



## OPENING MATTERS

### 1(i) Welcome

Mr. Chris Austin, IAESB Chair, welcomed IAESB members, technical advisors, and observers to the meeting. Mr. Austin extended a special welcome to Mr. Seonyeong Oh (technical advisor to Mr. Yeong Kyun Ahn) and Dr. Aileen Pierce who participated in this meeting as the PIOB representative.

Apologies were received from Ms. Mienkie Etcheverrigaray (technical advisor to Mr. Gareth Wellings), and Mr. Yoseph Asmelash (UNCTAD Observer). Mr. Daniel Slezak (technical advisor to Ms. Susan St. Amant) provided regrets for sessions held on November 2 and 3.

### 1(ii) Approval of Agenda

The agenda was approved as is.

### 1(iii) Minutes and Action List of April 2017 (New York) Meeting

The minutes of the previous meeting were approved, subject to following changes:

- Page 2, Section 1(v), Report from the Chair: Amend 2<sup>nd</sup> sentence to read, “Mr. Austin acknowledged the substantial work undertaken by task forces and work groups since the last meeting ...”

### 1(iv) Report from the Chair

Mr. Austin 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.

Mr. Austin acknowledged the work undertaken by Ms. Blanca Tapia, Ms. Sylvia Meljem, Mr. Jose Echnique and IMCP staff in organizing the IAESB CAG and IAESB meetings, especially given the recent earthquakes in Mexico. He also acknowledged the efforts of Board members in engaging with stakeholders on standards development activities. In particular, Mr. Austin thanked those members involved with bringing awareness to the learning outcomes approach by engaging with PAO representative from Eastern Europe, consulting on the proposed IES 7, *Continuing Professional Development*, and developing the Personal Perspectives article series.

Mr. Austin then framed the proposed outcomes of the upcoming meeting as follows, the Board will endeavor to:

- Agree a way forward on content of thought leadership articles resulting from literature reviews on ICT and professional skepticism;

- Discuss preliminary findings from the Analysis of ED respondents' comments and endorse the next steps on the IEs 7 revision project;
- Agree the criteria for maintaining and developing Implementation Support Materials;
- Discuss the purpose and scope of a new project on Public Sector Accounting, Reporting, and Assurance;
- Agree an approach to roll out Ambassador's program; and
- Agree a way forward to consult stakeholders on the target audience for the IESs.

Mr. Austin also reported that he and IAESB representatives had undertaken the following speaking engagements and associated communications activities since the April 2017 meeting:

### **May**

- Teleconference with Centre of Financial Reporting and Reform, World Bank (Borgonovo, Vitale, McPeak);
- Teleconference on Standard-Setting Coordination (Waldron, Klondaris, Siong, Gunn, McPeak);
- Professional Scepticism Working Group Teleconference (Simko, McPeak);
- Teleconference with IMCP leadership on Mexico Meetings (Ramírez-Santa Rita, Aguilar, Tapia, McPeak, Tavares);
- Teleconference Interview with CAPA candidate (Sekar, Bowman, McPeak);
- Teleconference with Centre of Financial Reporting and Reform, World Bank (Borgonovo, Vitale, McPeak);
- IAESB, Strategies for Greater Compliance with IESs, Achieving Excellence in Accountancy Education: Sharing Good Practices and Opportunities for Reform, Strengthening Auditing and Reporting in the Countries of the Eastern Partnership (STAREP) Accounting and Auditing Education Community of Practice (EduCoP) workshop (Vitale)

### **June**

- IAESB, Achieving Excellence in Accountancy Education: Sharing Good Practices and Opportunities for Reform, Education Community of Practice (EduCoP) of the Road to Europe: Programme of Accounting Reform and Institutional Strengthening (EU REPARIS) workshop (Owens);
- Teleconference Interview with CAPA candidate (Bai, Bowman, McPeak);
- Strengthening the Accounting Profession for the future: Increasing attractiveness and bringing new skills, CReCER 2017 Conference (Tapia);
- IAESB Update, June IFAC Board meeting (Austin, Gunn);
- Coordination of Standard-setting Boards Activities (Austin, Vitale, Gunn);
- The Role and Application of the International Education Standards of the IAESB, 2017 South African Accounting Association Conference (Dempsey);

- Meeting of the INTOSAI Professional Standards Committee Steering Committee (Gunn);
- June 2017 PIOB meeting (Gunn);

**July**

- Presentation at CIPFA Annual Conference side meeting on public financial management in Afghanistan, and discussions with CIPFA staff about public sector accounting issues (Austin)
- Teleconference with PAIBC leadership on Information and Communications Technology Initiative (Shaikh, Gould, Vitale, McPeak);
- Teleconference with IFAC Communications – IAESB Communications matters (Mirenda, Hartman, Owens, Jakubowski, McPeak);
- Teleconference with IMCP leadership on Mexico Meetings (Ramírez-Santa Rita, Tapia, McPeak, Tavares);
- Teleconference with IFAC Senior Management of IFAC Technology Advisory Group on Information and Communications Technology Initiative (Tsen, Vitale, McPeak);
- Teleconference with IAASB Data Analytics Work Group on Information and Communications Technology Initiative (Dohrer, Waldron, Vitale, McPeak);

