



Meeting: International Federation of Accountants Board

Meeting Location: New York, USA

Meeting Date: February 28 – March 1, 2019

For:

Approval

Discussion

Information

From: Kevin Dancey, CEO
 Alta Prinsloo, Executive Director
 Anne-Marie Vitale, Chair, IAESB and IAETAG

Approval of Proposed Model to Advance International Accountancy Education in the Public Interest

Key Message

- The proposed Model reflects IFAC’s continued commitment to accountancy education in line with the IFAC Strategic Plan 2019–2020.
- The proposed Model plays to IFAC’s unique position as a facilitator and convener in an agile and effective manner, making optimum use of resources.
- The proposed Model leverages the work of member organizations and others to address evolving accountancy education needs.
- The proposed Model was developed to be relevant, responsive, effective, and open.
- The proposed Model draws on the advice of the IAETAG and past conversations with the IFAC Board, the IAESB, and IAESB CAG.
- There is strong support for the proposed Model as demonstrated by the results of a survey of a wide range of stakeholders conducted in December 2018/January 2019.

Objective of Agenda Item

1. Advancing accountancy education is integral to IFAC’s vision that the global accountancy profession be recognized as essential to strong and sustainable organizations, financial markets, and economies. Competent and credible professional accountants, committed to lifelong learning, underpin this vision.
2. To remain relevant in an environment of rapid change, professional accountants increasingly must demonstrate skills beyond today’s typically-recognized accountancy competencies. The IFAC Board’s view is that support for the implementation of the International Education Standards (IES) and a timely response to the challenges posed by a rapidly changing environment are best suited with a more agile, effective, and efficient approach than what can be achieved through an international board established for the primary purpose of standard-setting.



3. The objective of this agenda item is to seek the IFAC Board's approval of a proposed future model to advance accountancy education in the public interest.

Background

4. In June 2018, the IFAC Board approved IFAC Management's proposal to develop a different model to advance accountancy education and, in August 2018, IFAC and the International Accounting Education Standards Board (IAESB) *announced* a new way forward for advancing accountancy education. A *Questions & Answers* document, available in [Appendix I](#), was developed to assist the IAESB, IAESB Consultative Advisory Group (CAG), and IFAC Board in responding to questions when engaging with their constituencies during the transition period.
5. In September 2018, the International Accountancy Education Transition Advisory Group (IAETAG) was formed to advise on the development of the future model. Please refer to [Appendix II](#) and [Appendix III](#) for the list of IAETAG members and the IAETAG Terms of Reference. To date, the IAETAG has held four virtual meetings, advising on the development of the future model, the future of IES, and multi-stakeholder engagement. Three additional meetings are planned for 2019.
6. In addition, IFAC Management have engaged with the IAESB and IAESB CAG, as well the Public Interest Oversight Board.
7. In December 2018, IFAC held a multi-stakeholder webinar, [A Future Model to Advance International Accountancy Education](#). The invitation was sent to a targeted audience in 128 countries, and 228 individuals registered for and 143 participated in the webinar. Following the webinar, IFAC conducted a survey on [A Model for Advancing International Accountancy Education](#) to obtain a high-level indication of the extent to which stakeholders agree with the different elements of the proposed Model and determine areas where additional considerations might be necessary.
8. The results of the survey demonstrate strong support for the proposed Model, with the majority of respondents (80% and above) strongly agreeing or agreeing with all but one of the main elements of the Model. The lower level of agreement with the proposed composition of the future Panel—i.e., 63% of respondents strongly agreed or agreed, while the rest were neutral—gave rise to a reconsideration of this element. In response to this lower level of agreement, and in consultation with the IAETAG, IFAC Staff increased the proposed number of Panel members from not less than ten and not more than 12 to not less than ten and not more than 16, as well as clarified who might be eligible for membership (e.g., PAO senior staff, practitioners, academia and educators, government, regulators, employers, and other stakeholders) and who is responsible for making nominations (i.e., IFAC Member Organizations and the Forum of Firms). The survey results are presented in [Appendix IV](#).

Proposed Model to Advance Accountancy Education in the Public Interest—For Approval by the IFAC Board

9. The proposed Model—in line with the [IFAC Strategic Plan 2019–2020](#)—reflects IFAC's continued commitment to lifelong learning and accountancy capacity building.
10. The proposed Model would be led by IFAC staff, advised by the Panel, and overseen by the IFAC Board.
11. For this purpose:



- The Panel would be a high-level strategic advisor to IFAC. The Panel members would be senior representatives from the global accountancy education community, with relevant expertise and experience, and well positioned to fulfill their mandate by: (a) providing strategic advice to IFAC on the advancement of accountancy education, (b) facilitating access to expertise and resources, and (c) advocating for quality education of future-ready professional accountants. These individuals would be nominated by IFAC Member Organizations and the Forum of Firms. In addition, it is proposed that the Panel be comprised of not less than ten and not more than 16 members to ensure operational efficiency and effectiveness. Input from the wider stakeholder group would be obtained through ad hoc topic-specific sub-groups of the Panel and the proposed multi-stakeholder engagement framework in paragraphs 24-25. For the proposed Terms of Reference of the Panel, please refer to [Appendix V](#).
 - IFAC Staff, including and under the leadership of an IFAC Executive Director, who is accountable to the IFAC Chief Executive Officer, would be responsible for taking a comprehensive and integrated approach to implementing and operating the Model across IFAC, optimizing the use of internal resources and maximizing the leveraging of external resources. IFAC Staff would support the Panel in fulfilling its mandate, including facilitating two-way strategic advice between the IFAC Board and the Panel.
 - The IFAC Board would oversee the Model, including the achievement of the IFAC strategy for advancing accountancy education through periodic updates on progress from the IFAC Chief Executive Officer and Executive Director. The IFAC Board would also approve the Panel's terms of reference and selection of the Panel chair, deputy chair, and members; and confirm whether the agreed consultation process was followed in the development of a revised/new IES. The Panel chair would report annually to the IFAC Board on the activities of the Panel.
12. It is envisaged that the proposed Model would include a digital platform, providing a global gateway to relevant knowledge and thought leadership and enabling advocacy and debate. The digital platform would be integrated with IFAC's new website.
 13. In their discussions, IFAC Staff and the IAETAG identified a number of factors critical to the successful implementation of the Model. Please refer to [Appendix VI](#) for more details.
 14. The proposed Model is outlined below.



Model To Advance Accountancy Education In The Public Interest (The term “education” refers to both “initial professional development (IPD)” and “continuing professional development (CPD).”)					
Vision	A comprehensive and integrated approach by IFAC, with its member organizations, to assist Professional Accountancy Organizations (PAOs) to equip professional accountants ⁱ and aspiring professional accountants ⁱⁱ to be future-ready and essential to strong, sustainable organizations, financial markets, and economies.				
Guiding Principles	To advance accountancy education in the public interest and with the legitimacy necessary for stakeholders globally to accept the outputs as credible, the following guiding principles frame the Model: <ul style="list-style-type: none"> • <i>Relevant</i>—Address topical issues that reflect current and future needs of stakeholders, going beyond today’s accountancy competencies. • <i>Responsive</i>—Capacity to respond to relevant issues in a timely, agile, impactful manner. • <i>Effective</i>—A comprehensive and integrated approach, leveraging internal and external resources for maximum impact and public benefit. • <i>Open</i>—Multi-stakeholder engagement, and wide and free access to deliverables. 				
Primary Audience	<ul style="list-style-type: none"> • The primary audience is IFAC member organizations and aspiring IFAC member organizations.ⁱⁱⁱ • The secondary audience includes stakeholders involved in establishing and implementing initial and continuing professional development requirements at the jurisdictional level.^{iv} 				
Scope of Activities (“What”)	International Education Standards (IES)	Thought Leadership— Future-Ready Professional Accountants	Adoption & Implementation Support, including Capacity Building ^v	Advocacy	Multi-stakeholder Engagement



Operations ("How")	IFAC Staff					
	<p>The implementation and operation of the Model is the responsibility of IFAC staff, including and under the leadership of an IFAC Executive Director who is accountable to the IFAC Chief Executive Officer.</p> <p>Their responsibilities include:</p> <ul style="list-style-type: none"> • Taking a comprehensive and integrated approach to implementing and operating the Model across IFAC, optimizing the use of internal and external resources. • Establishing a global knowledge sharing platform to enhance access to / use of IES and leverage and share the work of IFAC member organizations and Forum of Firms members. • Implementing the IFAC strategy and work plan for advancing accountancy education. 					
	Coordinate, Collaborate, Leverage—Internal Resources					
	IFAC Member Compliance Program	PAO Capacity Building	SME/SMP Affairs PAIB Affairs	Representation and Advocacy	Stakeholder Relations	
	Coordinate, Collaborate, Leverage—External Resources					
	IFAC Member Organizations	Forum of Firms Members	Independent Standard-Setting Boards	Global Network (i.e., regional organizations, accountancy groupings, MOU partners, affiliates)	Academic Community	Development Partners (including MOSAIC)
	Outputs—Global Knowledge Sharing Platform					
	Authoritative IES	Non Authoritative Guidance & Tools	Thought Leadership	Literature Review and Research Reports Supporting Priority Projects	PAO Capacity Building	



