



International Accounting
Education
Standards Board

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Committee: International Accounting Education Standards Board
Meeting Location: Bali, Indonesia
Meeting Date: April 9-11, 2019
SUBJECT: **Transition to new Model for Advancing Accounting Education in the Public Interest – Issues Paper (4/19)**

INTRODUCTION

1. This paper sets out a proposed package of “handover” materials from the Board to the new Model, which will become operational on 1 July 2019. The new Model will be led by IFAC Staff, advised by a new International Panel on Accounting Education, and overseen by the IFAC Board. The new Model arrangements are set out in Agenda Item 4-2.
2. Relevant to this agenda item are the following agenda papers:

Number of Agenda Item	Title
4-1	Transition to new Model for Advancing Accounting Education in the Public Interest – Issues Paper (4/19)
4-2	Approval of Proposed Model to Advance International Accountancy Education in the Public Interest (2/19)
4-3	Public Sector Accounting, Reporting, and Assurance - Transition Memo (4/19)
4-4	Implementation Support – Transition Memo (4/19)
4-5	Stakeholder Engagement & Communications – Transition Memo (4/19)
4-6	Standards Development and IAESB Project Cycle Summary (4/19)

3. The Board is invited to consider and agree the following proposed outputs:
 - a) strategic advice to the Panel on standards development and other issues to consider in its first year;
 - b) a handover pack to IFAC comprising:

- i) notes on current and paused projects and key activities;
 - ii) note on standards development and IAESB project methodology; and
 - iii) note on IAESB products and key documents in the IFAC archive.
- c) "History of the Board", possibly including video clips and photos.

BACKGROUND

4. Advancing accountancy education is integral to IFAC's vision that the global accountancy profession be recognised as essential to strong and sustainable organisations, financial markets, and economies. Competent and credible professional accountants, committed to lifelong learning, underpin this vision.
5. The new Model's remit comprises: International Education Standards (IESs); thought leadership on future-ready professional accountants; adoption and implementation support including capacity building; advocacy; and multi-stakeholder engagement. This remit goes beyond that of the IAESB but builds on the standards development approach under the [2017-21 Strategy and Work Program \(SWP\)](#).
6. The Transition Task Force was set up following the October 2018 Board. Its remit is to assemble materials for the new Model (IFAC staff and Panel), by 30 June 2019. The Task Force comprises Chris Austin (Chair), Rania Uwaydah Mardini, Suzie Webb and Adrian Pulham. It liaises with the Stakeholder Engagement and Communications Working Group (SECWG), and the Drafting Working Group (DWG).
7. The Task Force had teleconferences on 22 February and 18 March; and conferred by email with the Stakeholder Engagement and Communications and Drafting Working Groups. The TF Chair had a call with the Board Chair on 15 March.

DISCUSSION

Handover / Briefing Notes

8. The Task Force considered a range of possible products and materials to include in the "handover pack" to the new Model. These included: notes on each IES; notes on each current and paused project; a guide to the IES "clarity project"; a note on standards development; a note on IAESB's project cycle and methodology; and an indexed guide to IAESB products and documents. The Task Force took note of the template prepared by the SECWG, [for current and paused projects](#).
9. Given the tight timeline and limited resources available, the Task Force determined that the handover pack should include only key documents to inform the work of IFAC Staff; and that these documents should be concise, in a standard format short, and with signposts to other sources if needed. The Task Force proposes that the documents be made publicly available through the IFAC website, to contribute to the transparency and accountability of the new Model and Panel.

10. The Task Force judged that the revised IESs and the “clarity project” are fully covered by the [Handbook](#), and by the materials on the Clarity Centre tab of the IAESB web-site. The Task Force therefore concluded that the Board should produce notes on the following current or paused projects and activities:
 - i) Public Sector accounting education issues
 - ii) Implementation Support materials
 - iii) Stakeholder engagement
 - iv) Information Communications and Technology
 - v) Professional scepticism
 - vi) Merging IESs 2, 3 and 4
 - vii) Standards maintenance
 - viii) Post-Implementation Review of the revised IESs
11. The Task Force also proposes to provide a brief on Standards Development, using the existing webcast and slides; this includes a summary of the IAESB project cycle and methodology (emerging issue, consultation, due diligence, use of Task Forces, and so on).
12. The Task Force noted that existing IAESB products and working papers are already saved in the IFAC electronic archive, using the IFAC naming convention. All existing IAESB publications and papers (e.g. for Board and CAG meetings) currently available through the IAESB web-site will be migrated to the new IFAC web-site, expected to go live in August. We will include for IFAC staff a note describing the IAESB working papers that are saved electronically, and how they can be accessed by anyone working on a future accountancy education project.
13. Draft products on items (i), (ii) and (iii) are in Agenda Items 4-3, 4-4, 4-5 for illustration. The briefing package on standards development is in Agenda Item 4-6.