**August**

- Teleconference with Centre of Financial Reporting and Reform on CPD Guidance publication, World Bank (Sukarova, Bryson, Chuvashева, Vitale, McPeak);
- Teleconference with IPSASB staff on standards development in the area of public sector accounting, reporting and assurance (Smith, Mardini, McPeak);
- Teleconference with World Bank staff on standards development / guidance in the area of public sector accounting, reporting and assurance (Kabuya, Uwaydah-Mardini, McPeak);
- Teleconference with PAIBC leadership on Information and Communications Technology Initiative (Shaikh, Gould, Vitale, ICT Task Force members, McPeak);
- Meeting with CIPFA staff on standards development / guidance in the area of public sector accounting, reporting and assurance (Orr, Pulham);
- Teleconference with IMCP leadership on Mexico Meetings (Tapia, Matzke, McPeak, Tavares);

**September**

- Standards Development & Initiative - Information and Communication Technology, The Association of Chartered Certified Accountants (ACCA) Regional Education Conference, Singapore (Utama);
- Teleconference with OECD staff on standards development / guidance in the area of public sector accounting, reporting and assurance (Moretti, Uwaydah-Mardini);
- Inter-American Development Bank staff: discussion of standards development / guidance for public sector accounting, reporting and assurance (Cesar, Uwaydah-Mardini);
- Meeting with leadership of Task Force on INTOSAI Auditor Professionalization, Washington, DC (Van Schalkwyk, Uwaydah-Mardini, Pulham);

- IAESB Update, Task Force on INTOSAI Auditor Professionalization, Washington, DC (Uwaydah-Mardini, Pulham);
- Professional Skepticism Working Group Update, IAASB-IESBA Joint CAG meeting, Madrid, Spain (Simko, McPeak);
- IAESB 2017-2021 Strategy and 2017-2018 Work Plan, INCP Conference, Cartagena, Colombia (Tapia);
- Las habilitaciones del contador en el presente y años venideros y las implicaciones en los modelos educativos actuales – Estandares internacionales, INCP Conference, Cartagena, Colombia (Tapia);
- Teleconference with PAIBC leadership on Professional Skepticism (Schneider, Gould, Simko, McPeak);
- Coordination of Standard-setting Boards Activities, Joint IAASB-IESBA meeting (Vitale, Gunn, McPeak by teleconference);
- September 2017 PIOB meeting (Gunn);

**October**

- Teleconference with IMCP leadership on Mexico Meetings (Tapia, Meljem, Matzke, McPeak, Tavares);
- Teleconference with GAA Education Directors – Professional Skepticism Survey (Simko);
- IAESB Update, Forum of Firms October Meeting, New York, USA (Simko)
- IAESB Update, Indiana CPA Society's Leadership Cabinet and Emerging Leaders Alliance Meeting, Indiana, USA (Slezak);
- Leadership Through Continuing Education, IMCP 2017 Congress, Leon, Mexico (Bowman and McPeak);
- Professional Accounting Education: Challenges from an International Perspective, IAESB-IMCP Accountancy Education Forum, Mexico City, Mexico (Austin, Vitale, Simko, St. Amant, Tapia, Meljem);
- Roundtables on Information and Communications Technology, Mexico City, Mexico (Matzke, Owens, Meljem);
- Meeting with the IMCP Education Commission, Mexico City, Mexico (Njuguna, Simko, Tapia);
- Meeting with Young Accounting Professionals, Mexico City, Mexico (Jakubowski, Zwane, Chalmers, Meljem).

**CURRENT PROJECTS****2. TARGET AUDIENCE OF INTERNATIONAL EDUCATION STANDARDS**

Mr. Gareth Wellings, Drafting Working Group Chair, provided a draft copy of the Consultation paper, Investigating the Target Audience of International Education Standards (IESs), and an Issues paper that sets out issues related to possibly broadening the target audience for IESs and questions to obtain IAESB

members' advice and direction on the Consultation paper. The following summarizes the IAESB members' discussion.

## **IAESB Discussion of Issues**

### **Need for Consultation**

In general, IAESB members supported the need for consultation on the target audience of the IESs and provided the following advice:

- Articulate 'the why' for the consultation;
- Identify who is the audience for the consultation
- Set out a balanced range of possible approaches on how to reach these audiences;
- Adopt a neutral, balanced approach to the consultation, especially when presenting a particular approach; and
- Explain how the timing of consultation on target audience will align with the post implementation date review on the IESs.

Board members were also generally supportive of the range of key considerations listed in Agenda Item 2-2, Draft Consultation Paper: Investigating the Target Audience of the International Education Standards (11/17). However, Board members suggested that the work group also address the following questions:

- How to drive the need for personal responsibility and accountability for learning and development?
- How to reach out to a broader range of stakeholders including professional accountants?
- What are the consequences of a broader applicability of the IESs on various stakeholders?
- How to recognize the jurisdictional differences that exist in the responsibility of compliance and enforcement of IPD requirements versus the responsibility for CPD requirements?

IAESB agreed that consultation activities needed to reach out to a broader range of stakeholders. Board members 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 consultation paper should be redrafted 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.

### **Proposed Way Forward**

The Board directed the task force on the target audience for the IESs to redraft the consultation paper to address the Board members' advice and direction, as well as to work with the SECWG on a plan for outreach activities to support the consultation.