Strategic Advice, Access, and Advocacy	International Panel on Accountancy Education
	<ul style="list-style-type: none"> • The Panel is established by the IFAC Board to advance accountancy education through providing strategic advice to IFAC, facilitating access to expertise and resources, and advocating for quality education of future-ready professional accountants. • The Panel is supported by IFAC staff, and overseen by the IFAC Board.
	Key Features of the Panel
	<ul style="list-style-type: none"> • Scalable with respect to the number of members; diverse with respect to expertise. • Able to advise on the demands of a multi-capital and digital world to maintain the relevance of professional accountants. • Able to facilitate access to the expertise and resources of IFAC member organizations, Forum of Firms members, and others in a dynamic way. • Able to promote the adoption and implementation of IES and advocate for quality education of future-ready professional accountants. • Able to engage a wide variety of stakeholders. • Agile operating procedures that leverage technology and facilitate relevant responses to relevant issues in a timely, effective, efficient, and impactful manner.
	Composition, Chair and Member Selection, Terms of Office, Operating Procedures, Etc. of the Panel
<p>Not less than ten and not more than 16 members:</p> <ul style="list-style-type: none"> ○ Senior representatives from the global accountancy education community best suited to contribute effectively to the execution of the Panel's mandate, e.g., PAO senior staff, practitioners, academia and educators, government, regulators, employers, and other stakeholders. ○ Members are nominated by IFAC member organizations and the Forum of Firms. ○ Balanced, diverse, and relevant expertise and experience, well positioned to provide strategic advice to IFAC, facilitate access to expertise and resources, and advocate for quality education of future-ready professional accountants. ○ Balanced developed and developing economy representation. <ul style="list-style-type: none"> • Selection of Chair, Deputy Chair, and members is subject to IFAC Board approval. • Three-year membership term with staggered rotation to ensure appropriate periodic balance of expertise; re-appointment for an additional three-year term when appropriate; chair can serve for a maximum of nine years. • Number and format (virtual or in-person) of meetings to be commensurate with achieving the mandate. At a minimum, three meetings per year, with preference given to virtual meetings. 	
Mandate of the Panel	
<ul style="list-style-type: none"> • Monitor and advise IFAC on developments relevant to accountancy education, drawing on input obtained through stakeholder engagement. • Advise IFAC staff on the development and implementation of the IFAC strategy and work plan to advance accountancy education. • Facilitate access to expertise and resources, and advise on outputs from the Model. • Promote the adoption and implementation of IES; and advise on the need for revised or new IES and for implementation guidance and support. • Advance the international debate on emerging issues relevant to accountancy education, and advise on the development of thought leadership. • Advocate for quality education of future-ready professional accountants, which is essential to strong, sustainable organizations, financial markets, and economies. 	



- i. A professional accountant is an individual who achieves, demonstrates, and further develops professional competence to perform a role in the accountancy profession and who is required to comply with a code of ethics as directed by a PAO or a licensing authority.
- ii. An aspiring professional accountant is an individual who has commenced a professional accountancy education program as part of initial professional development.
- iii. Individual IFAC member organizations determine the competences and criteria for membership that are appropriate to the professional accountant roles performed by their members. Statement of Membership Obligations (SMO) 2 sets the obligations related to the International Education Standards (IES). Some IFAC member organizations are subject to the requirements of law or regulation within their jurisdictions. IES cannot legally override educational requirements or restrictions placed on individual IFAC member organizations by such laws or regulations. In cases where IES set a higher requirement than laws or regulations, SMO 2 requires that, where the IFAC member organization has no responsibility or shared responsibility for areas covered by the IES, it uses its best endeavors to comply with the requirements of the IES. In these instances, the IFAC member organization would (1) determine its level of responsibility, (2) assume the appropriate set of actions to best meets its obligations under SMO 2, and (3) encourage those responsible to implement the requirements of the IES into relevant laws or regulations.
- iv. Depending on the legal and regulatory framework in the jurisdiction, the secondary audience may include, regulators, government, employers, academia, educators, and other stakeholders.
- v. In the Model, adoption and implementation support has a much broader meaning and goes beyond guidance and tools to include—for example—PAO capacity building and IFAC member organizations connecting on a global knowledge sharing platform.



The Future of IES and the Process to Support Them

15. IFAC Staff, in consultation with the IAETAG, considered how the existing IES and other material developed by the IAESB be incorporated in the proposed Model and subsequently maintained.
16. IFAC Staff recommend that in the proposed Model:
 - *credibility* of outputs be achieved through a fit-for-purpose consultation process to be determined by IFAC Staff and reviewed by the Panel under IFAC Board oversight, and
 - *authority* be achieved through SMO 2: *International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB* revised as appropriate for the Model.
17. IFAC Staff—after the inception of the Panel—could determine a consultation process for each type of output or a consultation process for each project. The latter is more agile and recognizes the need for “speed to market.” The Panel would review and advise IFAC Staff on the proposed consultation process(es).
18. Taking into account IFAC’s strong commitment to retain, maintain, and evolve the IES, IFAC Staff recommend harnessing technology to create an agile, effective, and efficient global knowledge sharing platform (Platform), which is integrated with IFAC’s new website, to advance accountancy education.
19. The Platform would incorporate text from the IES. The requirements in the IES would continue to be authoritative and not changed, but might be structured to facilitate access, understandability, scalability, and knowledge sharing by IFAC member organizations / firms / others.
20. The Platform should enable:
 - Easy access and navigation, and a powerful search.
 - Linking other resources to support the implementation of the IES and the development of future-ready professional accountants under the relevant requirements of the IES. Such resources would be non-authoritative and could be derived internally or externally from IFAC member organizations / firms / others.
 - Sharing of thought leadership.
 - Discussion forums, communities of interest, etc.
21. It is recommended that the IES be subject to a periodic review to ensure their continued effectiveness. For example, the continued effectiveness of the IES could be reviewed annually at the International Forum for Accountancy Education Directors proposed below. Any revised or new IES would be developed in accordance with the consultation process determined by IFAC and reviewed and advised on by the Panel.
22. If a revised/new IES is considered necessary to maintain the effectiveness of the IES, the Panel would review and advise IFAC Staff on the project outline, the establishment of an ad hoc topic-specific sub-group to support the development of the revised/new IES, the proposed revised/new IES, and the final revised/new IES. The Panel would also recommend the revised/new IES to the IFAC Board for confirmation whether the agreed consultation process was followed in its development.
23. With regard to adoption and implementation, it is recommended that the Global Status Report be used as the basis for a root-cause analysis so as to better target support in the future. Solutions to address the root cause are likely to go beyond implementation guidance and tools and include PAO capacity building activities.