Action Requested:

- A. Does the Board agree with the proposed handover products (paragraph 10)? If not, what additional or alternative suggestions does the Board have?**
- B. Does the Board agree with the proposed content of the project/issue notes (Agenda Items 4-3, 4-4, and 4-5) and the briefing on standards development (Agenda Item 4-6)? If not, what alternative suggestions does the Board have?**

History of the Board

14. The IAESB was established in 2006, replacing the IFAC Committee on Accountancy Education. This was part of a wider reform of IFAC structure and governance. The IAESB’s responsibilities have always comprised setting accounting education standards and supporting their adoption and implementation by Professional Accounting Organisations and

IFAC Member Bodies. The context for the IAESB's work has changed over time and been influenced by major events including the 2008 global financial crisis, globalisation, and rapid advances in information and communications technology.

15. The History of the Board will capture the timeline of standards work, the changing context for the Board's work, and the evolving criteria for determining what issues to work on and what products to develop. It will draw on contemporaneous journal articles and Board papers (e.g. Strategy and Work Programmes), and interviews with former Chairs. The History will be illustrated by photographs and infographics and video clips by former Board and CAG Chairs.

Action Requested:

**C. Does the Board agree with the proposed History product (paragraph 15)?
If not, what additional or alternative suggestions does the Board have?**

Strategic advice to the new International Panel on Accounting Education

16. The terms of reference for the new Panel are in Appendix V of Agenda Item 4-2. The Panel's responsibilities comprise: advising IFAC on developments relevant to accounting education and on its strategy and work plan to advance accounting education; facilitating access to expertise and resources; promoting the adoption and implementation of IESs; advancing the international debate on emerging issues relevant to accounting education; and promoting quality education of the profession.
17. The Board determined at its meetings in June and October 2018 to provide advice to the new Model, with a view to sustaining the achievements to date of the 2017-22 SWP. The Handover notes include project-specific recommendations. However, they are only concerned with the standards development remit of the Board; the new Model also embraces capacity building and compliance.
18. The Task Force proposes that the Board's strategic advice should cover the broader remit of the new Model for Advancing Accounting Education, including emerging issues and capacity building. Specific suggestions should as far as possible be based on evidence from IAESB consultations and project work, though the Board may wish to consider additional ideas.
19. To stimulate Board debate, the Task Force suggests the following:
 - *Emerging issues*: implications of the growth in use of Artificial Intelligence in accountancy, identified by stakeholder consultation on ICT learning outcomes, being considered by IFAC's advisory group on ICT, and featured at the November 2018 World Congress of Accountants;
 - *Capacity building*: demand for additional support from PAOs, for example on professional values, ethics and attitudes. Scope for aligning IFAC efforts with what multi-national firms do for their own staff globally, as part of the MOSAIC¹ project / donor-led efforts.

¹ Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration: signatories are IFAC, Australia, Finland, New Zealand, Sweden, UK, US, African Development Bank, Asian Development Bank, Inter-

- Learning methods: capture best practice for on-line learning tools, remote learning; accreditation of providers of professional accounting education.
 - Stakeholder engagement: how to position the proposed Annual and Biennial Forums on Accounting Education, to attract participation and thicken links with regional accountancy organisations, the GAA, academia, Regulators, investor groups.
20. The Task Force also proposes that the Board set out relative priorities, from the menu covered in the Handover Notes and by the strategic issues suggested above: what activities over the next, say, 18 months are likely to have biggest impact on the public interest, reflecting IFAC's comparative advantage on accountancy education.
21. Relative priorities might comprise:
- commissioning data and developing methodology for the Post-Implementation Review;
 - devising an "IES" for Public Sector accounting, in response to the demand from PAOs that emerged from the recent consultation on this topic and proposals from INTOSAI to develop such a standard (argument being that to have a non-IFAC/Standard Setting Board "IES" would represent a failing on IFAC's part, and could diminish its reputation);
 - stakeholder engagement, including through the proposed Forum, thought leadership contributions building on Personal Perspectives and Accounting Education Insights;
 - further additions / revisions to implementation support, especially on professional values, ethics and attitudes;
 - establishing due diligence protocols for authoritative pronouncements and standards maintenance, to reassure PAOs and others that IFAC will sustain the integrity of the IESs, and hence make it worthwhile to continue to adopt and implement them.

Action Requested:

E. What are the Board's views on strategic issues to include in advice to the new Panel and IFAC staff, including relative priorities for both to consider from mid-2019 to end-2020?

PROPOSED WAY FORWARD

22. Subject to Board discussion and agreement, the Task Force (and friends!) will further develop the handover products, History of the Board and advice to the new Panel, in consultation with the SECWG and DWG, and present final drafts to the June Board meeting in Toronto.
23. The Task Force also proposes that we share the strategic advice with the IFAC Board, through the IFAC President & Deputy President, and the CEO.