### 3. REVISION OF IES 7, CONTINUING PROFESSIONAL DEVELOPMENT

Ms. Susan St. Amant, IES 7 Revision Task Force Chair, provided for discussion a copy of IES 7 Analysis of Comments document and a PowerPoint presentation of the task force's preliminary analyses of respondents' comments from the IES 7 Exposure Draft on Continuing Professional Development. The following summarizes the Board's discussion.

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

##### **Measurement: Output-based Approach**

IAESB members suggested that further review should be undertaken to clarify that the wording of Paragraph 13 does not imply learning outcomes are to replace professional competence. IAESB members also supported the need for guidance and examples of practice to assist PAOs with the transitioning from an input-based approach to an output-based approach. Guidance that includes examples of verifiable evidence prove helpful understanding in applying an output-based approach.

##### **Measurement: Input-based Approach**

IAESB members indicated that further investigation by the task force was needed on numbers of respondents who support or do not support removal of the minimum number of hours from the requirement on an Input-based measurement approach. It was suggested that the quality of respondents' comments needed to be investigated in greater depth. Some members questioned the origin of the rationale for a prescribed number of hours while other members pointed to comments that originate from those who are on the front line and need to apply the standard's requirement for measurement in a consistent approach. Members suggested that there needs to be greater clarity in the Explanatory Material on explaining what is meant by completing a specified amount of learning and development activity.

##### **Promotion and Access to CPD**

IAESB members requested further review of the phrases: professional responsibilities and planned CPD activities. Both of these terms may be creating unintended consequences and require that Paragraphs A8 to A11 of the Explanatory Material section be further clarified if they are to be included in IES 7.

##### **Other Issues**

IAESB members indicated the need to review the definition of professional competence to ensure that there is consistency between the concepts used in revised IES 7 and the *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants* (2015). It was also suggested that further explanation and examples should be included within the Explanatory Material section to explain how both the Input-based and Output-based approaches can be combined to measure CPD.

## Proposed Way Forward

IAESB members directed the IES 7 Revision task force to finalize its work on analyzing respondents' comments to the Exposure Draft on CPD and to develop proposals on significant issues for discussion by the Board at its April 2018 meeting.

## 4. MAINTENANCE OF IMPLEMENTATION SUPPORT MATERIALS

Mr. Isaac Njuguna, Implementation Support Work Group (ISWG) Chair, provided IAESB members with copies of agenda items on Web Analytics Summarizing Hits on Key Implementation Support Material, Key Observations from a Scan on IFAC and External Publications, as well as an Issues paper that identified questions and proposals for discussion. The following summarizes the Board's discussion.

### IAESB Discussion of Issues

#### Proposed Criteria for Maintenance of Implementation Support Material

In general, IAESB members agreed with the proposed criteria and CAG members' views on the criteria for implementation support materials ([See Agenda 4, Page 12, Maintenance of Implementation Support Materials](#)). IAESB members indicated that the criteria were for internal use by the IAESB and ISWG when evaluating a proposal for implementation support materials. It was suggested that the criteria need to ensure objectivity, especially when evaluating the sources and priority of the request for guidance, and should be reviewed, as experience is gained with using the criteria, to ensure fit for purpose. In addition, IAESB members indicated the need to clarify the criteria on the boundaries between need for retention, enhancement, withdrawal and addition. IAESB members also suggested that the word, "amendment" would better represent the activity than the word, "enhancement." IAESB members also agreed with suggestions to reach out to international stakeholders, such as IFIAR or IASB, to identify what educational support materials are needed and how the support materials should be delivered to stakeholders.

#### Proposed Way Forward on Maintenance of Implementation Support Material

IAESB members supported the need to consult with external stakeholders to determine whether there is a need for specific implementation guidance. It was suggested that the ISWG needed to manage expectations on requests for implementation guidance given the Board's limited resources. IAESB members also suggested that the ISWG should manage this workflow by: identifying the relevance of existing support material; determining whether they are being used (web analytics); consulting with the SECWG for opportunities given their engagement with stakeholders; continuing to analyze respondents' comments to Board's publications; advising on gaps for implementation support for the IESs; and reporting back to Board at each meeting as a standing agenda item.

## Proposed Way Forward

The IAESB directed the ISWG Force to continue its work on clarifying an operating framework and drafting guidelines for developing Implementation Support Materials, and to prepare an Issues paper on its progress for discussion by the Board at its April 2018 meeting.

## 5. PUBLIC SECTOR ACCOUNTING, REPORTING, & ASSURANCE

Ms. Rania Uwaydah-Mardini, Public Sector Accounting, Reporting, and Assurance Task Force Chair, provided a copy of an Issues paper that identified questions on the project's purpose and scope for discussion. The following summarizes the Board's discussion.

### IAESB Discussion of Issues

#### Project Purpose

In general, IAESB members supported the Task Force's proposed description of the project's purpose, but requested that a project proposal should be developed that:

- Clarifies which stakeholders groups should be included in the public sector area;
- Explains why the project is important to the IAESB;
- Indicates whether the expected outcomes of the project are to develop competence areas and learning outcomes for programs of professional accounting education for public sector accounting, reporting, and assurance; and
- Identifies who will be the target audience of proposed work.