Multi-Stakeholder Engagement

24. Considering the large number of stakeholders involved in the process of establishing and implementing educational requirements for the accountancy profession—such as adopting authorities, those involved in initial preparation and continuous development of professional accountants, and those who use the services of professional accountants—the Model has to enable input from a wide range of stakeholders. The following approach to multi-stakeholder engagement is recommended:

Tool	Frequency	Objective
Online survey of a wide range of stakeholders (Survey)	An online survey as part of the Platform	To identify developments, potential revisions to the IES, relevant topics to be addressed, and IFAC member organization / firm / other material available or to be available for knowledge sharing.
International Forum for Key Accountancy Education Stakeholders	Every two years, e.g., held in person alongside the IFAC Council meeting or by utilizing a virtual tool	To enable a deeper understanding and refinement of the outcomes of the Survey.
International Forum for Accountancy Education Directors	Every year, e.g., held alongside the annual Chief Executives Forum hosted by IFAC	To provide: <ul style="list-style-type: none"> • a platform to discuss the implications of the outcomes of the Survey and Key Stakeholders Forum for the IES and any other support to be provided to IFAC member organizations (and aspiring IFAC member organizations) • An opportunity for participants to identify areas where they could collaborate with IFAC to share relevant knowledge Approximately 25-30 participants, e.g., representatives from each of the 12 Category A Member Organizations, from three of the Category B Member Organizations, and from six of the Category C Member Organizations, as well as representatives from the Forum of Firms members The outcome of the Directors Forum would inform the work of IFAC staff in implementing and operating the Model



25. The outcomes of the Survey, Key Stakeholders Forum, and Directors Forum would help IFAC Staff to identify the activities necessary to fulfill the mandate of the Model, including the need for a revised/new IES. If considered necessary, IFAC Staff could engage a consultant and/or establish an ad hoc topic-specific sub-group of approximately 4-6 experts to support an activity (including an IES revision) under the Model. The topic experts would be drawn from the Panel members' networks. The Panel would review and advise on outputs of the Model. See paragraph 20 above.

Action Requested

26. **The IFAC Board is asked to approve the proposed Model for implementation by IFAC Staff, and becoming operational on July 1, 2019.**



Appendix I:

Questions & Answers

IFAC and IAESB to Transition Standards Setting Board to Different Model

The following **Questions & Answers** have been developed to assist the **IAESB, IAESB CAG, and IFAC Board participants** in responding to questions they may receive in relation to the joint press release or when engaging with their constituencies during the transition period. This document does not form part of the joint press release.

1. **Who initiated the change?**

The matter has been under consideration for the last five years. The IFAC Board, at its June meeting, agreed that a constructive evolution of the IAESB to a more agile, comprehensive, and integrated model was necessary to remain relevant in an environment of rapid change. This position was communicated to the IAESB leadership in June. IFAC senior management discussed the change with the IAESB and IAESB CAG in July.

2. **Why change now?**

Both the IFAC and IAESB strategies aptly identify the macro trends impacting the global accountancy profession and recognize that, to remain relevant in an environment of rapid change, existing and future professional accountants will have to demonstrate professional skills that go beyond today's typically-recognized accountancy competencies. There is an urgent need to address these challenges with a more agile, comprehensive, and integrated approach.

3. **How will the future model be developed?**

After presenting the change to the IAESB in July, IFAC senior management and the IAESB leadership discussed the creation of an advisory group to establish, explore, and refine the details of the model. The intent is that the advisory group, with participation from the IAESB and the IAESB CAG, will become operational by early September. The chair of the advisory group will be Anne-Marie Vitale, the Deputy Chair of the IAESB.

4. **How does the change relate to the Monitoring Group review of the governance and oversight of international audit-related standard-setting boards?**

The Monitoring Group review is focused on auditing and ethics. Feedback on the Monitoring Group's Consultation Paper, *Strengthening the Governance and Oversight of the International Audit-related Standard-Setting Boards in the Public Interest* noted widespread support from all stakeholder groups for IFAC retaining education standards.

