



International Accounting
Education
Standards Board

529 Fifth Avenue, 6th Floor, New York, NY 10017
T + 1 (212) 286-9344 F +1 (212) 286-9570
www.iaesb.org

DRAFT MINUTES OF

THE INTERNATIONAL ACCOUNTING EDUCATION STANDARDS BOARD PUBLIC MEETING HELD OCTOBER 24 to 26, 2018.

PLACE: New York, USA

Meeting No. 3/18 (90)

VENUE: IFAC Headquarters

PRESENT:

	Voting Members:	Technical Advisors:
United Kingdom	Chris Austin (Chair)	Adrian Pulham
Indonesia	Sidharta Utama	Lindawati Gani
Lebanon	Rania Uwaydah Mardini	Catherine Edwards
Mexico	Blanca Tapia	Sylvia Meljem
South Korea		Seon-Yeong Oh
Sri Lanka	Manil Jayasinghe	
United Kingdom	Rachel Banfield (by teleconference October 25, 26)	Suzie Webb
United Kingdom	Elizabeth Gammie	
United States	Brian McGuire (by teleconference October 24)	Raef Lawson
United States	Bruce Behn	Steve Matzke (by
teleconference October 24)		
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	
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, Voting member	Yeong Kyun Ahn
Robert Zwane, Technical Advisor	
Helen Partridge, Technical Advisor	
UNCTAD Observer	Yoseph Asmelash

OPENING MATTERS

1(i) Welcome

Mr. Chris Austin, IAESB Chair, welcomed IAESB members, technical advisors, and observers to the meeting. She extended a special welcome to Mr. Karl Thaesler (technical advisor to Anne-Marie Vitale) to his first IAESB meeting and Dr. Aileen Pierce who participated as the PIOB representative.

Apologies for the meeting were received from Mr. Yeong Kyun Ahn (IAESB member, South Korea), Mr. Robert Zwane (Technical advisor of Mr. Bernard Agulhas), and Mr. Yoseph Asmelash (UNCTAD Observer). Dr. Brian McGuire, Dr. Rachel Banfield, and Mr. Steve Matzke joined the meeting by teleconference.

1(ii) Approval of Agenda

The meeting agenda was approved as is.

1(iii) Minutes and Action List of July 2018 (New York, USA) Meeting

The content of the minutes of the previous meeting was approved with the following the following clarifications:

- 2nd sentence of section, Vote on Content of the Revised IES 7, on page 7 should now read: “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; and
- 3rd sentence of section, Combining IESs 2, 3, and 4, on page 11 should read: 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.

1(iv) Report from the Deputy 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 congratulated Ms. Susan St. Amant, IES 7 Revision task force chair, on PIOB’s approval of IES 7’s due process activities. He also highlighted the following representational activities by Board members since the Board’s April meeting:

April 2018

- International Vision of Public Accountant Training in a Global Environment, Regional Accounting and Auditing Forum, Zamora, Mexico. (Meljem, Tapia);
- Partnering For Quality Accounting Education And Practice: Lessons From East Africa, IAESB-ICPAK-KASNEB Accountancy Education Forum, Kenya (Austin, Vitale, Agulhas, Zwane, St. Amant, Njuguna, Makori);
- ICT Consultation Roundtables, Kenya (Matzke, Owens);
- Meeting with Young Accounting Professionals, Kenya (Chalmers, Zwane, Jakubowski);

May 2018

- IAESB Update, 5th Meeting of the Interim Oversight Board on the Professionalization of Public Sector Accounting and Auditing in Africa, Addis Ababa, Ethiopia (Makori);
- IAESB Stakeholders Engagement and Communication's Work Group meeting with IFAC Communications (Mirenda, Hartman, Owens, Jakubowski, McPeak);
- Education and Continuing Professional Development of the Accountant, XIV Inter-American Regional Accounting Seminar. Panama, Panama. (Tapia);
- IAESB ICT Consultation, ICT Teleconference with AFROSAI-e (Matzke, McPeak);
- IAESB ICT Consultation, ICT Webinar with IPSASB and IPSASB CAG (Matzke, McPeak);

June 2018

- Adding Value and Impacting Lives- Implications of the Fourth Industrial Revolution on Accounting Education, Auditor General's Forum, Maldives (In-Ki Joo);
- IAESB Progress Report – Public Sector, Meeting with Task Force on INTOSAI Auditor Professionalization, Stockholm, Sweden (Uwaydah-Mardini);
- IESBA Roundtable Consultation on Professional Skepticism, Washington, USA (Simko);
- IAESB Stakeholders Engagement and Communication's Work Group teleconference meeting with IFAC Communications (Mirenda, Hartman, Owens, Jakubowski, McPeak);
- IAESB Teleconference meeting with IFAC Compliance Advisory Panel staff (Bryson, McGuire, McPeak);
- International trends in the formation of the Management Accountant. XII Ibero-American Conference on Management Accounting. Quito, Ecuador (Tapia);
- PIOB Quarterly meeting (Gunn);

July 2018

- IAESB meeting with IFAC (Dancey, Prinsloo, Austin, Gunn);

- IAESB teleconference with IFAC (Dancey, Vitale);
- IAESB CAG teleconference with IFAC (Dancey, Johnson);
- IESBA Roundtable Consultation on Professional Skepticism, Japan (Shiina, Inoue);
- IAESB: Influencing Professional Accounting Education, The Chartered Accountant, Platinum Jubilee Issue (Austin);

August 2018

- *Accounting Professionals Powering Economies – Accountancy Education*, SUVA 2018 Annual Conference, Suriname (Prinsloo, Bryson);

September 2018

- IAESB Update, IFAC Board September Meeting, New York (Austin, Gunn);
- IAESB ICT Project Update, IESBA Technology Work Group meeting (Vitale);
- International Accounting Education Transition Advisory Group teleconference meeting (Vitale, Simko, Johnson, Makori, Behn, Kawamura, McPeak, Gunn);
- IAESB and IFAC Communications meeting, (Hartman, Owens, Jakubowski, McPeak (by Teleconference));
- Professional Skepticism, IAESB Webinar (Behn, Flis);
- Meeting with IESBA Technology Work Group (Vitale);
- Bilateral meeting with Chief Executive, Chartered Institute of Public Finance & Accounting (Austin);
- IAESB Update, PIOB meeting, Madrid, Spain (Austin, Johnson, Gunn);

October 2018

- International Accounting Education Transition Advisory Group teleconference meeting (Vitale, Simko, Johnson, Makori, Behn, Kawamura, McPeak, Gunn).

Ms. Anne-Marie Vitale, Deputy Chair and International Accounting Education Transition Advisory Group (IAETAG) Chair, updated the IAESB on the IAETAG:

- IAESB members participating on the IAETAG include: Bruce Behn, Edwin Makori, Yoshinori Kawamura, David Simko, Sidharta Utama and Raymond Johnson (CAG Chair);
- Two teleconference meetings held to assist IFAC in determining the terms of reference for the International Accounting Education Panel;
- IAETAG will evaluate what is the panel's model, how can it be set up for success and make recommendations on the strategic priorities for panel's activities and projects;
- Panel will include 10-12 members and expected to promote adoption and implementation of IESs and advise on how IFAC can achieve an holistic, integrated approach to accounting education; and

- Panel's mandate includes being a strategic advisor on accounting education to IFAC Board, able to access resources when needed from member bodies and forum of firms, facilitate assistance from more developed member bodies to developing member bodies; advance emerging issues relating to professional development and advise on thought leadership.

IAESB members questioned on the following issues:

- Who will be responsible to convert resource into action?
- How will IFAC ensure that the IESs will be set in public interest?
- Who has governance over panel to ensure members do set up memorandum of understanding that are motivated by self-interest? and
- How will concept of leveraging resources be socialized with IFAC PAOs and the forum of firms?

Ms. Vitale indicated that many of these questions are being discussed by the IAETAG, for example whether 3 virtual meetings is the right vehicle for the panel to meet and interact. It should also be emphasized that the panel will be advising the IFAC Board and staff on accounting education and the IFAC Board will need to be concerned with governance issues.

Mr. Austin thanked Ms. Vitale for the update and indicated the Board's shared interest in shaping the panel by providing it with a robust handover.

The Chair congratulated the following IAESB members on their appointments to the Board for 2019: Ms. Anne-Marie Vitale as IAESB Chair, Mr. Greg Owens as IAESB Deputy Chair, Mr. Yoshinori Kawamura and Mr. Chris Austin as public members and Ms. Mienkie Etcheverrigaray, Ms. Susan Flis, and Dr. Gabriela Farias Martinez as IAESB members.