#### Stakeholder Groups

IAESB members suggested that further work is needed to determine: if IESs are "fit for purpose"; whether the current competence areas and learning outcomes should be enhanced; and what might be gaps in skills or competencies. In addition, IAESB members suggested that public sector groups needed to include non-governmental organizations, including developed and developing government agencies, associations of government accountants and public finance management, as well as public enterprises. Several members indicated that further work was needed to clarify differences between the public sector and private sector work environments. It was also suggested that further project scoping was needed to determine whether changes should be addressed through changes to core competence areas and learning outcomes of the extant IESs or addressed through a specialist pathway.

## **Proposed Way Forward**

The IAESB directed the Public Sector task force to continue its work on scoping the project by analyzing competence frameworks, reviewing education curricula and consulting with targeted stakeholders groups, including the International Public Sector Accounting Standards Board. In addition, the Board directed the task force to consult with the IAESB CAG and to prepare an Issues paper on its findings for discussion at its April 2018 meeting.

## **6. INFORMATION & COMMUNICATIONS TECHNOLOGY**

Ms. Anne-Marie Vitale, Information and Communications Technology Task Force Chair, provided IAESB members with copies of agenda items on ICT Literature Review, IAESB ICT Survey Report, as well as provided a copy of an Issues paper that identified questions on the project's direction for discussion. The following summarizes the Board's discussion.

### **IAESB Discussion of Issues**

#### **Project Scope and 5 Areas of Focus**

In general, IAESB members supported the proposed objectives of the ICT project, but several members indicated that it was not clear what the scope of the project is, what the outcomes of the project are, and what are the project's next steps. It was suggested that further investigation was needed to develop an inventory of skills and sources to consider might include the AACSB's standard on Information Technology and the updated IMA Competency Framework. IAESB members also suggested that the 5 focus areas need to be considered in terms of the education environment, especially how they will be understood by education providers, and what their impact will be on accounting education curriculum, IPD, and CPD. IAESB members suggested that outreach activities should be coordinated to evaluate the IES's "fit for purpose" and identify what the Board can be done to assist in understanding the impact of skills development in the area of ICT.

#### **Learning Outcomes and Proficiency Levels**

In general, IAESB members supported the CAG's view that it was too early to determine whether the five focus areas were examples of competence areas in ICT or how they might be used. Some IAESB members suggested that possible disaggregation of learning outcomes might be perceived as placing too much focus on ICT competence areas and learning outcomes as compared to other existing competence areas. Some IAESB members indicated that disaggregating the learning outcomes challenged the proficiency level of intermediate for the IT competence areas and there might be a need to increase the IT Competence area from an intermediate to advanced proficiency level. It was also suggested that certain learning outcomes for ICT competence areas might already exist in other competence areas. IAESB members agreed that further investigation into the proficiency levels was needed, but that requirements of ICT competence areas

and learning outcomes should address market needs for professional competence and incorporate an appropriate level of future-proofing. Several members reminded that the IESs should remain principles-based and that guidance might be used to enhance the development of skills and competencies in the area of ICT.

### **Information Gathering Activities**

In introducing the information gathering activities, a short overview of the ICT literature review was presented that included 4 four thought leadership articles that are being planned: the digital age and opportunities for the accountant; issues for the accounting profession; education and ICT development; as well as developing countries and ICT skills development. It was suggested that other topics of interest included how ICT will affect the roles of professional accountants and how ICT has an impact on internal controls and business risk. In addition, an overview was provided on findings obtained from surveys of targeted IFAC member bodies, general respondents, and participants of the Strengthening Auditing and Reporting in the Countries of the Eastern Partnership (STAREP) program of the World Bank Centre for Financial Reporting Reform.

IAESB members agreed with the proposal to publish the 4 thought leadership articles. IAESB members also indicated that the literature review and survey findings were valuable and informed the Board's discussion on the five focus areas and potential standards development activities. The information gathered was also seen as valuable if shared with survey participants and used to inform other ongoing IAESB projects, such as improving the application of professional skepticism and behavioral competence. IAESB members indicated that information on ICT should also be gathered from the public sector and from Educators on how ICT can be used to improve teaching. IAESB members supported further targeted outreach on ICT and encouraged the task force to reach out to those who responded to the initial surveys with the report of survey findings as a way of expressing appreciation to respondents for their efforts.

### **Project Milestones and Proposed Timeline**

IAESB members agreed with the project milestones, but suggested that the proposed timeline was very aggressive. Several members suggested that there might be an overlap from findings coming from a post-implementation date review of the IESs and the task force's work in reviewing ICT competence areas and learning outcomes. It was also suggested to consider how ICT changes would affect various levels of organizational structure and adopt a continuous improvement approach for skills development in ICT.

### **Proposed Way Forward**

The IAESB directed the ICT task force to consider the feedback received from CAG and Board members in its preparation of thought leadership articles on the 4 proposed ICT areas. The Board also requested the task force to continue its in-depth and targeted consultations with stakeholders and to provide an update of its findings for discussion by the Board at its April 2018 meeting.

