



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: **Standards Development and IAESB Project Cycle Summary (4/19)**

COVER SHEET

The Transition Task Force judged that it would be helpful to IFAC staff, and to the new International Panel on Accounting Education, to include a briefing on the IAESB project cycle and methodology (consultation, due diligence, use of Task Forces); and on the concept of Standards Development, using the presentation already produced by the SECWG.

The items included are:

1. A recorded webcast called "IAESB Standards Development Process"
<http://www.ifac.org/publications-resources/iaesb-standards-development-process>
This webcast provides stakeholders with an understanding of the process undertaken by the board as it develops standards and how projects move through the standards development cycle.
2. The supporting slides and script for the recorded webcast (See Appendix 1)
3. The [IAESB April 2017 meeting Issues paper](#) outlines the IAESB approach to standards development and was the basis for the content included within the recorded webcast.
4. Additional information on due process activities and working procedures for standards-setting is found at, [IFAC's Standards-Setting Public Interest Activity Committees' Due Process And Working Procedures](#).

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The Find Out More Series

The Standards Development Process

Final webcast link: <http://www.ifac.org/publications-resources/iaesb-standards-development-process>

Welcome to this 'find out more' series of webcasts published by the international accounting education standards board.

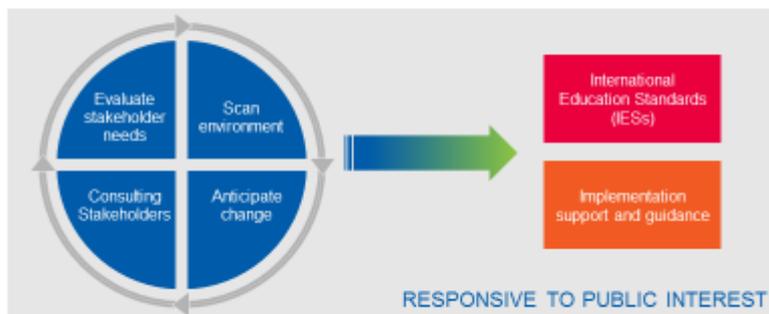
This particular webcast covers IAESB's 'Standards Development Process.'



Let's start by defining what the IAESB means by Standards Development...

Find Out More Series

What does “standards development” mean?



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Essentially, the IAESB defines Standards Development as being:

A continuous process involving a constant scanning of the environment, anticipating change, evaluating the current state and needs of stakeholders, and issuing international education standards and supporting guidance to serve the public interest.”



So what is different about standards development when it is focused on accounting education? Let's consider other standard setting boards.

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Independent Standard-Setting Boards



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There are four independent, international standard-setting boards supported by the International Federation of Accountants or IFAC. These include:

- The International Audit and Assurance Standards Board
- The International Ethics Standards Board for Accountants
- The International Public Sector Accounting Standards Board, and
- The International Accounting Education Standards Board

This session will focus on the work of the education board or the IAESB.

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Meeting Future Expectations of Professional Competence



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In Accounting Education, there are a range of stakeholders who ensure that the system functions in any given jurisdiction. These stakeholders include IFAC Member Bodies, educational organizations, employers, regulators, government authorities and of course, both professional accountants and aspiring professional accountants.

Successfully implementing International Education Standards in a particular jurisdiction requires involvement and action by most, if not all of these different stakeholders.



In developing its international education standards, the IAESB has to balance the needs of the public interest with

the future expectations of professional competence of aspiring professional accountants and professional accountants with respect to their Initial Professional Development and Continuing Professional Development.

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**Meeting Future Expectations
of Professional Competence**

Different education systems

Regulatory, legislative issues

PAO development status

Status of the profession

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Stakeholders involved in the delivery, development and monitoring of programs of accounting education at the Initial Professional Development and Continuing Professional Development stages work within systems that have differences.

Some of these could be differences in terms of the education system itself, the content of curricula over time, or the stages at which aspiring professional accountants would typically enter an accounting education program.

Other factors that could result in differences could include the impact or influence of regulators, legislatures - potentially even ministries of finance, or other curriculum development bodies.