Finally, Mr. Austin framed the proposed objectives of the upcoming meeting as follows, the Board will:

- Approve an Exposure Draft (ED), including proposed Information Communications and Technology and professional skepticism learning outcomes as well as combining IESs 2, 3, and 4;
- Agree proposals on Implementation Support Materials (ISMs) for IESs 4, 7, and public sector accounting, reporting, and assurance;
- Discuss an update on Stakeholders Engagement and Communications activities; and
- Receive an end of term report on retiring Board members as of 2018.

CURRENT PROJECTS

2. ENHANCEMENTS TO ICT LEARNING OUTCOMES

Ms. Anne-Marie Vitale, Information and Communications Technology task force chair, provided IAESB members with copies of papers that included a mapping of learning goals to learning outcomes, marked-

up and clean versions of revised and new ICT and professional skepticism learning outcomes, marked-up and clean versions of conforming and clarifying changes to extant learning outcomes, as well as an Issues paper that identified questions for discussion. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Sufficiency of Process

In general, IAESB members indicated that the process (See Agenda Item 2-1 of the October 2018 IAESB meeting) was sufficient for developing or revising learning outcomes related to Information and Communications Technology. Some members, however, suggested that further explanation was needed to: i) clarify the 'scaffolding' needed to understand the proficiency levels of IPD proposed learning outcomes relative to CPD proposed learning outcomes; ii) identify what bridges the gaps that might exist between CPD and IESs 2, 3, 4, and 5; and iii) determine whether the proficiency levels of the competence areas align with proposed activity words of learning outcome statements so as send the right message for those developing University curriculum. Several members also questioned whether: i) the process was consistently applied when developing ICT and professional skepticism learning outcomes; ii) proficiency levels should be changed given the context of today's workplace; and iii) proposed ICT learning outcomes created an imbalance as to level of granularity and due process when compared to the development of the extant learning outcomes of the IESs. It was suggested that specific questions on appropriateness of proficiency levels should be included in the Exposure Draft (ED) to obtain direction from stakeholders of various jurisdictions. Some members also suggested that proposed learning outcomes in the ICT element of behavioral competence did not reflect the broader perspective of demonstrating behavioral competence when performing the role of a professional accountant. Finally, members indicated that the ED should describe the thoroughness of research sources and activities used to develop and revise the proposed ICT learning outcomes.

Clarifying and Conforming Drafting Changes

IAESB members agreed that the proposed drafting changes presented in Table 1 (See Table 1 of Appendix 1 which shows changes to extant IESs 2, 3, 4, and 8 and the Board's rationale for these changes) should be included in the ED on revising IESs 2, 3, 4, and 8. The proposed drafting changes include revisions to terminology and improvements to the wording of learning outcomes and accompanying paragraphs of the Introduction and Explanatory Material sections for purposes of clarity, conciseness, and consistency without significantly changing the content of the standard. Board members' deliberations on the proposed drafting changes:

- Reflect the scope of the project;
- Eliminate any instances of personal preferences on the choice of wording; and
- Improve the understanding and relevancy of the requirements.

New or Revised ICT Learning Outcomes

IAESB members agreed with the proposed new and revised ICT learning outcomes as presented in Table 2 (See Table 2 of Appendix 1 which shows changes to extant IESs 2, 3, 4, and 8 and the Board's rationale for these changes). In addition to the changes made to the revised IESs 2, 3, 4, and 8, the Board included a reordering of learning outcomes in the competence area of Information and Communications Technologies (IES 2, section h) of Table 2 to provide a more logical flow of learning outcomes that captures activities of analyzing, improving, using, doing, and communicating.

Some IAESB members questioned whether there would be enough time to properly dispose of expected feedback from the proposed ED on the new and revised learning outcomes given earlier Board discussions which point to the need of a much more comprehensive revision of IESs 2, 3, and 4. IAESB members suggested that it might be more valuable from the perspective of the Board's time and resource to identify in much greater detail what type of future revisions are needed to update the IESs for handover to the panel. Board members also suggested that the ED should acknowledge that this revision project is a partial review of these standards and has adhered to SWP scope of updating the standards for the areas of ICT and professional skepticism. In addition, Board members suggested that the ED might include a question on the impact of further IES revisions on improving adoption and implementation of the IESs. It was also pointed out that stakeholders haven't provided feedback on the need for other IES revisions than those identified for ICT and professional skepticism areas.

Proposed ICT Definitions

IAESB members agreed with the task force's proposal to include a definition on intellectual agility that is broader in scope and not confined to the application of ICT. In addition, IAESB members agreed with the task force's proposed definition for Information and Communications Technologies which supports capturing, managing, and transforming data and information. The definition also included the activity of communicating, but deleted the reference to 'business insights' because ICT enables more outcomes than business insights.

Proposed Way Forward

The IAESB Chair directed the ICT task force to work with IFAC staff to include the proposed revisions to IESs 2, 3, 4, and 8 (See Tables 1 and 2 of Appendix 1) and proposed ICT definitions in an ED for public consultation.

3. ENHANCEMENTS TO PROFESSIONAL SKEPTICISM LEARNING OUTCOMES

Mr. David Simko, Professional Skepticism task force chair, provided IAESB members with copies of papers that included an IAESB response letter to the IESBA Consultation paper on professional skepticism, a skills

inventory workbook, proposed professional skepticism learning outcomes, as well as an Issues paper that identified questions for discussion. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Thought Leadership Articles, IAESB Response Letter to IESBA Consultation, and Analysis of Professional Skepticism Skills and Behaviors from Literature

IAESB noted the task force's work:

- Publishing the following thought leadership articles in August 2018: *Unconscious Bias and Professional Skepticism* and *How Can We Become Better Skeptics?*;
- Preparing the IAESB response letter to the IESBA consultation on whether there is a need for further enhancements or clarifications to the Code of Ethics related to professional skepticism; and
- Reviewing various sources of information to identify skills and behaviors that support the use of professional skepticism, including the IAESB review of professional skepticism literature, finding from task force's survey on professional skepticism; key academic articles; competency frameworks, PCAOB staff inspection briefs and audit practice alerts and output from IESBA roundtable consultations.

Sufficiency of Process

IAESB members indicated that the process (See Agenda Item 3-1 of the October 2018 IAESB meeting) was sufficient for developing or revising learning outcomes related to Professional Skepticism. In addition, Mr. Simko acknowledged the assistance that cold review team and DWG members provided in developing and revising learning outcomes.

New or Revised Professional Skepticism Learning Outcomes

IAESB members agreed with the proposed new and revised professional skepticism learning outcomes as presented in Table 3 (See Table 3 of Appendix 1 which shows changes to extant IESs 2, 3, 4, and 8 and the Board's rationale for these changes). In addition to the changes made to the revised IESs 2, 3, 4, and 8 the Board included the following changes in Table 3: increased the number of learning outcomes on critical thinking and bias so as to reflect a progression in what is expected to be achieved in IPD and CPD so as to apply professional skepticism effectively; replaced the word, 'recommend' with 'determine' in IES 4 a(iv) learning outcome to improve its robustness; and align the wording of IES 8 i(ii) learning outcome to "cultural and language difference" to ensure consistency with IES 3 b(iii).

Proposed Definitions

IAESB members agreed with the taskforce's proposal to delete the proposed definition of 'intellectual curiosity' and use the dictionary definition of the term, 'curiosity'. It was observed that curiosity was sufficient to support this underlying behaviour needed in applying professional scepticism. In addition, Board

members also agreed with the task force's proposal to delete the proposed definitions of critical thinking and questioning mindset and use the dictionary meanings as these meanings reflect what is conceptually needed to understand critical thinking and questioning mindset when they are used within the IESs. Finally, Board members also agreed with the proposal to use the definition of the IESBA code for professional judgment as it reflects the concepts needed to understand it use with the IESs and avoids unnecessary complexity across the Standard-setting boards.

Proposed Way Forward

The IAESB Chair directed the Professional Skepticism task force to work with IFAC staff to include the proposed revisions to IESs 2, 3, 4, and 8 (See Table 3 of Appendix 1) and proposed Professional Judgment definition in an ED for public consultation.

4. COMBINING IESS 2, 3, AND 4

Mr. Gareth Wellings, Drafting Working Group chair, provided IAESB members with copies of papers on the proposed draft of proposed Combined IESs 2, 3, and 4, extracts from March 2013 IAESB Issues paper, March 2013 IAESB meeting minutes, February 2013 IAESB CAG meeting minutes, an Analysis of Members Comments, and an Issues paper that identified questions for discussion on the viability of combining IESs 2, 3, and 4. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Exposure Draft on Combined IESs 2, 3, 4, and 8

IAESB members decided not to issue an ED that covers the combining of IESs 2, 3, and 4. IAESB members noted that the scope to revise and develop new learning outcomes was consciously limited to competence areas of ICT and Professional Skepticism; however, IAESB members also recognized that other types of disruption to business models or organizations were creating the need to update, revise, and develop new learning outcomes for competence areas of IESs 2, 3, and 4. This additional work would also require the Board to revisit the consistency among the specified proficiency levels, increase the timeline of the project to a point that exceeds the IAESB cessation deadline, and create a level of complexity that risks to dilute the ED response rate on the ICT and Professional Skepticism Learning Outcomes. IAESB members indicated that such work should be completed before combining IESs 2, 3, and 4. It was observed that the content of the extant IESs 2, 3, and 4 was repetitive and could inadvertently create silos that impede the application and integration of technical competence, professional skills and professional values, ethics, and attitudes. IAESB members recognized the need to begin the underlying work to support the need for combining these IESs with the aim of influencing the IAETAG to move this project forward. Board members

suggested that the project to combine the IESs 2, 3, and 4 should not be discontinued, but passed on to the Panel on Accounting Education for consideration.