## **7. PROFESSIONAL SKEPTICISM**

Mr. David Simko, Professional Skepticism Task Force Chair, provided IAESB members with copies of the Report of Professional Skepticism Literature and the Professional Skepticism Survey, as well as an Issues paper that identified questions and proposals for discussion on the project's next steps. In opening the session, Dr. Sridhar Ramamoorti and Dr. Audrey Gramling presented a short report on their review of literature relating to Professional Skepticism, which covered: other disciplines on skepticism; AI and analytics innovation; overcoming bias; inherited traits; and explicating risk. The following summarizes the discussion of IAESB members.

### **Discussion of Issues**

#### **Timing and Analysis of Competence Areas and Learning Outcomes**

Any further work on completing an analysis of the Professional Skepticism competencies, skills, and behaviors should be considered in terms of the findings resulting from further consultation of users, preparers, and professional accountants in business. It was also suggested that any proposed changes to competence areas and learning outcomes should be considered in the context of findings resulting from a post implementation date review of the IESs. In addition, IAESB members generally agreed that any proposed changes to the IESs should be integrated as part of the next cycle of maintenance review.

#### **Development of Thought Leadership and Personal Perspectives Articles**

IAESB members expressed mixed views on publishing the report on professional skepticism literature. Some members suggested that the development of thought leadership and personal perspectives articles would improve the report's readability and impact. Other members preferred that the report on professional skepticism literature be developed into a literature review and published in its entirety. Following a full discussion on the merits of developing thought leadership articles, IAESB members supported the task force's proposal for developing the following thought leadership articles from the report on professional skepticism literature. IAESB members agreed that the priority of a thought leadership article on the impact of innovation and automation on the application of professional skepticism should be increased so as to be worked on sooner rather than later.

#### **Identification of Good Practices and Development of a Survey on Support Materials the Application of Professional Skepticism**

IAESB members indicated that the proposal for a survey of Universities should not be under-estimated as to the significant amount of coordination and work involved in obtaining this type of information. IAESB members suggested that the scope of the proposal should be reviewed with the aim of making it more manageable. It was also suggested that the focus of gathering good practices should take a non-auditor perspective. Some IAESB members indicated that gathering good practices on the measurement of

learning outcomes aimed at developing the application of professional skepticism would be valuable information for professional accountancy organizations.

### **Other Issues**

IAESB members thanked Dr. Ramamoorti and Dr. Gramling for their work on reviewing the literature on professional skepticism, indicating that their findings would inform the Board's discussions on setting the scope of the project and considering how to leverage the findings of the literature review. Several IAESB members supported the idea of introducing a predictive model on professional skepticism, but requested more explanation on its implications and how it would work in practice. Other IAESB members were pleased to see that the application of professional skepticism was being discussed in terms of its ethical aspects. In particular, they indicated that it was helpful to recognize the need for moral courage and ethical sensitivity when making decisions.

IAESB members indicated that caution was needed in interpreting the findings of the surveys given the small number of respondents in each category and whether the survey questions would be properly understood without sight of the literature review. It was suggested that a deeper dive into some of the findings was needed and could be supplemented by examining the inspection findings of IFIAR and PCAOB, as well as investigating these issues from the perspective of preparers of financial information. IAESB members also suggested that more work was needed in validating the factors that impact professional skepticism and in differentiating between skepticism and professional skepticism.

### **Proposed Way Forward**

The IAESB directed the Professional Skepticism task force to develop thought leadership articles from the report on professional skepticism literature. The IAESB requested the Professional Skepticism task force to continue its in-depth and targeted consultations with stakeholders and to provide an update of its findings for discussion by the Board at its April 2018 meeting.

## **8. PROFESSIONAL SKEPTICISM – BEHAVIORAL COMPETENCE**

Mr. Bernard Agulhas, Behavioral Competence Task Force Chair, provided IAESB members an Issues paper that updated on the task force's work and included questions for discussion on the project scope, categorization of competencies, and proposed skills and factors. The following summarizes the IAESB members' discussion.

### **Discussion of Issues**

#### **Project Scope**

IAESB members indicated that more work was needed to inform the Board on what is behavioral competence and its implications. Board members noted the importance of behavioral competence in the

ICT project as one of the 5 focus areas and in the report on professional skepticism literature which identifies psychology literature that focuses on the primacy of soft skills and behavioral competence, such as situational awareness, emotional and social intelligence. IAESB members suggested that more work to clarify the concept would assist in identifying the scope of a proposed project in this area.

Several IAESB members suggested that behavioral competence might be the latest “buzz word” and appears to be used as an umbrella term that captures many of the competence areas and learning outcomes covered in IES 3, *Initial Professional Development - Professional Skills* and IES 4, *Initial Professional Development - Professional Values, Ethics, and Attitudes*. It was suggested that more work should be done to identify cross-cutting skills across competence areas, as well as any gaps in skills and competencies that might exist between the IESs and academic literature, including behavioral competency frameworks. In addition, IAESB members indicated that it would also be helpful to identify the rationale for progressing a project on behavioral competence and how it would add value to professional accountancy education.

### **Proposed Way Forward**

The IAESB directed the Behavioral Competence task force to continue its work to inform the Board on what behavioral competence is and whether there are any gaps in skills and competences in the IESs by preparing an Issues paper for discussion by the Board at its April 2018 meeting.