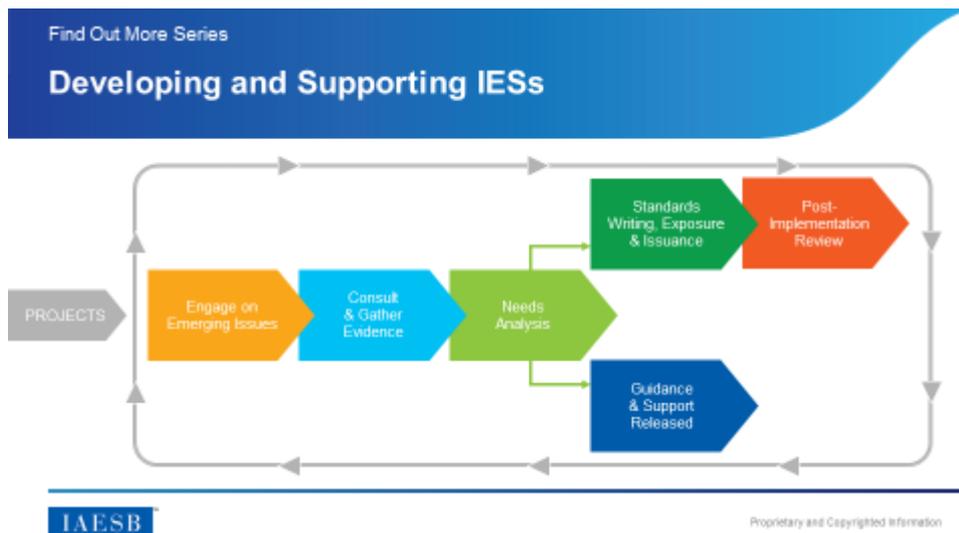
Additionally, the development and availability of resources of Professional Accounting Organizations – abbreviated to 'PAOs' – may differ.

Some PAOs – especially when combined with the status and years of maturity of the accounting profession – may have more influence over government or more ability to implement the international education standards than others.

Other PAOs may have a lack of resources – especially where Accounting Education is still developing.

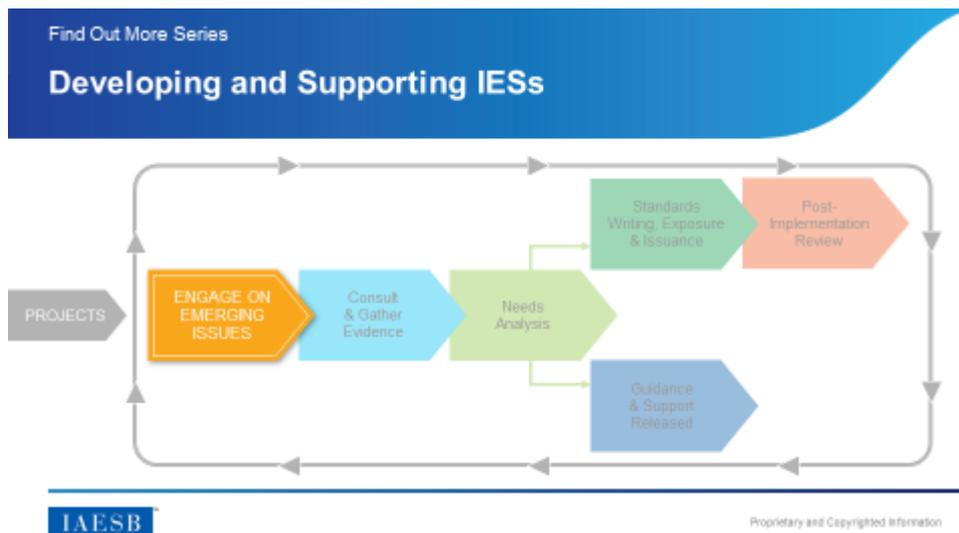


In this next section we're going to look at the precise stages of Standards Development. Many different Boards involved in standards development will have their own approaches ...here is the IAESB's approach