5. **Why is the future model not overseen by the PIOB?**

The model will have a broader mandate than the IAESB. In addition to maintaining the International Education Standards (IES), responsibilities will include focusing on the skills necessary for professional accountants to remain relevant in the future, supporting capacity building, leveraging the work of professional accountancy organizations, and monitoring compliance with the IES. The model will be overseen by the IFAC Board and will continue to progress international accountancy education in the public interest and with the legitimacy necessary for stakeholders around the world to continue to participate and accept its outputs as credible.



6. Will the IES be retained?

Yes. There is a strong commitment by IFAC to retain, maintain, and evolve the IES as appropriate.

7. What happens to the work of the IAESB?

IFAC recognizes the significant contribution the IAESB has made to international accountancy education, and the global accountancy profession in general. The IAESB and IFAC will work collaboratively on the transition, and stay connected with key stakeholder, to ensure the new model can take advantage of the IAESB's important body of work.

8. When will the future model be operational?

The model will begin operations by July 1, 2019.

9. What will the IAESB do now?

With transition in mind, the IAESB concluded at its July meeting, among other decisions, to accelerate the completion of its priority projects, i.e., revision to standards on Continuing Professional Development and finalization of new related guidance, and the pivotal work on Information and Communications Technology and Professional Skepticism. It will also progress key work streams to best position the future model to take maximum advantage of the IAESB's important body of work.

10. Will the IAESB's composition and resources be affected immediately?

No. The IAESB and IAESB CAG will continue with their meetings planned for 2018 and 2019 until transition to the future model is finalized. There is no curtailment in IFAC resource support. The selection of the new IAESB chair and members for 2019 is continuing as planned, though their terms will be shorter than the normal three-year term.

11. Does the removal of Standards Setting Board status for international accountancy education represent a reduction in the importance attached to this area?

No. International accountancy education remains a critical area for the global accountancy profession, and we recognize that there are many stakeholders involved in the design, delivery, assessment, and accreditation of education. Add to this a multitude of educational systems and it becomes clear that international accountancy education, including continuing professional development, requires a different solution. Anticipated benefits of the new model include faster coordination of initiatives to help support accountancy education; and greater knowledge sharing and promotion of accountancy education across professional accountancy organizations.

12. What does this change mean to a professional accountancy organization?

The future model is a more agile, comprehensive, integrated approach to address the challenges and opportunities in international accountancy education. Anticipated benefits are set out in the response to question 11.

13. How will the changes affect IFAC member organizations' responsibilities under the Statement of Membership Obligations?

There will be no change to a member organization's responsibilities; however, a more agile, comprehensive, integrated approach to international accountancy education is likely to assist member organizations in fulfilling their responsibilities in relation to IES by delivering or providing access to implementation tools.



Appendix II:
Members of IAETAG

	Title and Organization	Country
Chair		
Anne-Marie Vitale	Partner <i>PwC</i>	UNITED STATES
Members		
Mark Allison	Executive Director, Education <i>Institute of Chartered Accountants of Scotland</i>	UNITED KINGDOM
Tashia Batstone	Senior Vice President, Education Services <i>CPA Canada</i>	CANADA
Bruce Behn	Associate Dean for Graduate and Executive Education <i>Haslam College of Business</i>	UNITED STATES
Simon Eassom	Executive General Manager, Education <i>CPA Australia</i>	AUSTRALIA
Simon Hann	Group Executive Education & Learning <i>Chartered Accountants Australia & New Zealand</i>	NEW ZEALAND
Bob Harris	Principal <i>Rehmann</i>	UNITED STATES
Ray Johnson	Professor Emeritus <i>School of Business, Portland State University</i>	UNITED STATES
Yoshinori Kawamura	Professor of Accounting and Associate Dean <i>Waseda University of Japan, Faculty of Commerce</i>	JAPAN
Edwin Makori	Director of Professional Services <i>Institute of Certified Public Accountants of Kenya</i>	KENYA
Clare Minchington	Principal <i>CM Consulting</i>	UNITED KINGDOM
David Simko	Partner <i>Ernst & Young LLP</i>	UNITED STATES
Sidharta Utama	Partner <i>Institute of Indonesia Chartered Accountants</i>	INDONESIA



Appendix III:
International Accountancy Education Transition Advisory Group (IAETAG)
Terms of Reference
September 2018

Background

The vision of the International Federation of Accountants (IFAC) is for the global accountancy profession to be essential to strong, sustainable organizations, financial markets, and economies. International accountancy education, fostering high-quality professional accountants committed to lifelong development, underpins this vision.

The International Accounting Education Standards Board (IAESB)—with its commitment to developing globally-accepted international accountancy education standards, providing the foundation to enhance the competence of professional accountants globally, and contributing to strengthened public trust and confidence—has made a significant contribution to accountancy education, and the accountancy profession in general. In addition to the International Education Standards (IES), the IAESB has helped shape the direction of high-quality accountancy education for both initial and continuing professional development.