Proposed Way Forward

IAESB Chair requested that the DWG prepare a handover note to the new panel that supports the transitioning of the project on combining IESs 2, 3, and 4 for discussion by the IAESB at its June 2019 meeting.

5. MAINTENANCE OF IMPELEMENTATION SUPPORT MATERIALS

Mr. Isaac Njuguna, Implementation Support Work Group (ISWG) chair, provided IAESB members with an Issues paper that summarized feedback from a survey on the implementation of IES 4, *Initial Professional Development – Professional Values, Ethics, and Attitudes* (2015) by developing IFAC member bodies, as well as questions for discussion. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Implementation Support Materials

IAESB members indicated their appreciation for the task force in conducting the survey and presenting the findings. Several Board members, however, made the following comments or suggestions for consideration:

- Forward to the IESBA any examples where there may be misalignment of cultural or religious differences which affect adoption and implementation of standards and the IESBA code;
- Communicate fully the accessibility of Implementation Support Materials on the IAESB website to the public, there is a need to engage with regulators to obtain their comments on Implementation difficulties, especially monitoring and enforcing the IESs and do survey findings support the combination of IESs 2, 3, and 4;
- Explain how IES adoption rates would be affected by PAOs using accrediting bodies to manage program quality;
- Recognize how survey findings might impact the revision of IES 4 learning outcomes, particularly those covering professional skepticism;
- Address the targeting of Implementation Support Materials using a limited number of PAOs so as to obtain the greatest impact;
- Remove practice statement covering IES 4 if it no longer aligns with IES 4 (2015) terminology, survey findings should be transitioned to new panel on accounting education, look for opportunities to bring awareness to findings through a Personal Perspectives article.

Proposed Way Forward

The IAESB Chair requested that the work group to continue its communications efforts on the survey findings and to engage with the IESBA on any cultural and religious examples that might assist in the implementation of the IESBA Code and standards. The work group was also asked to provide a progress report to the Board at its April 2019 meeting.

6. IMPLEMENTATION SUPPORT MATERIALS FOR IES 7

Ms, Susan St. Amant, IES 7 Revision task force chair, provided IAESB members with copies of papers that included an overview of support materials for IES 7 (Revised), relevant and adequate CPD, examples of measurement approaches, CPD frameworks, as well as an Issues paper that identified questions for discussion. The following summarizes the Board's discussion.

IAESB Discussion of Issues

IAESB members agreed that the following Implementation Support Materials contained no fatal flaws and could be published with the revised IES 7, Continuing Professional Development: Overview of Implementation Support Materials for IES 7, Continuing Professional Development (Revised); CPD Frameworks; Extent of Relevant CPD; and Measurement Evidence Examples. In finalizing these support materials IAESB members deliberated on the following issues.

Process Sufficiency

IAESB members indicated that the process to publish the Implementation Support Materials was sufficient (See Agenda Item 6-1 of the October 2018 IAESB meeting). However, IAESB members indicated that there was a need for the DWG to review the support materials and that the content of support materials be approved by a fatal content review before their release. It was noted that CAG members were also supportive of the proposed Implementation Support Materials.

In finalizing the support materials IAESB members agreed with following changes:

Overview

- Change the first sentence to be more proactive by stating that the IAESB developed the set of guidance materials;
- Rename the title, 'Relevant and Adequate CPD' to read 'Extent of Relevant CPD' to align with the coverage of the revised IES 7;
- Reorder the titles to read: CPD Frameworks, Extent of Relevant CPD, and Measurement Evidence Examples;
- Delete the reference to 'measuring' in the description of the Extent of Relevant CPD to better reflect the scope of this support material.

CPD Frameworks

- Give more prominence to CPD Frameworks by identifying it as the first of a set of 3 support material documents
- Remove direct reference to Paragraph A10 in the revised IES 7;
- Specify IESs 7 and 8 as the CPD-related IESs in the first paragraph of the section on Value of CPD Frameworks;
- Change the formulation of the 1st sentence of 1st paragraph describing the section on Reflective Activity, to read ‘...to evaluate completed learning and development activities addressed personal development gaps ...’;
- Revise the label, ‘Revision’, to read ‘Revise learning and development plan.’

Extent of Relevant CPD

- Change the first sentence to be more proactive by stating that the IAESB developed the set of guidance materials;
- State the purpose of the support material in terms of providing guidance that describes and determines the extent of relevant CPD;
- Combine the last two paragraphs of the section on describing relevant CPD to reduce redundancy and provide greater clarity to the conclusion of this section;
- Enhance the introductory paragraphs of the section on determining relevant CPD by describing the roles of the individual professional accountant and the IFAC member body as well as explaining the use of judgment and the variety of factors to consider;
- Improve the understanding of factors on usefulness and timeliness by providing examples;
- Enhance the description on the extent to CPD needed by including questions that can be used by professional accountants and IFAC member bodies;
- Delete the section on describing adequate CPD to align with the wording of IES 7;
- Including explanations of what is enough CPD for the input-based and output-based measurement approaches;
- Enhance the introductory paragraphs of the section on determining the extent of relevant CPD needed by explaining the use of judgment and the variety of factors to consider;
- Enhance the explanation on how to determine if a professional accountant undertook the extent of relevant CPD necessary by describing ways to assess directly professional competence or to assess indirectly professional competence using guidelines.

Examples of IES 7 Measurement Approaches

- Delete the description of Figure 1 and replacing this description with Table 1 that describes how CPD can be derived from the example L&D activities provided in IES 7 and Table 2 that provides examples of evidence that demonstrate how a completed L&D activity supports the development and maintenance of professional competence in an output-based or input-based measurement approach;

- Include a note to indicate that the examples are provided for illustrative purposes only and should not be assumed to be comprehensive; and
- Enhance the examples of evidence for output-based and input-based measurement approaches.

Proposed Way Forward

The IAESB Chair requested the IES 7 task force work with IFAC staff to finalize the Implementation Support Materials for release with the revised IES 7.

7. ENHANCEMENTS TO LEARNING OUTCOMES FROM ICT, PROFESSIONAL SKEPTICISM, AND COMBINING 2, 3, AND 4

Mr. Austin, IAESB Chair, Ms. Anne-Marie, ICT task force chair, and Mr. David Simko, Professional Skepticism task force chair, presented revised agenda item 7-2 that presented an outline on the proposed exposure draft (ED) to revise IESs 2, 3, 4, and 8 from the perspectives of ICT and Professional Skepticism. The proposed ED would combine Tables 1, 2 and 3 of Appendix 1 so as to include:

- Proposed clarifying and conforming drafting changes to existing learning outcomes and wording of Introduction and Explanatory Material sections of IESs 2, 3, 4, and 8 (See Table 1 of Appendix 1);
- Proposed new and revised ICT learning outcomes for IESs 2, 3, 4, and 8 (See Table 2 of Appendix 1);
- Proposed new and revised professional skepticism learning outcomes for IESs 2, 3, 4, and 8 (See Table 3 of Appendix 1);
- Proposed definitions of new ICT and professional skepticism glossary terms: ICT, intellectual agility, and professional judgment; and
- Proposed questions that cover whether there is support the new and revised IESs; are there any other revisions that would be expected; whether there is support for the new definitions; and whether there are any other terms that require clarification.