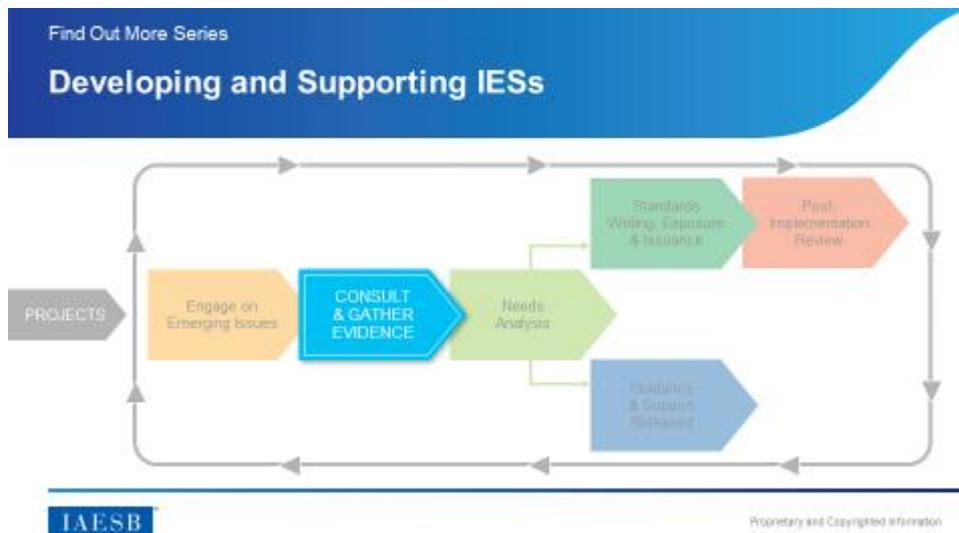
In this diagram we can see the various stages of standards development. A few things should be noted here:

- First, Although this looks like a relatively linear process, it ignores the fact that many of the international education standards are by their very nature interdependent – as readers of the Initial Professional Development international education standards might have already seen;
- Second, this is a continuous process, with the opportunity to link back to earlier stages in the diagram when new issues have been identified, particularly during implementation, or after a post-implementation review
- A third item to note is that The IAESB doesn't operate in isolation – Professional Accountants serve the public in a variety of roles and areas of the profession – so inevitably the IAESB works with other organizations and other standards setting boards within IFAC when specific areas of accounting education are being considered.
- Fourth - There may be times when standards development isn't always the solution... perhaps issuing some thought leadership materials as issues emerge or improving implementation support can provide a better solution to meeting certain stakeholder and public interest needs.
- Ultimately, the IAESB perceives standards-setting to be a continuous process which means that there is a constant scanning of the environment both to respond to and anticipate changes in Accounting Education.



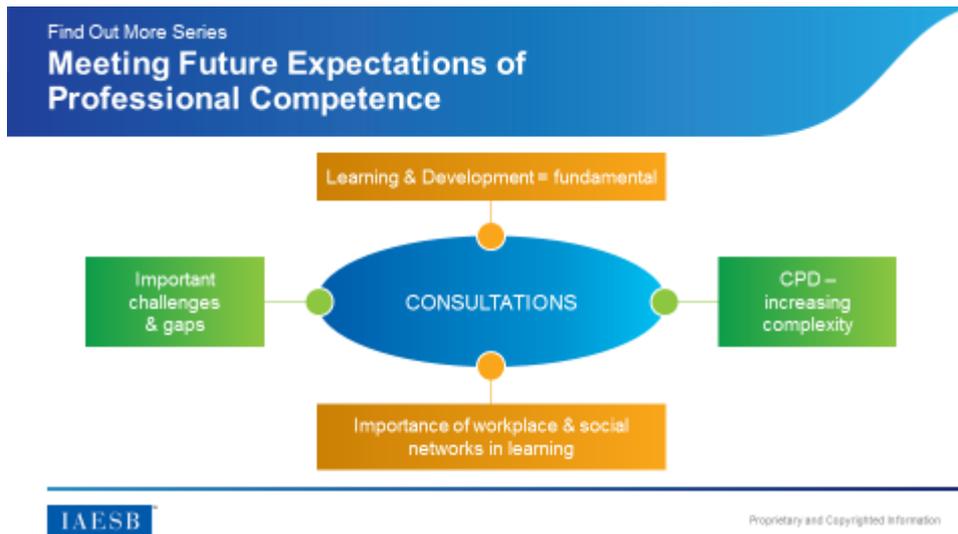
Typically new issues emerge in the profession that need to be reflected in accounting education. The value of the IAESB membership (including technical advisors) and the membership of the IAESB's Consultative Advisory Group – is that it brings input into the work of the Board from a range of stakeholders operating in different parts of the world and across a variety of areas of accounting education.