Looking ahead, IFAC and the IAESB have identified significant trends impacting the accountancy profession, including the impact of emerging technologies, evolving stakeholder expectations, and geopolitical and economic shifts. If professional accountants are to remain relevant and continue to add value to stakeholders, the accountancy profession must be innovative and adapt to these trends. In terms of accountancy education, this means ensuring that professional accountants have the necessary competencies to continue to add value in a dynamic environment.

For the accountancy profession to address the challenges and opportunities created by a dynamic environment, we need to be agile in our approach to advancing accountancy education. For this reason, the IFAC Board decided to move to a different model (Model) that embraces a comprehensive and integrated approach to accountancy education. Under the Model, IFAC will work with a diverse group from around the world to advance accountancy education, including but not limited to the competency requirements for both initial and continuing professional development. The Model will build on the high-quality work of the IAESB, and the responsibility to drive holistically the advancement of accountancy education will be undertaken in conjunction with key stakeholders, including IFAC member organizations, the Forum of Firms, the academics community, and regulators. The Model will be overseen by the IFAC Board instead of the Public Interest Oversight Board.

The IAETAG, a multi-stakeholder advisory group, has been established to facilitate a successful transition from the IAESB to the Model.

Guiding Principles in Framing the Model

To continue to progress international accountancy education in the public interest and with the legitimacy necessary for stakeholders around the world to accept its outputs as credible, the IFAC Board has agreed the following guiding principles to frame the Model.

- **Relevant**—Address topical issues that reflect current and future needs of stakeholders and that go beyond today's accountancy competencies.
- **Responsive**—Capacity to respond to relevant issues in a timely, agile, and impactful manner.
- **Effective**—Leverage resources for maximum impact and public benefit.



- **Open**—Multi-stakeholder engagement, and wide and free access to deliverables.

Objective and Scope of Activities

The objective of the IAETAG is to advise IFAC management on the development of, and transition to, the Model for advancing accountancy education in the public interest, ensuring that professional accountants have the necessary competencies to succeed in a dynamic environment.

The Model and transition plan will be approved by the IFAC Board in March 2019, and become effective on July 1, 2019.

The responsibilities of the IAETAG are as follows:

- Advise on the development of the Model
 - Review and provide input to proposals in relation to the terms of reference of a new panel/board, including: name, mandate, composition, chair and member selection, terms of office, operating procedures, stakeholder consultation, etc.
 - Advise on potential key priorities for the new panel/board.
 - Review and provide input to proposals in relation to multi-stakeholder engagement (e.g., an annual/bi-annual forum of key stakeholders)
 - Advise on how the existing IES and other material developed by the IAESB should be incorporated into the Model
- Advise on the development of a transition plan. The transition plan will identify key activities, milestones, risks and mitigation strategies, costs, and any other elements that must be addressed for a successful transition from the IAESB to the Model, and taking maximum advantage of the IAESB's important body of work
- Advise on the development of a communications plan
- Review and provide input to the list of key stakeholders, and participate in webinars with key stakeholders to provide an update on progress with regard to the transition; the webinars—which will be led by the IAETAG chair and IFAC staff—will be held in December 2018 and April 2019

Chair

The IAETAG chair is selected by IFAC management and approved by the IFAC President.

Composition and Membership

The IAETAG comprises not more than 12 individuals, excluding the chair, representing organizations closely involved in advancing accountancy education in the public interest, and providing reasonable geographical and constituency (e.g., auditors, professional accountants in business, academia) coverage. The members are selected by IFAC management in consultation with the IAETAG chair.

Term of Office

The term of office of the IAETAG chair and members commence on September 1, 2018 and ends on August 31, 2019.



Operating Procedures

All IAETAG meetings are virtual.

The IAETAG meets at key stages of the development of the Model.¹ Meeting dates are communicated well in advance of the meetings. All IAETAG members have the right to participate in the meetings.

To the extent practicable, all IAETAG meetings are chaired by the IAETAG chair. In the absence of the IAETAG chair, s/he will nominate another member to act as chair for the duration of the meeting from which s/he is absent.

IFAC staff is responsible for developing and distributing the agenda and material for each meeting. The agenda and material are distributed one week in advance of the meeting.

IFAC staff provides administrative support to the IAETAG and for its meetings.

All meeting material discussions are considered confidential and should not be shared beyond IAETAG, unless specially intended for consultation or agreed with the IAETAG chair.

¹ It is envisaged that the IAETAG would hold one virtual meeting in each of the following months: September, October, November, February, April, June, and August.

The total number of hours per IAETAG member would be approximately 60 hours over the period of twelve months.

It is envisaged that IFAC staff would engage more often with the IAETAG chair, increasing the chair's number of hours to approximately 80 over the period of twelve months.