## **9. IAESB SHAKEHOLDER ENGAGEMENT AND COMMUNICATIONS**

Mr. Greg Owens, Chair of the Stakeholder Engagement and Communication Work Group, provided IAESB members with an Issues paper that updated on progress of work and requested input on the ambassador’s role, proposed pilot, and rollout of ambassador program. The following summarizes the IAESB members’ discussion.

### **Discussion of Issues**

#### **Update on SECWG Activities**

IAESB members congratulated the work group members on the progress that they have made with the Perspectives articles, eNews series, and IAESB videos which bring greater awareness to IAESB activities and projects. It was suggested that greater effort is needed in the area of coordinating with other SSBs so as to improve awareness of activities and products on topics of mutual interest. IAESB members also questioned why the Board is not pursuing the use of social media tools such as twitter to bring awareness of its activities and products.

### **Ambassador Toolkit and Role**

IAESB members supported the proposed direction in development of the Ambassador's Toolkit. IAESB members, however, expressed mixed views on changing the title of "ambassador" to "champion". More members supported the use of the title, "ambassador." Some members indicated that the ambassador role needed to be well supported by Board members so as to deliver the right messaging about the Board. IAESB members supported the use of a pilot in rolling out the Ambassador's program, but suggested that the work group should be selective as to the choice of a geographical jurisdiction so to obtain feedback that can be used to improve the program. Finally, IAESB members indicated that the work group should identify what success will look like, how to measure its success, and to identify how we reach out to new stakeholders.

### **Proposed Way Forward**

The IAESB directed the SECWG to continue working on its proposed engagement and communications activities, including the Standards Development webcast, Personal Perspectives articles, ambassador toolkit, and outreach activities for April's meeting in Nairobi, Kenya, and prepare an Issues paper that updates the Board on the work group's progress at its April 2018 meeting.

## **OTHER MATTERS OF INTEREST**

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

The IAESB received and noted the Dashboard reports on the activities of the IFAC Boards. Mr. James Gunn, Managing Director of Professional Standards, reported that the IESBA will consider the final drafts of the texts of Phases 1 and 2 of the restructured Code, with a view to approval the IESBA at its December 2017 meeting. IAESB members were asked to forward a list of their speaking engagements to IAESB staff.

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

Mr. Gareth Wellings, Chair of Drafting Working Group (DWG), welcomed Dr. Bruce Behn as a new member of the Drafting Work Group (DWG) indicating that the work group has now a full complement of members. Mr. Wellings reported that since the last meeting DWG members have provided drafting advice to finalize both the IES 7 Exposure Draft on *Continuing Professional Development* and the two recently released Perspectives articles, *Making Sense of Accounting Education in a World of Change: An Accounting Firm Viewpoint* and *New Generations in the Workplace: Educational Innovation Challenges*. He also reported that the DWG is working with ISWG to develop drafting guidelines for developing new Implementation Support Materials, as well as developing a consultation paper on the Target Audience of the IESs for discussion and approval by the Board. Finally, Mr. Wellings indicated that the DWG looks forward to working with the IES 7 Task Force to finalize the revised IES 7, as well as with the ICT and the Professional

Skepticism task forces to finalize their planned thought leadership articles coming from their respective literature reviews.

## 12. ENVIRONMENTAL SCAN AND EMERGING EDUCATION ISSUES

The IAESB received presentations from Dr. Bruce Behn and Mr. Steve Matzke on emerging educational issues resulting from the Pathways Commission work.

### *Do We Want to be More Like a Vocation or More Like a Learned Profession?*

In his presentation, Dr. Behn examined what is a learned profession, examples of learned professions, and why a learned profession is important. He also explored some of the implications of being recognized as learned profession, including the importance of obtaining external research funding for research, as well as the movement of faculty and the allocation of internal resources to areas that can generate externally funded research. Dr. Behn also noted the importance of considering impact for funding of research and identified several factors that can obtain greater accounting research impact.

Several IAESB members suggested that improving the relevance of accountancy research should also consider the following: utility of the research; speed to market; accessibility; and ensuring that intended messages are properly decoded to be understood. It was suggested that academe provide incentives to support practitioners publish in practice journals. IAESB members agreed that solutions to research questions should emphasize integration of research, teaching, and practice so as to be relevant to the profession. Several IAESB members suggested that consideration should also be given to the following: composition of the peer review teams; reaching out to practitioners and member bodies to assist in identifying problems; asking the right research questions so as to recognize the context in which the info is needed and how it will be consumed by users; and the exposure of academics to professional experience.

### *Implications of the Pathway Commission's Report on the AICPA*

Mr. Steve Matzke presented an update on ongoing work resulting from the Pathways Commission's report. He indicated that an important pillar of the Pathway Commission's vision project was to explore how to bring more people into the profession given that it plays a critical role in supporting a prosperous society. Mr. Matzke reported on the following aspects of the project:

- Accounting education competency model. The model is still evolving and has informed the AICPA's initiative to revise its competency model for qualification.
- Bringing practice experience into the classroom. More recruitment initiatives are emphasizing PhDs with 3 years of practical experience.
- Current and emerging technologies initiative. More emphasis is being placed on sharing capabilities between practitioner and educator and among educators.
- Creating interest in accountancy profession. High School initiatives include development of advanced placement course or an honors course in accounting, and exam, but more work is needed to get acceptance of credits by universities.