Issues that can emerge can be newer topics for consideration as part of an accounting education program, they could be innovative methods associated with learning or even issues identified in order to respond to specific regulatory or mega trends – all of which may ultimately affect the skills required by aspiring professional accountants and professional accountants.

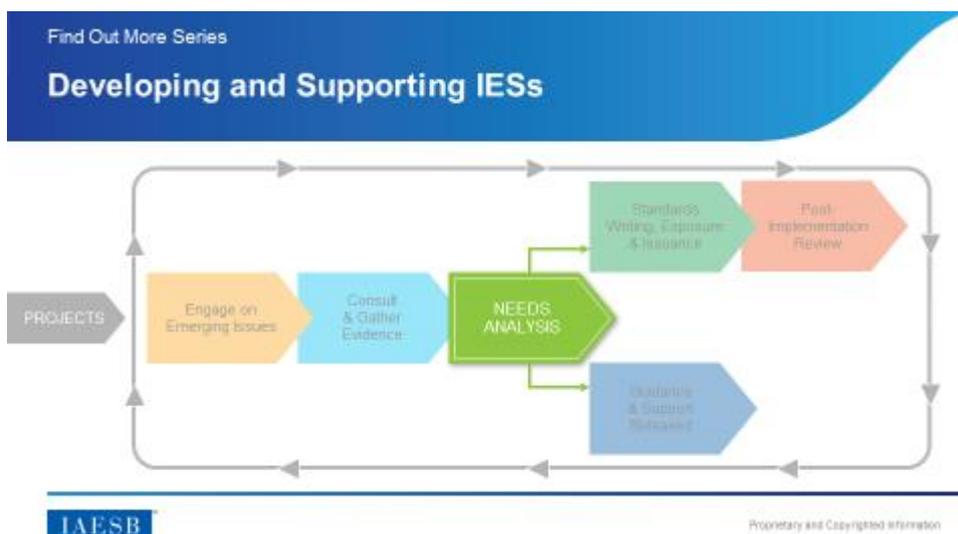


When an issue has been identified or the IAESB has determined that a new or revised international education standards needs to be considered – then, following the discussion of the various Issues and creation of a potential project plan, the IAESB will typically develop a Consultation Paper which outlines the issue, considers a range of options and provides proposals.

In other instances, the IAESB may use alternative methods in order to gather evidence – recent examples have been one-on-one interviews with identified individuals, hosting roundtable discussions or issuing discussion papers. Taken together, all of these activities enable the IAESB to base their decisions on evidence-based input from stakeholders.



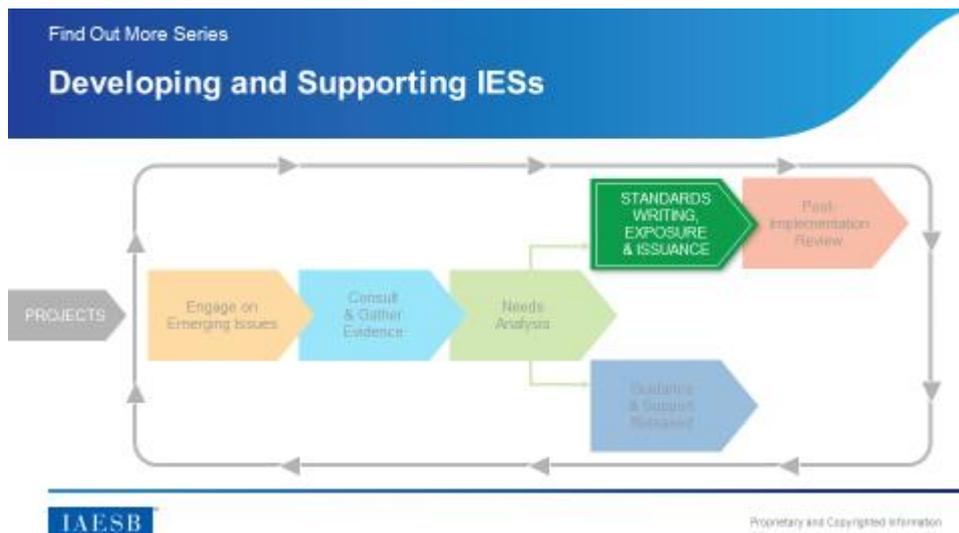
Typical issues that would be considered at this stage include – key challenges or gaps in the international education standards, consideration about how advances in technology or changes in the workplace are driving changes in the learning & development of professional accountants, and the increasing complexity of Continuing Professional Development. Finally, there’s the consideration of how professionals learn on the job – such as through workplace learning, coaching, mentoring as well as opportunities to consider the impact that social networks can have on personal development