Appendix IV:

Multi-stakeholder Webinar and Survey

1. On December 19, 2018, IFAC held a multi-stakeholder webinar, *A Future Model to Advance International Accountancy Education*. The invitation was sent to a targeted audience in 128 countries, and 228 individuals registered for and 143 participated in the webinar. IFAC Staff provided an update on the progress made in developing the future model and next steps. Participants were given an opportunity to ask questions, which covered a broad range of issues, including the future of the IAESB and IES, available resources for the implementation of the future Model, its structure, and matters to consider in leveraging the resources.
2. Following the webinar, IFAC launched a survey designed to obtain a high-level indication of the extent to which key stakeholders agree with different elements of the proposed Model and determine areas where additional considerations might be necessary.
3. Invitation to participate in the survey was sent to the registrants for the webinar (228 individuals).

Survey Highlights

4. **Good response rate:** Fifty six (56) individual responses were received.
5. **Wide geographical distribution:** All regions were represented by the respondents, with most responses coming from Latin America (25%), Europe (20%), Asia (18%), Africa (11%), and North America (11%).
6. **Wide stakeholder group representation:** Respondents represented various stakeholder groups. Representatives of PAOs (45%) were particularly active in responding to the survey, followed by representatives of Academic Community (20%), SMPs (7%), Education Providers (5%), Forum of Firm members (5%), Employers (5%) as well as Practitioner (4%), ROs/AGs (4%), Accreditation Body (2%), and Development Partner (2%).
7. **Active participation of IFAC member organizations:** Out of 23 PAOs that participated in the survey, 22 organizations are members of IFAC.

Survey Results

8. **High level of agreement with the proposed Model:** The results of the survey demonstrate strong support of the direction taken by IFAC in developing a future model for accountancy education. Majority of respondents *Strongly Agreed* or *Agreed* with all main elements of the Model. The following conclusions are of a particular note:
 - (a) Ninety five (95) percent of the respondents *Strongly Agreed* or *Agreed* with the proposed vision of the Model, with 5% neither agreeing nor disagreeing.
 - (b) Ninety-seven (97) to 100 percent of respondents, depending on the principle, *Strongly Agreed* or *Agreed* with the Guiding Principles. As part of the survey, the respondents were also asked to consider and propose additional principles. Staff have considered the comments and concluded that most of them are either included in the existing Guiding Principles or otherwise covered by the proposed Model.
 - (c) The proposed structure of the Model, with IFAC staff leading its implementation and operation, was supported by the respondents (84% *Strongly Agree* or *Agree*) as were the proposed features (82%



Strongly Agree or *Agree*) and mandate of the Panel (*Strongly Agree* or *Agree* ranged from 91 to 97 percent of the proposed activities).

(d) Eighty five (85) to 98 percent of the respondents *Strongly Agree* and *Agree* with the approach of coordinating, collaborating, and leveraging external and internal resources and 82% *Strongly Agree* and *Agree* that external resources would be willing to coordinate/collaborate/share knowledge with IFAC. Respondents also suggested to consider regulators, governments, and donors as a valuable external resources given their increasingly important role in different aspects of accountancy education. Based on the analysis of respondents, the IAETAG suggested that IFAC Staff explore further the willingness of larger IFAC member organizations and larger members of the Forum of Firms to collaborate and share knowledge.

9. **Further consideration should be given to the Composition of the Panel:** Respondents *Strongly Agreed* or *Agreed* with the proposed number of the Panel members (84%), the approval of members and the Chair by the IFAC Board (95%), their terms (89%), and the number and format of the meetings (90%). However, a lower percentage (63%) *Strongly Agreed* or *Agreed* with the proposed composition of the Panel; the remaining 37% *Neither Agreed* or *Disagreed*. In response to this lower level of agreement, and in consultation with the IAETAG, IFAC Staff increased the proposed number of Panel members to not less than ten and not more than 16, as well as clarify who might be eligible for membership and who is responsible for making nominations.



**Appendix V:
International Panel on Accountancy Education
Terms of Reference
March 2019**

Advancing Accountancy Education in the Public Interest

1. IFAC, with its member organizations, follows a comprehensive and integrated approach to assist Professional Accountancy Organizations (PAOs) to equip professional accountants and aspiring professional accountants to be future-ready and essential to strong, sustainable organizations, financial markets, and economies. In implementing this approach, the primary audience is IFAC member organizations and aspiring IFAC member organizations, while the secondary audience includes stakeholders involved in establishing and implementing initial and continuing professional development requirements at jurisdictional level.
2. The approach builds on the high-quality work of the former International Accounting Education Standards Board (IAESB), which made a significant contribution to accountancy education and the accountancy profession in general by developing the International Education Standards (IES) and shaping the direction of high-quality accountancy education for both initial and continuing professional development of professional accountants.
3. Advancing Accountancy Education in the Public Interest is the responsibility of the IFAC staff, including and under the leadership of an IFAC Executive Director, who is accountable to the IFAC Chief Executive Officer. The IFAC Chief Executive Officer is accountable to the IFAC Board.
4. The IFAC Board established the International Panel on Accountancy Education (the Panel) to advise IFAC staff. The Panel operates under the oversight of the IFAC Board.