The proposed ED would not cover the combining of IESs 2, 3, and 4. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Proposed Outline of Exposure Draft

In deliberating on the proposed outline of the ED to revise IESs 2, 3, 4, and 8 from the perspectives of ICT and professional skepticism, IAESB members raised the following concerns or issues:

- Recognizing that there may be a range of responses that might be received from ED respondents, it was suggested that the Board consider whether responding to such feedback will be the best use of its resources and time before winding down the Board's operations at the end of June 2019;

- Questioning whether the proposed revisions to the IESs present their best possible state given that other macro trends may create the need for changes to professional competence and proficiency levels other than those identified in ICT and professional scepticism;
- Recognizing that after receiving ED feedback the Board has the discretion to decide not to revise these IESs for ICT and professional scepticism and package the work and thinking of the Board to handover to the new panel as a potential area of future work;
- Questioning whether there is another vehicle available to the Board other than use of an Exposure Draft, such as using a discussion or consultation paper to obtain respondents' comments which might be handed over to the new panel;
- Reminding Board members that the proposed ED addresses the scope defined through its consultations with stakeholders on the IAESB's strategy and work program which were considered to be invaluable to the professional competence of professional accountants;
- Recognizing that speed to market in delivering high quality standards has been a criticism of Standards-setting Boards, the Board's work represents significant improvement and progress to the competence areas of ICT and professional scepticism;
- Recognizing that the Board has adhered to the scope of the IAESB strategy and work program, its revised priorities, deliberated on significant issues while acknowledging that further consultation will confirm the Board's thinking on proposals and identify whether there are other issues that need to be considered when concluding on the revisions;
- Suggesting that the discussion of professional skepticism in the ED recognize that the proposed improvements address concepts underlying the exercise of professional scepticism; and
- Including an explanation in the ED section on Significant Issues on why and how the proposed changes to the learning outcomes were made in IES 2, especially in competence areas of governance and ICT.

Due Process Activities

Vote on Content of the Exposure Draft

The majority of IAESB members voted to issue an Exposure Draft to obtain public comments on proposed revisions to IESs 2, 3, 4, and 8 from the perspectives of Information and Communications Technologies and professional scepticism over a 90-day period. The exposure draft will engage stakeholders on whether to make changes in areas of ICT and professional scepticism to improve these IESs, to obtain feedback from the market that enables the Board to act, and to provide a full and complete handover to the panel for what comes next. Two members were opposed to the release of the ED for the following reasons: need further analysis of underlying data to support overlaying changes to extant IESs so to make them the best they can be; and only amending the ICT and professional scepticism learning outcomes when there are areas where learning outcomes need further revision which may send the message to stakeholders that proposed revisions are piecemeal.

Vote on Effective Date

The IAESB approved an Effective Date of January 1, 2021.

Proposed Way Forward

The IAESB Chair requested that members of ICT and Professional Skepticism task forces, as well as DWG members work with staff to finalize the ED for release in early December for a 90-day exposure period.

8. LIST OF 2018-2019 IAESB PROJECTS AND ACTIVITIES

IAESB members noted the July IAESB list of priority projects and activities that Board members approved for completion by June 30, 2019.

9. IAESB STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

Mr. Greg Owens, Stakeholder and Engagement Work Group (SE&C) task force chair, made an oral presentation that provided IAESB members with an update on SE&C activities during the period between April and October, as well as its planned activities to June 30, 2019. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Several members suggested that the transition message needed to be reinforced with the Transition Working Group (TAG) to encourage further awareness of the work that the IAESB has done in accounting education. It was suggested that these messages should be included in PAO communications to their networks. These members also suggested an integrated approach in terms of communications through the TAG to ensure continuity and a foundation for the work of the panel. It was also suggested that the Board's transition provides an opportunity for an IAESB task force to glean through what it has done to identify what is important, to communicate historical messages from previous chairs, to identify who should the Board connect with at IFAC to integrate the transition efforts. It was suggested that the Board needs to engage with IFAC directly so that the Board can communicate its message effectively.

Proposed Way Forward

The IAESB Chair supported the idea of a transition task force and will be recruiting for Board volunteers and SEC work group members to assist in this work. The SEC work group was asked to provide a progress report on its future work to the Board at its April 2019 meeting.

10. IMPLEMENTATION SUPPORT MATERIAL FOR PROFESSIONAL SKEPTICISM

Mr. David Simko, Professional Skepticism task force chair, provided IAESB members with an Issues paper that proposed an additional publication to better explain how the IESs support the development of a questioning mindset in professional accountants and identifies questions for discussion. The following summarizes the Board's discussion.

IAESB Discussion of Issues

IAESB members supported the task force's proposal for a Personal Perspective article that represents a companion document which describes how the proposed learning outcomes come together to assist the professional accountant's ability to become more skeptical. This article would emphasize that there is not one specific way in improving the application of professional scepticism, but would capture the need for a conglomerate of technical competences, skills, and behaviors, that starts with being proficient, supported by decision-making and communication skills with a commitment to ethics and values. Several IAESB members suggested that the article includes alternative viewpoints, such as that of the professional accountants in business and in the public sector, using an interview format. It was also suggested that the Personal Perspectives article should be a first step and that further work should be added to bring awareness to the depth of Board's research findings, the rationale for the changes to the learning outcomes, and other relevant sources of professional scepticism materials. Board members also indicated that the Board's work in professional scepticism has been able to communicate on the application of professional scepticism by incorporating changes in the standards and by showing how they have an impact on the areas in which professional accountants are expected to be competent. It was suggested to have the IESBA and IAASB review the article so to bring awareness to the holistic approach in addressing this issue. In addition, the message needed to be positioned as a call for action for those who are designing curriculum and are education providers.

Proposed Way Forward

Mr. Austin asked the Professional Skepticism task force to socialize an outline of the draft article for potential discussion at the upcoming November World Congress of Accountants, as well as provide the Board with a draft article for discussion at its April 2019 meeting.

11. IMPLEMENTATION SUPPORT MATERIAL FOR PUBLIC SECTOR ACCOUNT, REPORTING, & ASSURANCE

Ms. Rania Uwaydah Mardini, Public Sector Accounting, Reporting, and Assurance task force chair, provided IAESB members with copies of papers that included an illustrative example for designing learning outcomes for curricula that cater to public sector accountancy needs, as well as an Issues paper that identified questions for discussion on the proposed approach of developing non-authoritative guidance in the form of Implementation Support Material. The following summarizes the Board's discussion.

IAESB Discussion of Issues

In general, IAESB members supported the proposed draft on Illustrative Example: Designing Learning Outcomes for Curricula That Cater to Public Sector Accountancy Needs. However, IAESB members suggested the following for consideration to improve the clarity and use of the guidance document:

- Include public sector learning outcomes as accompanying implementation guidance;
- Engage the IPSASB members to obtain their comments on the guidance documents;
- Include additional guidance on learning outcomes to cover IESs 3 and 4;
- Socialize the guidance documents with other stakeholders to obtain feedback;
- Include the CPD curricula perspective when developing guidance materials;
- Include areas of procurement and principles of good governance when identifying public sector accountancy needs;
- Clarify using the IPSASB definition the scope of the guidance to indicate that the guidance is covering the government sector, but that there are other sectors, such as the not-for-profit sector which is not addressed;
- Suggest to specifically identifying learning outcomes within some of the IES 2 competence areas that are not covered in the public sector;
- Clarify whether document is addressing fundamental gaps, maybe better to address deficiencies in programs of professional accounting;
- Need illustrative learning outcomes to improve implementation guidance while trying to adhere scope of the project and adhere to the view that would be handover material for a public sector project to the new panel; and
- Reflect on whether providing guidance on public sector gaps in the IESs without learning outcomes will create confusion with Board's stakeholders and on whether there needs to be a recommendation for an IES that addresses public sector learning outcomes.

Proposed Way Forward

The IAESB Chair requested the Public Sector task force to complete the proposed Implementation Support Material document and explore whether non-authoritative learning outcomes can be prepared for discussion by the IAESB at its April 2019 meeting.

OTHER MATTERS OF INTEREST

12. IAESB AND OTHER IFAC DASHBOARD REPORTS

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

13. DRAFTING WORKING GROUP- PROGRESS REPORT

Mr. Gareth Wellings, Drafting Working Group Chair, reported on the work group's activities that included reviews of: new and revised learning outcomes for ICT and professional skepticism; clarifying and conforming changes of learning outcomes and wording of IESs 2, 3,4, and 8; and developing Issues papers relating to developing the draft of combined IESs 2, 3, and 4. The DWG also provided guidance on key principles in developing learning outcomes, including: avoiding compound concepts; avoiding formulations of statements that are overly complicated; positioning an active verb at the beginning of the statement; considering the achievement in terms of whether it can be measured or assessed; and keeping language simple, less is more. Mr. Wellings indicated that he looked forward to working with the IES 7 task force in reviewing and finalizing the Implementation Support Materials for revised IES 7, *Continuing Professional Development*.

FUTURE MEETINGS & OTHER BUSINESS

14-1. FUTURE MEETINGS

The IAESB Deputy Chair reminded members that their next formal meeting would be held in Bali, Indonesia on April 9 to 11, 2019. The CAG and Board are also scheduled to meet in 2019 as follows:

- April 8 and 9 CAG meeting in Bali, Indonesia;
- May 30 IAESB CAG teleconference meeting;
- June 6 IAESB teleconference meeting; and
- June 24-26 IAESB meeting in Toronto, Canada.