Following consultation and evidence gathering – the IAESB then reviews the feedback from respondents and establishes what the next stages should be.

During this stage the IAESB will discuss a variety of issues – keeping in mind the public interest – and will focus on the evidence gathered to determine whether there needs to be a new international education standard, a revision to an existing one or something else.

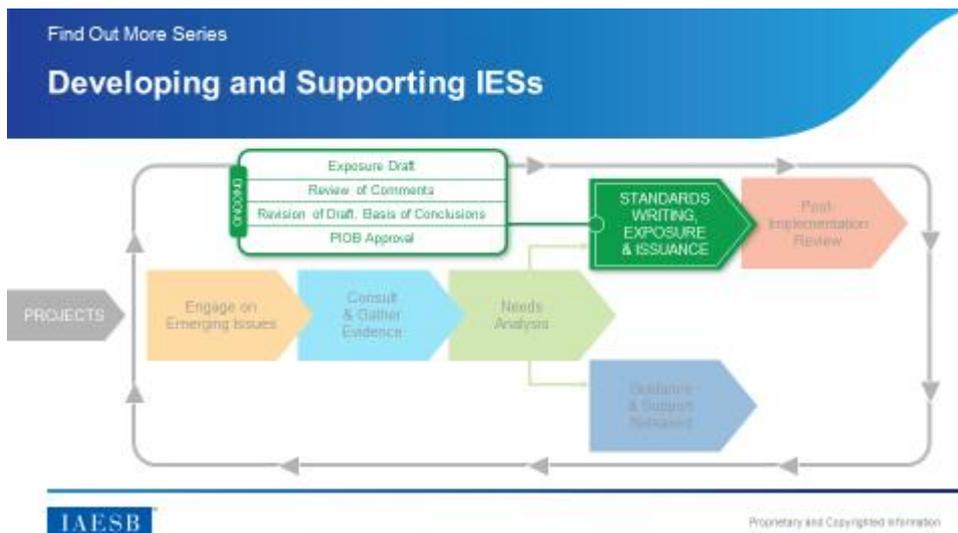
At this stage, the IAESB may also consider what additional steps such as implementation guidance or support could be used as an alternative to a new international education standard.



If standards development is determined to be the appropriate path, the IAESB will review the evidence, engage with stakeholders and identify the objective of the proposed international education standard. The IAESB then starts to develop the wording of the proposed standard. This is often a very long process –International education standards are often integrated with each other and the IAESB relies on a set of Drafting Conventions, a Glossary and a Framework as part of this writing process.

The bulk of the standards development will be performed by one or more Task Forces which will report back to the IAESB and the IAESB Consultative Advisory Group periodically and when the need to resolve issues arises.

