali, Indonesia; and
- June 24-26 IAESB meeting in Toronto, Canada.

### **14. PIOB REPRESENTATIVE'S REPORT**

In her closing comments, Dr. Aileen Pierce, PIOB representative, indicated that this has been an unusual meeting. She observed that the message from IFAC had impacted negatively not only on the emotions of the people around this table, but also on the planned (extensive) work program that was ambitious, constructive and focused on the significance of quality education for the global accountancy profession's delivery of its public interest mandate. Dr. Pierce noted that she was also struck by the way in which the normal commitment and enthusiasm came back into the room on the second day of the meeting, following the dispiriting session with the incoming IFAC CEO in the morning of the first day. She also noted that this



positive mood has allowed the Board to grapple with the very difficult choices involved in trying to maximize the Board's contribution to the public interest within the limited remaining timescale, indicated as available to this Board by the incoming IFAC CEO.

Dr. Pierce indicated that she had already communicated the message from PIOB that education is critically important to underpin quality accounting, auditing, and governance activities. She noted her appreciation that some members might find the PIOB position, as articulated in our response to the Monitoring Group's Consultation, confusing and perhaps contradicting what we have said on a number of occasions, most recently in the PIOB 2017 Annual Report. Dr. Pierce indicated that would reflect on the message and would bring it back to the PIOB to see what we can do to support and/or drive a broad acknowledgement of the inextricable link between education and a profession that can realistically be relied upon to apply expertise in the public interest.

Dr. Pierce noted she would like to ask that PIOB's non-attendance at the October meeting be not misunderstood – that decision not to observe the October 2018 meeting was made late in 2017 when the SSB work program indicated no due process deliverables for IAESB at its October meeting.

Once again, Dr. Pierce commended Board members, Technical Advisors, and IAESB staff for their typically fulsome commitment and for the energy everyone brought to bear on the unexpected agenda item imposed this time.

Congratulations are due to the IES 7 task force and the Board for bringing the revised IES 7 to its conclusion following a very thorough analysis of feedback and reflection on the range of arguments and opinions provided by stakeholders.

Finally, Dr. Pierce complimented Ms. Anne-Marie Vitale for her excellent and even-handed chairing of what turned out to be a difficult meeting with a complex agenda.

Ms. Vitale thanked Dr. Pierce for her comments and her contributions to the IAESB's deliberations.

## 15. TERMINATION OF MEETING

### Meeting Achievements

Before closing the meeting Ms. Vitale acknowledged IAESB members for the quality of their contributions during the meeting. More specifically, she acknowledged IAESB members' contributions in finalizing the revised IES 7 and the work of task force in revising this standard. Ms. Vitale also acknowledged the work of task forces and work groups in making difficult decisions and recommendations which have assisted in prioritizing project tasks and activities for the Board over the next 11 months. Ms. Vitale indicated that the resulting work plan is a well thought-out plan and represents a significant meeting accomplishment.

In addition, Ms. Vitale recognized members for their commitment as volunteers, their quality of engagement and relationship-building, and their degree of professionalism which are all important contributors to the intangible currency that drives the Board's successes. She then thanked IAESB members for their hard work and making a difference.

### Acknowledgments

Ms. Vitale also acknowledged Ms. Sylvia Meljem for being awarded the Presea Rafael Mancera, the highest distinction received by the members of the Association of Public Accountants of Mexico. Ms. Meljem is the first woman to receive this award which recognizes excellence for outstanding work for the benefit of the accountancy profession. Ms. Vitale also thanked IFAC staff for their assistance in the preparations of the meeting.

Ms. Vitale then wished all a safe journey home.

The meeting closed on Thursday (July 12<sup>th</sup>, 2018) at 16:12 hours.

Approved by Chairman: .....

Date: .....

## ACTION LIST – AS A RESULT OF JULY 2018 IAESB MEETING

ACTION	PERSON(S) RESPONSIBLE	DUE DATE	STATUS
1. Update and circulate 2018 CDL	Sonia Tavares / David McPeak	ASAP	Done
2. Prepare a final version of IES 7 and Basis of Conclusions for PIOB approval of due process	Susan St. Amant, Daniel Slezak, and David McPeak	September 21, 2018	Done
3. Develop IAESB CAG and IAESB Agenda items on IAESB Stakeholder Engagement & Communications, Maintenance for Support Materials for IES Implementation, Professional Skepticism, Combining IESs 2, 3, and 4, Implementation Support Materials for IES 7, ICT and Professional Skepticism, Public Sector Accounting, Reporting, and Assurance, and Information and Communication Technology for the October 2018 in-person IAESB meetings	Anne-Marie Vitale, Helen Partridge, Susan St. Amant, Daniel Slezak, Isaac Njuguna, Edwin Majori, David Simko, Susan Flis, Greg Owens, Sarah Jakubowski, Rania Uwaydah Mardini, Adrian Pulham, Gareth Wellings, & David McPeak	October 22, 2018	Done