15. PIOB REPRESENTATIVE'S REPORT

In her closing comments, Dr. Aileen Pierce, PIOB representative, indicated that from her perspective, the meeting was interesting and it posed challenging choices for members. There are no absolute answers to the trade-offs presented and discussed, and the 'ticking clock' has clearly impacted deliberations, actions and decisions. While it is never comfortable to rush deliberations, and some members alluded to the potential reputational risk associated with the decision to proceed with public consultation on a product that some believe is not as good as it could be if more time was available, it is probably best to have focused

on the mandate endorsed by the approved Strategy. The unusual circumstances prevent that approved SWP being delivered fully. Nonetheless, stakeholders will now have the opportunity to express their views on the decision taken. She indicated that she hoped the public would appreciate the effort, reflection, and hard work that has gone into the proposed changes about to be communicated.

Dr. Pierce expressed her appreciation and admiration of all the IAESB members and TAs for their commitment to the work of the Board, and to the public interest in carrying out that work. She then thanked IFAC staff for their positive engagement with PIOB and once more, and appreciated the generous IFAC hospitality experienced.

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

16. TERMINATION OF MEETING

Meeting Achievements

Before closing the meeting, Mr. Austin thanked IAESB members for the quality of their contributions to the deliberations of the agenda items. He summarized the following accomplishments of the meeting:

- Concluded not to proceed with the combination of IESs 2, 3, and 4, but will include this issue in the handover package to the new panel;
- Agreed to issue an Exposure Draft on new and revised ICT and professional skepticism learning outcomes for IESs 2, 3, 4, and 8;
- Endorsed the content of Implementation Support Materials for the revised IES 7;
- Reviewed and endorsed the findings of the ISWG survey of developing member bodies on the implementation of IES 4 and to reach out to IESBA on these findings;
- Welcomed the proposal to develop a Personal Perspectives article and possible video on the rationale and process for developing professional skepticism learning outcomes and support materials;
- Endorsed the initial draft of Implementation Support Materials on Public Sector Accounting, Reporting and Assurance and recognized the outreach to key stakeholders such as INTOSAI and AFROSAI-e; and
- Took note of the continuing work of the SECWG in assisting to bring awareness of the Board's activities.

Mr. Austin also thanked IFAC's IT staff and IAESB staff for their work in organizing the CAG and IAESB meetings.

Acknowledgements

Mr. Austin recognized the following retiring IAESB members for their service to the IAESB: Mr. David Simko, Mr. Gareth Wellings, Dr. Blanca Tapia, and Ms. Anne-Marie Vitale. Then, Ms. Anne-Marie Vitale and Mr. James Gunn recognized retiring IAESB Chair, Chris Austin, for his service and contributions to the IAESB.

Mr. Austin then wished all a safe journey home.

The meeting closed on Friday (October 26th, 2018) at 13:07 hours.

Approved by Chairman:

Date:

ACTION LIST – AS A RESULT OF OCTOBER 2018 IAESB MEETING

ACTION	PERSON(S) RESPONSIBLE	DUE DATE	STATUS
1. Update and circulate 2018-2019 CDL	Sonia Tavares / David McPeak	ASAP	Done
2. Prepare a final version of Implementation Support Materials for Revised IES 7	Susan St. Amant, Daniel Slezak, and David McPeak	January 30, 2019	Done
3. Develop IAESB CAG and IAESB Agenda items on IAESB Stakeholder Engagement & Communications, Maintenance for Support Materials for IES Implementation, Professional Skepticism, ICT and Professional Skepticism, Public Sector Accounting, Reporting, and Assurance, and Information and Communication Technology for the April 2019 in-person IAESB and CASG 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	April 8, 2019	Done

Table 1. Proposed Drafting Changes that Clarify or Ensure Conformity to IESs 2, 3, 4, and 8 as Compared to Extant versions of IESs, 2, 3, 4, and 8

Clarifying & Conforming Changes	Rationale
IES 2, Initial Professional Development – Technical Competence	
a(vi) Interpret reports that include non-financial data, for example, sustainability reports and integrated reports information .	Examples of Integrated reports and Sustainability reports eliminated which may have inadvertently limited the scope of nonfinancial data and ensures consistency with the concept of information.
b(iii) Analyze financial and non-financial data to provide relevant-meaningful information for-to support management decision making.	The phrase, 'financial and non-financial', was seen as too constraining; the word, 'meaningful', better qualifies the desired type of information than the word, 'relevant' for decision making by management.
b(iv) Prepare reports-information to support management decision making, on topics including reports that focus information on planning and budgeting, cost management, quality control, performance measurement, and benchmarking . comparative analysis .	The word, 'information' better qualifies the types of output needed to support decision-making than 'reports' which implies a written, periodic method of communicating; The use of the word 'topics' reduces the redundancy of using 'information'; and the phrase 'comparative analysis' updates & better captures the work of professional accountants in business than 'benchmarking'.
e(ii) Apply relevant auditing standards (for example, International Standards on Auditing), (or relevant auditing standards) and applicable laws and regulations applicable to an audit of financial statements.	The word, 'applicable' is misplaced and should apply to International Standards on Auditing, laws, and regulations.
i(i) Describe the environment in which an organization operates, including the main primary economic, legal, political, technological, social, technical, international, and cultural forces . aspects .	The changes in wording remove ambiguity and improve understanding by providing aspects that are more relevant to an organization's environment.

<p>i(iv) Identify the features of globalization, including the role of multinationals, e-commerce, and emerging markets.</p>	<p>The term, 'e-commerce' was deleted because it is not a defining characteristic of globalization given the pervasiveness of ICT in processing electronic transactions and transferring of data electronically in a marketplace.</p>
<p>k(iv) Explain the processes that may be used to develop and implement the strategy of an organization.</p>	<p>The words, 'develop and' were included to better reflect the expectations of professional accountants to contribute their ICT expertise in developing the strategy of an organization.</p>
<p>Paragraph 3. This IES specifies the competence areas and learning outcomes that describe the technical competence required of aspiring professional accountants by the end of IPD. IES 3, <i>Initial Professional Development – Professional Skills (2015Revised)</i>, and IES 4, <i>Initial Professional Development – Professional Values, Ethics, and Attitudes (2015Revised)</i>, specify competence areas and learning outcomes relevant to their areas of focus within IPD. Together, these IESs specify the competence areas and learning outcomes that describe the professional competence required of aspiring professional accountants by the end of IPD.</p>	<p>Years 2015 to be revised to effective date when proposed IESs 3 and 4 are approved by IAESB.</p>
<p>Paragraph 4. Definitions and explanations of the key terms used in the IES and the <i>Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants</i> (2015) are set out in the International Accounting Education Standards Board (IAESB) <i>Glossary of Terms (2015Revised)</i>.</p>	<p>Year 2015 to be revised when proposed definitions are approved by IAESB.</p>
<p>Paragraph 5. This IES is effective from July 1, 2015 January 1, 2021.</p>	<p>Date changed to reflect proposed effective date for IES 2 (Revised).</p>

<p>The inclusion of technical competence in IPD lays the base for performing a role as a professional accountant. Further development of technical competence is a focus of Continuing Professional Development (CPD), which is covered in IES 7, Continuing Professional Development (20142020).</p>	<p>Year 2014 changed to reflect effective date of IES 7 (Revised).</p>
<p>IES 3, Initial Professional Development – Professional Skills</p>	
<p>a(iii) Identify when it is appropriate to consult with specialists others to solve problems and reach informed conclusions.</p>	<p>The changes reflect the need to include a variety of perspectives when consulting to reach a conclusion.</p>
<p>b(iii) Communicate clearly and concisely when presenting, discussing and reporting in formal and informal situations, both in writing and orally.</p>	<p>The deletion of the phrase, ‘both in writing and orally’ was seen as limiting due to the many ways communications can and will occur.</p>
<p>Paragraph 3 This IES specifies the competence areas and learning outcomes that describe the technical competence required of aspiring professional accountants by the end of IPD. IES 2, <i>Initial Professional Development – Technical Competence</i> (2015Revised), and IES 4, <i>Initial Professional Development – Professional Values, Ethics, and Attitudes</i> (2015Revised), specify competence areas and learning outcomes relevant to their areas of focus within IPD. Together, these IESs specify the competence areas and learning outcomes that describe the professional competence required of aspiring professional accountants by the end of IPD.</p>	<p>Year 2015 to be revised to effective date when proposed IESs 2 and 4 are approved by IAESB.</p>
<p>Paragraph 4 Definitions and explanations of the key terms used in the IES and the <i>Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants</i> (2015) are set out in the International Accounting Education Standards Board (IAESB) <i>Glossary of Terms</i> (2015Revised).</p>	<p>Year 2015 to be revised when proposed definitions are approved by IAESB.</p>