- Increasing diversity in the profession. More work is needed in coordinating and communicating to increase diversity in the accounting profession.

Mr. Matzke concluded by indicating that members of state CPA societies are involved in supporting these initiatives through their connections with the academic community, as is AICPA staff who are engaged with the AAA in progressing these initiatives.

Several IAESB members indicated that more effort is needed to overcome the challenges in bringing practitioners into an academic environment. It was suggested that some work is being done in this area and pointed to Universities that form “clusters of experts” to bring together faculty members and practitioners to solve IT problems. Other members suggested that accounting journals need to reposition themselves by encouraging publication of interdisciplinary research and include appropriate research incentives.

In addition, the IAESB heard presentations from Mr. Mark Allison who updated on work being done by Global Accounting Alliance Education Directors’ Group and from Mr. José Besil Bardawil (C.P.C.) who provided an overview of the Instituto Mexicano de Contadores Públicos (IMCP).

#### *Global Accounting Alliance Education Directors’ Group*

Mr. Mark Allison, Chair of the Global Accounting Alliance Education Directors’ Group, provided an overview of the composition, objectives, and approach of the Education Directors’ Group. He explained how the IESs are used by the GAA reciprocity group to establish a framework for mutual recognition between professional accounting bodies. In addition, Mr. Allison indicated that on November 10, the CEOs will be signing new 5-year Reciprocal Membership Agreements. Finally, Mr. Allison highlighted some of the technical projects being undertaken by the GAA Education Directors’ Group, including: Monitoring Group review; interaction with the IAESB work program on the revision of IES 7 and professional skepticism project; future of the profession; electronics assessment; technology skills including data analytics and cyber security; and sharing of competency framework research.

#### *The Instituto Mexicano de Contadores Públicos (IMCP)*

Mr. José Besil Bardawil (C.P.C.), IMCP President, provided an overview of the Institute. He indicated that the IMCP is a federation composed of 60 professional associations that bring together approximately 25,000 Contador Publico Certificado (CPCs) from around the country. The Governing Board delegates its executive powers to the National Executive Committee composed of the President, the General Vice President, ten Vice Presidents of Operations, five Regional Vice Presidents, the Secretary, the Treasurer and the Prosecutor. The IMCP has a large range of legal responsibilities that includes regulation of the accountancy profession, standard setting, and the promotion of the accountancy profession. Membership in the IMCP is voluntary and consists of certified and non-certified members. In 1999, the IMCP introduced voluntary certification of CPCs. Since 1998 the Institute has delivered a program of continuing professional education that serves as a pillar for the professional certification of public accountants. In 2005 the IMCP

became the first institution in Mexico to receive the certificate of suitability to act as certifying entity on behalf of the Ministry of Public Education. Only IMCP-certified CPCs can perform audits of public interest companies registered with the National Banking and Securities Commission and the National Insurance and Surety Commission. The IMCP is a member of the Inter-American Association of Accountants, the Group of Latin-American Accounting Standard Setters and adheres to international standards such as IFRSs, ISAs, and IESs.

## **FUTURE MEETINGS & OTHER BUSINESS**

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

The IAESB Chairman reminded members that their next formal meeting would be held in Nairobi, Kenya on April 18 to 20, 2018. The CAG and Board are also scheduled to meet in 2018 as follows:

CAG meetings:

- April 16 and 17, 2018 in Nairobi, Kenya;
- September 13 and 14, 2018 in New York, USA.

IAESB meetings:

- July 11 and 12, 2018 in New York, USA;
- October 24-26, 2018 in New York, USA.

### **13-2. STANDARDS-SETTING BOARDS COORDINATION**

Mr. Gunn reported that the IAASB and IESBA held a joint session on September 20, 2017. The session covered areas requiring or potentially requiring coordination, and a proposed approach to coordination, which they broadly supported subject to refinements. The boards agreed to form a joint working group to address the objectivity of engagement quality control reviewer. They also discussed how best to achieve alignment of their future strategies and work plans while respecting their independence, including how to align their strategy periods. Ms. Vitale attended the joint session on behalf of the IAESB and reported that an invitation by both the IAASB and IESBA was extended to the IAESB to participate in these discussions. She indicated that there were several potential areas where the IAESB could engage, including the effects of technology disruption, ethical dissemination of data and information, as well as professional skepticism. Ms. Vitale also mentioned that the ICT task force will be evaluating IAASB and IESBA standards to determine the underlying ICT skills and competencies which will require their assistance.

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

In her closing comments, Dr. Aileen Pierce, PIOB representative, congratulated IAESB members on another very stimulating meeting, with many big challenges acknowledged and addressed, including touching on the fundamental question of the role of the IAESB in driving higher standards of professional

accounting education. The tension between enforceability and best practice/influencing was never far beneath the surface.

Dr. Pierce indicated that there were great discussions at this meeting and they pose big challenges in converting the rich insights from the literature reviews and comprehensive discussions into, as it were, 'branded' output. She also indicated that there is a big challenge in Bruce Behn's presentation to this Board and how IAESB can promote or 'push' the 'learned profession' target.