Objective

5. The objective of the Panel is to advance accountancy education in the public interest through providing strategic advice to IFAC, facilitating access to expertise and resources, and advocating for quality education of future-ready professional accountants.

Responsibilities

6. The responsibilities of the Panel are as follows:
 - a) Monitor and advise IFAC on developments relevant to accountancy education, drawing on input obtained through stakeholder engagement.
 - b) Advise IFAC staff on the development and implementation of the IFAC strategy and work plan to advance accountancy education.
 - c) Facilitate access to expertise and resources, and advise on outputs.
 - d) Promote the adoption and implementation of IES, and advise on the need for revised or new IES and implementation guidance and support.
 - e) Advance the international debate on emerging issues relevant to accountancy education, and advise on the development of thought leadership.



- f) Advocate for quality education of future-ready professional accountants, which is essential to strong, sustainable organizations, financial markets, and economies.

Composition and Membership

- 7. The Panel is comprised of not less than ten and not more than 16 senior representatives from the global accountancy education community, who are well suited to contribute effectively to the fulfilment of the Panel's responsibilities.
- 8. Members are nominated by IFAC member organizations and the Forum of Firms, and can include PAO senior staff, practitioners, academia and other educators, government, regulators, employers, and other stakeholders. Members have relevant expertise and experience, and are well positioned to provide strategic advice to IFAC, facilitate access to expertise and resources, and advocate for quality education of future-ready professional accountants. Membership is diverse and geographically balanced.
- 9. The IFAC Board approves the selection of the Chair, Deputy Chair, and members.

Terms of Office

- 10. The standard term for Panel members is three years, with approximately one-third of the membership rotating on an annual basis. A member may serve up to two consecutive terms, for an aggregate term of six years.
- 11. The Chair ordinarily may serve three consecutive terms (as Chair or as a member for one or two terms preceding the appointment as Chair), for an aggregate of nine years.

Meeting Procedures

- 12. The number and format (in-person or virtual) of meetings are commensurate with the Panel fulfilling its responsibilities. At a minimum, the Panel meets three times per year, with preference given to virtual meetings.
- 13. All Panel members have the right to participate in the meetings.
- 14. IFAC staff is responsible for developing and distributing the agenda and material for each meeting. The agenda and materials are distributed at least one week in advance of the meeting.
- 15. Each meeting requires the presence of at least two-thirds of the appointed members, either in person or virtual.
- 16. The Chair shall convene the meeting. In the Chair's absence, the Deputy Chair may convene the meeting. In the event of the absence of both, the members present shall elect another member to convene the meeting.
- 17. The meetings and agenda papers are in English, the official working language of IFAC.

Outputs

- 18. The credibility of outputs are achieved through a fit-for-purpose consultation process determined by IFAC staff and reviewed by the Panel. The authority of such outputs is achieved through *SMO 2: International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB*.
- 19. The IFAC Board is responsible for confirming whether the agreed consultation process was followed in the development of a revised or new IES based on a recommendation from the Panel. Such IES would be developed in accordance with the consultation process determined by IFAC and reviewed by the Panel.



20. In providing advice to the IFAC staff, the Panel is required to be transparent in its activities and adhere to the structure for advancing accountancy education approved by the IFAC Board.
21. In advising IFAC staff on the development and implementation of the IFAC strategy and work plan to advance accountancy education, the Panel draws on the results of stakeholder consultations.

Reporting

22. The Panel reports annually to the IFAC Board on progress made in fulfilling its responsibilities.
23. The IFAC Board will review this terms of reference at least every three years.



Appendix VI:

Critical Success Factors for the Model

IFAC Staff, in consultation with the IAETAG, identified the following critical success factors to the implementation of the Model:

Strategic Focus

- International accountancy education and the implementation of the Model remain a strategic objective of IFAC.

Relevance and Status of Outputs

- Key stakeholders support the Model and regard it as credible and in the public interest.
- Outputs are internationally recognized and applied in different legal and regulatory environments.

Sufficient Resources

- The Panel operates at a strategic level, is diverse and comprised of individuals with the right expertise and representing the right stakeholders.
- Key stakeholders and, in particular, the IFAC member organizations and Forum of Firms members continue to be willing to make quality resources available to participate in the Panel and support the implementation of the Model.
- IFAC has sufficient and quality resources to support the Model.
- IFAC member organizations and Forum of Firms members are willing to coordinate, collaborate, and share resources and knowledge, including environmental scans to help identify needs and priorities, and material to support implementation and the development of future-ready professional accountants.

Effective Operations

- The Model is agile in terms of its operations, encouraging effective ongoing communication, innovation, collaboration, and timely response.
- The Model utilizes an effective electronic platform that simplifies access and aids adoption and implementation, as well as facilitates real-time collaboration and knowledge sharing.
- Effective communication of the change in the Model, authority of IES / material under the Model, and how to access available material.
- IFAC's ability to execute the integration of resources to support the Model.