<p>Paragraph 5 This IES is effective from July 1, 2015 January 1, 2021.</p>	<p>Date changed to reflect proposed effective date for IES 3 (Revised).</p>
<p>Paragraph A4 The inclusion of technical competence in IPD lays the base for performing a role as a professional accountant. Further development of technical competence is a focus of Continuing Professional Development (CPD), which is covered in IES 7, Continuing Professional Development (20142020).</p>	<p>Year 2014 changed to reflect effective date of IES 7 (Revised).</p>
<p>Within this IES, professional skills are categorized into four competence areas:</p> <ul style="list-style-type: none"> (a) Intellectual relates to the ability of a professional accountant to solve problems, and to make decisions, and to exercise professional judgment; (b) Interpersonal and communication relate to the ability of a professional accountant to work and interact effectively with others; (c) Personal relates to the personal attitudes and behavior of a professional accountant; and (d) Organizational relates to the ability of a professional accountant to work effectively with or within an organization to obtain the optimal results or outcomes from the people and resources available. 	<p>Paragraph revised to Improve clarity – Bullet (a) amended to reflect a change in scope of the Intellectual competence area. The learning outcome on professional judgment has been repositioned to IES 4.</p>
<p>IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes</p>	
<p>b(iii) Identify ethical issues threats and determine when which ethical principles apply.</p>	<p>The change from ‘issues’ to ‘threats’ was made to conform to wording used in IESBA Code and to recognize the need to identify which ethical principles apply.</p>
<p>b(iv) Analyze alternative courses of action and determine the to address ethical threats and their related consequences of these.</p>	<p>The changes were made to conform to wording used in IESBA Code.</p>

<p>b(v) Apply the fundamental ethical principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior to ethical dilemmas threats and determine an appropriate approach.</p>	<p>The changes were made to conform to wording used in IESBA Code.</p>
<p>c(i) Explain the role importance of ethics within the profession and in relation to the concept of social responsibility.</p>	<p>The word, 'role', was changed to 'importance' to recognize the need for ethics within the context of social responsibility and in recognition of the literature on skills underlying the application of professional skepticism.</p>
<p>c(ii) Explain the role importance of ethics in relation to business and good governance.</p>	<p>The word, 'role', was changed to 'importance' to recognize the need for ethics within the context of business and governance and in recognition of the literature on skills underlying the application of professional skepticism. .</p>
<p>Paragraph 3 Learning and development continue throughout the career of a professional accountant; professional values, ethics, and attitudes achieved during IPD are therefore also relevant to continuing professional development (CPD) as careers of professional accountants change, and professional accountants gain exposure to a wider range of ethical issues-threats.</p>	<p>Paragraph revised to improve clarity – The change from 'issues' to 'threats' was made to conform to wording used in IESBA Code.</p>

<p>Paragraph 5 This IES specifies the competence areas and learning outcomes that describe the technical competence required of aspiring professional accountants by the end of IPD. IES 2, <i>Initial Professional Development – Technical Competence (2015Revised)</i>, and IES 3, <i>Initial Professional Development – Professional Skills (2015Revised)</i>, specify competence areas and learning outcomes relevant to their areas of focus within IPD. Together, these IESs specify the competence areas and learning outcomes that describe the professional competence required of aspiring professional accountants by the end of IPD.</p>	<p>Year 2015 to be revised to effective date when proposed IESs 2 and 3 are approved by IAESB.</p>
<p>Definitions and explanations of the key terms used in the IES and the <i>Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants (2015)</i> are set out in the International Accounting Education Standards Board (IAESB) <i>Glossary of Terms (2015Revised)</i>. Additional terms from the pronouncements of the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) pronouncements are also included in the Explanatory Material.</p>	<p>Paragraph revised to improve clarity – Year 2015 to be revised when proposed definitions are approved by IAESB and editorial changes made to recognize both IESBA and IAASB pronouncements as additional sources.</p>
<p>This IES is effective from July 1, 2015 January 1, 2021.</p>	<p>Date changed to reflect proposed effective date for IES 4 (Revised).</p>
<p>IFAC member bodies shall provide, through professional accounting education programs, a framework of professional values, ethics, and attitudes for aspiring professional accountants to (a) exercise professional skepticism and professional judgment and professional skepticism, and (b) act in an ethical manner that is in the public interest.</p>	<p>Paragraph revised to improve clarity – The editorial change was made to conform to the title of the competence area, ‘professional skepticism and professional judgment.’</p>

Paragraph A1		Paragraph revised to improve clarity – Wording now clarifies the sources of the definitions and includes definition of professional judgment which is sourced from the IESBA Code.
Table B: IAASB and IESBA Definitions Adopted in IES 4		
Defined Term	Definition in IAASB Glossary of Terms and IESBA	
Professional Skepticism (IAASB)	An attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of evidence.	
Professional Judgment (IESBA)	The Professional judgment involves the application of relevant training, professional knowledge, skill and experience, within the context provided by auditing, accounting commensurate with the facts and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances, including the nature and scope of the audit engagement particular professional activities, and the interests and relationships involved.	
Paragraph A2 IAASB pronouncements govern audit, review, assurance, and related service engagements that are conducted in accordance with international standards. References in the IAASB's pronouncements regarding 'professional skepticism' and 'professional judgment' are therefore limited to the context of audit, assurance, and related service engagements. Within this IES, however, these terms are to be interpreted as applying to the broader context of a role as a professional accountant.		Paragraph A2 deleted because its content is captured in paragraph A1 (See above).

<p>Paragraph A8 The inclusion of technical competence in IPD lays the base for performing a role as a professional accountant. Further development of technical competence is a focus of Continuing Professional Development (CPD), which is covered in IES 7, Continuing Professional Development (20142020).</p>	<p>Year 2014 changed to reflect effective date of IES 7 (Revised).</p>
<p>Paragraph A25 IFAC member bodies, educators, and other stakeholders may consider using participative approaches that can enhance the development of professional values, ethics, and attitudes. These may include but would not be restricted to:</p> <ul style="list-style-type: none"> (a) Role playing; (b) Discussion of selected readings and online materials; (c) Analysis of case studies that involve business situations involving ethical dilemmas- threats; (d) Discussion of disciplinary pronouncements and findings; (e) Seminars using speakers with experience of corporate or professional decision making; and (f) Use of online forums and discussion boards. 	<p>Paragraph revised to improve clarity – The change from ‘dilemmas’ to ‘threats’ was made to conform to wording used in IESBA Code.</p>
<p>Paragraph A28 Ethical Principles and Issues-Threats</p> <p>Professional values, ethics, and attitudes apply to everything that professional accountants undertake in their professional capacity. Having (a) knowledge and understanding of ethical concepts, ethical theories, and the fundamental principles of professional ethics, and (b) the opportunity to practice their application in a non-workplace setting can help aspiring professional accountants to recognize and address ethical issues threats.</p>	<p>Paragraph revised to improve clarity – The changes from ‘issues’ to ‘threats’ were made to conform to wording used in IESBA Code.</p>

<p>Paragraph A28 Learning and development for aspiring professional accountants on ethical principles and issues-threats may address (a) particular ethical issues-threats likely to be faced by all professional accountants, (b) those ethical issues-threats more likely to be encountered by professional accountants in their respective roles, and (c) key considerations in developing appropriate responses to such ethical issues-threats.</p>	<p>Paragraph revised to improve clarity – The changes from ‘issues’ to ‘threats’ were made to conform to wording used in IESBA Code.</p>
<p>Paragraph A30 Ethical issues-threats and potential dilemmas for aspiring professional accountants are likely to occur within the period of practical experience. Those responsible for designing and supervising practical experience programs may provide guidance to aspiring professional accountants about the need to consult employers, mentors, or supervisors within their work environment or an IFAC member body, where there is doubt about the ethical aspects of a course of action or situation.</p>	<p>Paragraph revised to improve clarity – The changes from ‘issues’ to ‘threats’ were made to conform to wording used in IESBA Code.</p>
<p>In providing guidance to aspiring professional accountants and professional accountants on the nature, format, and content of documentation to be maintained for reflective activity and the types of ethical situations to be documented, IFAC member bodies may consider factors, for example confidentiality, legal, and regulatory requirements. For example-example, certain ethical situations could be sensitive and subject to legal or disciplinary actions, actions and would therefore not be suitable for aspiring professional accountants to document and discuss</p>	<p>Paragraph revised to improve clarity – The changes correct for punctuation.</p>