Dr. Pierce stated that there is a challenge in getting the balance right between requirements and encouragement, acknowledging that there are 'pros' and cons' attaching to both approaches. She also stated that opportunities exist for the IAESB to show leadership in at least three of the key areas discussed at this meeting: target audience; greater detail/granularity in requirements; and driving the global accountancy profession to higher standards by specifying higher competence levels in the education standards.

Dr. Pierce expressed her warm appreciation to Dr. Blanca Tapia, Dr. Sylvia Meljem, Dr. José Echenique and their colleagues, and the IMPC, for the warm welcomes, the excellent hospitality, and the enormous effort they devoted to CAG and IAESB members and to me while we were in Mexico City. She also expressed her gratitude to Keith Bowman for his exemplary leadership of the IAESB CAG for the previous three years, for his tireless promotion of the public interest, and his many insightful and appropriately challenging interventions at both CAG and Board over that period.

Dr. Pierce thanked David McPeak and Sonia Tavares for their assistance and support, before and during the meetings.

Mr. Austin thanked Dr. Pierce for her comments and her contributions to the IAESB's deliberations.

## **15. TERMINATION OF MEETING**

### **Meeting Achievements**

Mr. Austin also thanked everyone for their contributions to the meeting. He indicated that excellent progress had been made in responding to the outcomes identified at the beginning of the meeting. He summarized the achievements of the meeting as follows, the Board:

- Agreed the ICT project proposal for developing thought leadership articles and gap analysis, including project timeline and milestones;
- Agreed a way forward for developing thought leadership articles from report on professional skepticism literature, including project's timeline;
- Endorsed next steps for finalizing the revision of IES 7, including a final analysis of respondents' comments and drafting proposals to revise the standard;
- Endorsed further work to investigate whether competence and skill gaps exist in the IESs for the area of public sector accounting, reporting, and assurance;

- Endorsed the SECWG's piloting of the Ambassador's program;
- Endorsed next steps of the ISWG to clarify its operating framework for maintaining implementation support materials;
- Endorsed next steps in developing a consultation paper on the target audience of the IESs;
- Endorsed next steps in clarifying what skills and factors affect behavioral competence; and
- Was informed by presentations on (i) Mexican accountancy profession through the accountancy education forum; (ii) Dr. Behn's presentation on *Do We Want to be More Like a Vocation or More Like a Learned Profession?*; and (iii) an update on the work of GAA Education Directors by Mark Allison.

**Acknowledgments**

- Mr. Austin thanked Mr. Keith Bowman for his leadership and engagement with the Board in his role as IAESB CAG Chair over the last three years. In particular, Mr. Austin acknowledged his work on revitalizing the CAG membership, steering the initial work on revising IES 7, and initiating the preliminary thinking to support the Board's deliberations on the 2017-2021 Strategy.
- Mr. Austin thanked Dr. Jacqueline Birt, Dr. Sridhar Ramamoorti and Dr. Audrey Gramling for their work on developing literature reviews that informed the Board's deliberations on ICT and professional skepticism projects.
- Mr. Austin expressed his appreciation to Mr. Allison for providing an update on the work of GAA Education Directors.
- Finally, Mr. Austin thanked Mr. José Besil Bardawil (C.P.C.), IMCP President, for the Institute's hosting of the IAESB and IAESB CAG meetings. He expressed his appreciation to Dr. Blanca Tapia, Dr. Sylvia Meljem, Dr. José Echenique and the IMPC staff for their work in organizing this successful meeting, as well as for the excellent hospitality provided. Mr. Austin also thanked IFAC staff for their assistance in the preparations of the meeting.

Mr. Austin then wished all a safe journey home.

The meeting closed on Friday, (April 28<sup>th</sup>, 2017) at 12:20 hours.

Approved by Chairman: .....

Date: .....

## ACTION LIST – AS A RESULT OF NOVEMBER 2017 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 analysis of respondents' ED comments and a revised draft of IES 7	Susan St. Amant, Daniel Slezak, and David McPeak	April 16, 2018	Done
3. Develop Agenda items on IAESB Stakeholder Engagement & Communications, Maintenance for Support Materials for IES Implementation, Professional Skepticism, Behavioral Competence, Revision of IES 7, Public Sector Accounting, Reporting, and Assurance, and Information and Communication Technology for the April 2018 in-person CAG meeting	Anne-Marie Vitale, Helen Partridge, Susan St. Amant, Daniel Slezak, Isaac Njuguna, Edwin Majori, David Simko, Susan Flis, Bernard Agulhas, Robert Zwane, Greg Owens, Sarah Jakubowski & David McPeak	April 16, 2018	Done
4. Develop Agenda items on IAESB Stakeholder Engagement & Communications, Maintenance for Support Materials for IES Implementation, Professional Skepticism, Behavioral Competence, Revision of IES 7, Public Sector Accounting, Reporting, and Assurance, and Information and Communication Technology for the April 2018 IAESB meeting	Anne-Marie Vitale, Helen Partridge, Susan St. Amant, Daniel Slezak, Isaac Njuguna, Edwin Majori, David Simko, Susan Flis, Bernard Agulhas, Robert Zwane, Greg Owens, Sarah Jakubowski & David McPeak	April 16, 2018	Done