<p>In addition to written examinations, there are a number of other means by which assessment within a formal education environment may be carried out, including:</p> <ul style="list-style-type: none"> (a) Creating databanksrepositories of case studies and requiring aspiring professional accountants to complete tests based on these case studies; (b) Using a case analysis system that requires aspiring professional accountants to maintain journals and notes on particular public domain cases; (c) Using objective testing of ethical aspects of professional accounting education programs; and (d) Using case study group assignments and workshops to assess ethical analysis and decision-making. 	<p>Paragraph revised to improve clarity – The change from ‘databanks’ to ‘repositories’ was made to remove any limitations and reflect the broader ways information is stored.</p>
<p>Workplace assessment differs from, and in many respects is more difficult than, assessment within a formal education environment. The means for assessing the development of professional values, ethics, and attitudes in the workplace may include:</p> <ul style="list-style-type: none"> (a) Discussion and facilitated resolution of ethical dilemmasthreats as they arise in the workplace; and (b) Reviews of ethical decision-making combined with performance reviews and appraisals. 	<p>Paragraph revised to improve clarity – The change from ‘dilemmas’ to ‘threats’ was made to conform to wording used in IESBA Code.</p>
<p>IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements</p>	
<p>a(v) Evaluate whether the audit was performed and documented in accordance with applicable International Standards on Auditing (or relevant auditing standards (e.g., ISAs) and relevant laws and regulations applicable to an audit of the financial statements.</p>	<p>The phrase, ‘and documented’ was seen as redundant and is captured through the word, ‘performed’. In addition, the word, ‘applicable’ is misplaced and should apply to International Standards on Auditing, laws, and regulations.</p>
<p>a(vi) Develop an appropriate audit opinion and related audit auditor’s report, including a description of key audit matters as applicable.</p>	<p>The change corrects for a grammatical error.</p>

<p>j(i) Promote and undertake lifelong learning.</p>	<p>Learning outcome was revised to improve clarity – The phrase, ‘and undertake’ was seen as redundant and captured in the learning outcome of IES 3 (c) (i).</p>
<p>m(i) Apply a skeptical mindset and professional judgment in planning and performing an audit and reaching conclusions on which to base an audit opinion.</p>	<p>The change was made to avoid redundancy with new learning outcome (m) (ii).</p>
<p>n(i) Apply the ethical fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in the context of an audit and determine an appropriate resolution to ethical dilemmas threats.</p>	<p>Learning outcome was revised to improve clarity – The changes were made to conform to wording used in IESBA Code.</p>
<p>Paragraph 2 This IES is addressed to International Federation of Accountants (IFAC) member bodies. IFAC member bodies have a responsibility for the Continuing Professional Development (CPD) of professional accountants, and for fostering a commitment to lifelong learning among professional accountants. Under IES 7, <i>Continuing Professional Development</i> (2014)(2020), IFAC member bodies require all professional accountants to develop and maintain professional competence relevant and appropriate to their work and professional responsibilities. IES 8, <i>Professional Competence for Engagement Partners Responsible for Audits of Financial Statements</i> (2016)Revised applies this IES 7 requirement to the role of an Engagement Partner. It is the responsibility of the professional accountant performing the role of an Engagement Partner to develop and maintain professional competence by undertaking relevant CPD activities, which include practical experience.</p>	<p>Year 2014 updated to 2020 to reflect Effective date of IES 7 and year 2016 to be revised to effective date when proposed IES 8 is approved by IAESB.</p>

<p>Paragraph 5 Definitions and explanations of the key terms used in the IES and the <i>Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants</i> (2015) are set out in the International Accounting Education Standards Board (IAESB) <i>Glossary of Terms (2015 Revised)</i>. Additional terms from the International Auditing and Assurance Standards Board (IAASB) pronouncements are also included in the Explanatory Material.</p>	<p>Year to be revised when proposed definitions are approved by IAESB.</p>
<p>Paragraph 6 This IES is effective from July 1, 2015 January 1, 2021.</p>	<p>Date changed to reflect proposed effective date for IES 8 (Revised).</p>
<p>Paragraph A12 ISQC 1¹¹ requires the firm to establish policies and procedures designed to provide reasonable assurance that the firm has sufficient personnel with the competence, capabilities and commitment to ethical principles, including independence requirements, necessary to (a) perform engagements in accordance with professional standards and applicable legal and regulatory frameworks, and (b) enable the firm or Engagement Partners to issue reports that are appropriate in the circumstances.</p>	<p>The paragraph was revised to Improve clarity – The phrase, ‘including independence requirements’ was included to reflect changes resulting from revisions to IESBA Code.</p>
<p>Paragraph A28 Evaluating whether the audit was performed in accordance with applicable auditing International Standards on Auditing (or other relevant standards (e.g., ISAs),-), and with relevant laws and regulations, includes:</p> <ul style="list-style-type: none"> • evaluation of the sufficiency and appropriateness of audit evidence obtained and of the related documentation; • consideration of significant deficiencies in internal control and in other matters to be communicated to those charged with governance; and • consideration of bias in management’s estimates and other areas of judgment. 	<p>The paragraph was revised to Improve clarity – The change in wording provides the primary reference for international auditing standards, International Standards on Auditing, while also recognizing other relevant standards.</p>

<p>Paragraph A30 A key aspect of any audit is evaluating whether sufficient and appropriate audit evidence has been obtained to support the conclusions on which the auditor's opinion is based. Professional skepticism involves the application of a questioning mindset mind for the critical assessment of audit evidence. The ISAs also require Engagement Partners and their teams to exercise professional judgment in planning and performing an audit of financial statements. Professional judgment is exercised, for example, when challenging management assertions and assumptions contained within the financial statements, and when considering whether accounting standards are appropriately applied by an entity and determining an appropriate overall audit strategy.</p>	<p>The paragraph revised to improve clarity – The change was made to conform to the IAESB definition of professional skepticism.</p>
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Table 2. New and Revised ICT Learning Outcomes for IESs 2, 3, 4, and 8 as Compared to Extant versions of IESs, 2, 3, 4, and 8

New and Revised ICT Learning Outcomes	Rationale
IES 2, Initial Professional Development – Technical Competence	
<p>f(iii) Apply ICT to support the identification, reporting, and management of risk in an organization. Analyze an organization's risks and opportunities using a risk management framework.</p>	<p>New learning outcome reflects the ICT competencies needed by professional accountants to support the identification, reporting, and management of risk in an organization which was supported by feedback from the task force's outreach activities.</p>
<p>f(vi) Assess the adequacy of systems, processes and controls for capturing, transmitting, reporting, and safeguarding data and information.</p>	<p>New learning outcome reflects the ICT competencies needed by professional accountants to work with data and information and the internal controls around data and information.</p>

<p>g(iii) Apply data protection and privacy regulations when accessing, storing, generating, using, and sharing data and information. Analyze the adequacy of general information technology controls and relevant application controls.</p>	<p>New learning outcome reflects the ICT competencies needed by professional accountants to work with data and information.</p>
<p>h(i) Analyze the adequacy of processes and controls. Analyze the adequacy of general information technology controls and relevant application controls.</p>	<p>Learning outcome revised by removing the limiting references to ‘general information technology controls’ and ‘relevant ‘application controls’.</p>
<p>h(ii) Recommend improvements to processes and controls. Analyze the adequacy of processes and controls.</p>	<p>New learning outcome reflects the ICT competencies needed by professional accountants to demonstrate a higher level of proficiency for ICT processes and controls.</p>
<p>h(iii) Apply ICT to increase the efficiency and effectiveness of processes.</p>	<p>New learning outcome reflects the ICT competencies needed by professional accountants to apply ICT to increase the efficiency and effectiveness of processes.</p>
<p>h(iv) Explain how ICT supports data analysis and decision making. Use ICT to analyze data and information technology to support decision making through business analytics.</p>	<p>Learning outcome revised by changing the wording to reflect the ICT competencies needed by professional accountants to use their competence to explain how ICT supports data analysis and decision making while not focusing solely on business analytics.</p>
<p>h(v) Use ICT to analyze data and information. Explain how information technology contributes to data analysis and decision making.</p>	<p>New learning outcome reflects the ICT competencies needed by professional accountants to ‘use ICT’ rather than ‘explain how to’ when analyzing various types of data and information.</p>

<p>h(vi) Use ICT to communicate with impact and influence others.</p>	<p>New learning outcome reflects the ICT competencies needed by professional accountants to use ICT for purposes of communications and influencing others so as to capture, understand, and use information with the aim of “telling a story.”</p>
<p>i(ii) Explain the impact of ICT developments on business and organizational environments.</p>	<p>New learning outcome reflects the ICT competencies needed by professional accountants to use their expertise to advise on the impact of ICT developments on business and organizational environments.</p>

<p>Paragraph A9. In the design of professional accounting education programs, the 11 competence areas listed in Table A may not be identical to the names of prescribed courses or subjects. Also, the learning outcomes associated with one competence area may be achieved across more than one course or subject dedicated to that area. For example, the learning outcomes for financial accounting and reporting may be achieved across two or more financial accounting and reporting courses or subjects. The achievement of some learning outcomes may extend across several different courses or subjects, none of which may be devoted solely to that competence area. For example, the learning outcomes within information technology and communications technologies may be achieved through the integration of relevant material within courses that focus on management accounting and/or auditing and assurance. In addition, the sequence in which the competence areas are included in a professional accounting education program may differ from the sequence presented in Table A. For example, economics is listed towards the end of the list of competence areas in Table A, but may be covered fairly early in a professional accounting education program.</p>	<p>The change to 'Information and Communications Technologies' was made to reflect a wider scope than 'Information Technology.'</p>
<p>IES 3, Initial Professional Development – Professional Skills</p>	
<p>a(i) Evaluate data and information from a variety of sources and perspectives through research, analysis, and integration, and analysis.</p>	<p>Learning outcome revised by adding the phrase, 'data and,' to reflect a wider range on ICT input and repositioning of 'analysis' to reflect a better sequencing in the flow of skills.</p>

<p>a(v) Demonstrate intellectual agility. Recommend solutions to unstructured, multi-faceted problems.</p>	<p>Existing learning outcome (a) (v) repositioned to (a) (iv) and new learning outcome added to reflect the expectation that professional accountants need to re-evaluate conclusions in response to new or existing facts and identify new or alternative ways of working and, adapt quickly to changing circumstances.</p>
<p>d(vi) Apply appropriate tools and technology to increase efficiency and effectiveness and improve decision-making.</p>	<p>Existing learning outcome (d) (vi) deleted because content is captured in the IES 2 competence area of Information and Communications Technologies.</p>
<p>IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes</p>	
<p>b(vi) Apply ethical principles when accessing, storing, generating, using and sharing data and information.</p>	<p>New learning outcome reflects the ICT competencies needed by professional accountants to apply ethical principles when working with data and information.</p>
<p>IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements</p>	
<p>(i) Evaluate the information technology (IT) ICT environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy.</p>	<p>Learning outcome revised by replacing ‘IT’ with ‘ICT’ to reflect a wider scope than ‘Information Technology.’</p>
<p>o(iii) Protect the confidential Act ethically when accessing, storing, generating, using and sharing data and information of the entity in accordance with ethical responsibilities and relevant legal requirements.</p>	<p>New learning outcome reflects the importance of the engagement partner acting ethically when working with an entity’s data and information.</p>

Table 3. New and Revised Professional Skepticism Learning Outcomes for IESs 2, 3, 4, and 8 as Compared to Extant versions of IESs, 2, 3, 4, and 8

New and Revised ICT Learning Outcomes	Rationale
<p>IES 2, Initial Professional Development – Technical Competence</p>	

<p>e(vi) Assess audit evidence for appropriateness and sufficiency.</p>	<p>New learning outcome included to reflect an important underlying competency for professional accountants in applying professional skepticism effectively.</p>
<p>IES 3, Initial Professional Development – Professional Skills</p>	
<p>a(ii) Apply critical thinking skills to solve problems. Apply professional judgment, including identification and evaluation of alternatives, to reach well-reasoned conclusions based on all relevant facts and circumstances.</p>	<p>Existing learning outcome deleted and content repositioned to IES 4, New learning outcome added to reflect that critical thinking skills are an underlying competency of professional skepticism and used in solving problems.</p>
<p>b(ii) Demonstrate collaboration skills.</p>	<p>New learning outcome included to reflect an important underlying competency that professional accountants need to demonstrate in the workplace.</p>
<p>c(vi) Demonstrate an awareness of personal and organizational bias.</p>	<p>New learning outcome added to reflect a recognition that awareness of personal and organizational bias is an underlying competence for professional accountants to apply professional skepticism effectively.</p>
<p>c(vii) Reflect on experiences to improve future actions.</p>	<p>New learning outcome added to recognize that reflection of experiences is an underlying competence for professional accountants to apply professional skepticism.</p>

<p>Paragraph A5 Within this IES, professional skills are categorized into four competence areas:</p> <p>(a) Intellectual relates to the ability of a professional accountant to solve problems, and to make decisions, and to exercise professional judgment;</p> <p>(b) Interpersonal and communication relate to the ability of a professional accountant to work and interact effectively with others;</p> <p>(c) Personal relates to the personal attitudes and behavior of a professional accountant; and</p> <p>(d) Organizational relates to the ability of a professional accountant to work effectively with or within an organization to obtain the optimal results or outcomes from the people and resources available.</p>	<p>Paragraph revised to Improve clarity – Bullet (a) amended to reflect a change in scope of the Intellectual competence area. The learning outcome on professional judgment has been repositioned to IES 4.</p>
<p>IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes</p>	
<p>a(ii) Demonstrate curiosity by exploring beyond what is immediately apparent. Identify and evaluate reasonable alternatives to reach well-reasoned conclusions based on all relevant facts and circumstances.</p>	<p>Existing learning outcome (a) (ii) repositioned to (a) (iv). A new learning outcome is included to recognize the importance of curiosity when in applying professional skepticism.</p>
<p>a(iii) Apply techniques to reduce bias.</p>	<p>New learning outcome included to recognize the need for professional accountants to use techniques to reduce bias so as to apply professional skepticism effectively.</p>
<p>a(iv) Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action. Identify and evaluate reasonable alternatives to reach well-reasoned conclusions based on all relevant facts and circumstances.</p>	<p>Existing learning outcome (a) (ii) was repositioned (a) (iv) and has also been revised to reflect that critical thinking skills are an underlying competency of professional skepticism and used when identifying and evaluating alternatives.</p>

<p>Paragraph A1 This IES uses the following terms already defined within the IAASB Glossary of Terms³ and used within IAASB IESBA pronouncements. Table B shows these terms and the current definitions in the IAASB Glossary of Terms.</p>		<p>Paragraph revised to improve clarity – Wording now clarifies the sources of the definitions.</p>
<p>Table B: IAASB and IESBA Definitions Adopted in IES 4</p>		<p>Paragraph revised to improve clarity – Wording now clarifies the sources of the definitions and includes definition of professional judgment which is sourced from the IESBA Code.</p>
<p>Defined Term</p>	<p>Definition in IAASB Glossary of Terms and IESBA</p>	
<p>Professional Skepticism (IAASB)</p>	<p>An attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of evidence.</p>	
<p>Professional Judgment (IESBA)</p>	<p>The Professional judgment involves the application of relevant training, professional knowledge, skill and experience, within the context provided by auditing, accounting commensurate with the facts and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances, including the nature and scope of the audit engagement particular professional activities, and the interests and relationships involved.</p>	
<p>IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements</p>		
<p>a(i) Lead the audit engagement through active involvement in planning, directing, and reviewing the work of the engagement team.</p>		<p>New learning outcome included to reflect the importance of the engagement partner in setting ‘tone at the top’ to ensure proper application of professional skepticism at all phases of the engagement.</p>

<p>a(iv) Evaluate audit evidence by considering its appropriateness, sufficiency and any contrary audit evidence gathered to make informed decisions and reach conclusions.</p>	<p>New learning outcome included to reflect the competence, including professional skepticism that engagement partners are expected to demonstrate when evaluating audit evidence to make informed decisions and reach conclusions.</p>
<p>i(i) Resolve audit issues using inquiry, abstract and logical thought, and critical analysis to consider alternatives and analyze outcomes.</p>	<p>Existing learning outcome (i) (i) repositioned to the competence area of professional skepticism and professional judgment.</p>
<p>l(ii) Evaluate the potential influence of cultural and language differences on the performance of the audit.</p>	<p>New learning outcome included to reflect the competence, including professional skepticism that engagement partners are expected to demonstrate when the performance of the audit, as well as relating to those involved with the audit.</p>
<p>j(iv) Promote reflection on experiences to improve future actions.</p>	<p>New learning outcome included to reflect the importance of the engagement partner in setting 'tone at the top' to ensure proper application of professional skepticism.</p>
<p>l(i) Promote audit quality in all activities and compliance with professional and regulatory standards with a focus on protecting the public interest.</p>	<p>Learning outcome was revised to Improve clarity – The phrase, 'and compliance with professional and regulatory standards,' reflects the competence, including professional skepticism that engagement partners shall demonstrate when promoting audit quality and compliance to standards.</p>
<p>ii) Apply a questioning mind to critically assess audit evidence and other relevant information obtained during the course of an audit to reach informed conclusions.</p>	<p>New learning outcome included to reflect the competence, including professional skepticism that engagement partners are expected to demonstrate by applying a questioning mind to assess audit evidence and other relevant information.</p>

<p>(iii) Evaluate the potential impact of bias on conclusions.</p>	<p>New learning outcome included to reflect the competence, including professional skepticism that engagement partners are expected to demonstrate by evaluating the potential impact of bias on conclusions.</p>
<p>(iv) Apply knowledge and experience to challenge management's assertions and representations.</p>	<p>New learning outcome included to reflect the importance of technical competence that the engagement partner is expected to demonstrate in applying professional skepticism effectively.</p>
<p>v) Resolve audit issues using inquiry and critical thinking to consider alternatives and analyze outcomes.</p>	<p>New learning outcome included to reflect the importance of inquiry and critical thinking skills that the engagement partner is expected to demonstrate in applying professional skepticism effectively.</p>