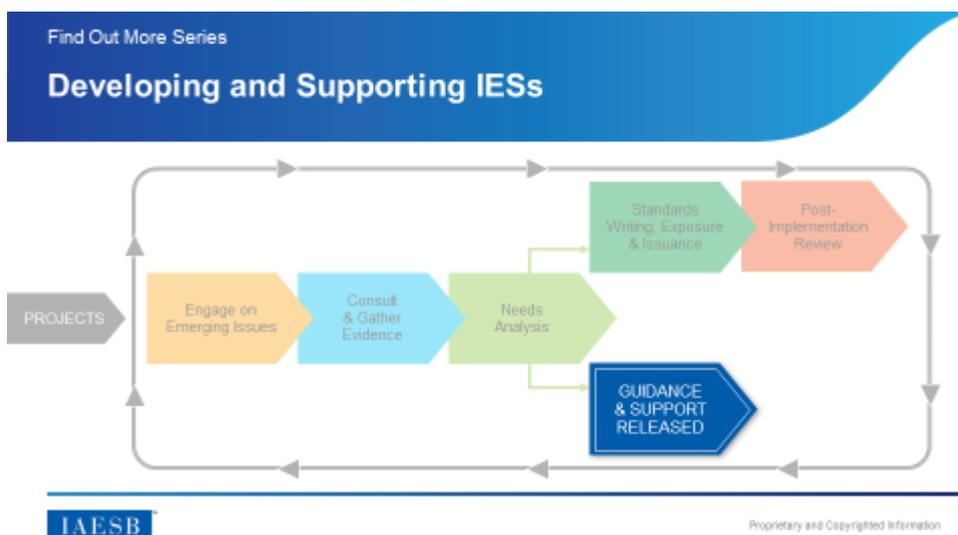
In addition, the IAESB has a Drafting Working Group which supports, advises and reviews the work of Task Forces and the entire Board during this process of standards writing.



The IAESB has an internal Drafting Working Group which supports, advises and reviews the work of Task Forces and the entire Board during this process of standards writing. The Task force will use the input from the Drafting Working Group as well as input from all IAESB Board members and the IAESB consultative advisory group in order to develop an Exposure Draft of the proposed international education standard. The Exposure Draft will be released for comment along with a set of questions to potential respondents. Respondents will provide comments and suggestions for improvement which will then be reviewed by the IAESB for amendment in the proposed international education standard.

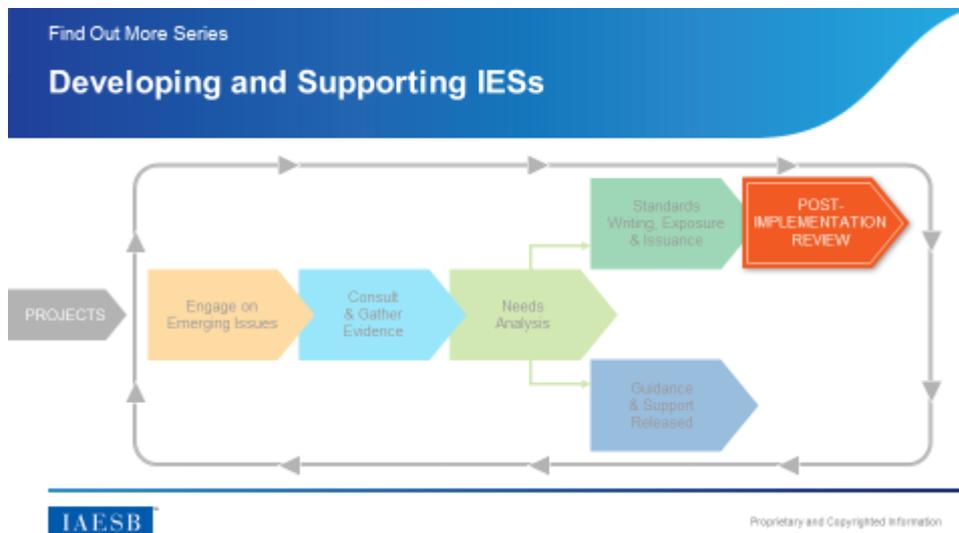
The IAESB will then consider the final proposed international education standard (inclusive of all amendments) and will vote to approve the international education standard along with a determination of an effective date.

When the new international education standard is released, it will be accompanied by a Basis of Conclusions document which will outline how the IAESB dealt with the various recommendations that were provided on the Exposure Draft.



As noted earlier, no two jurisdictions in which IFAC Member Bodies operate have the same structure, or have the same roles and responsibilities. As a consequence, in order to bring the international education standard to life in each jurisdiction and to assist with implementation, the IAESB often develops and provides guidance and support to help IFAC Member Bodies (and other stakeholders) address application issues.

Additional support following the release of a new international education standard may also include the provision of webcasts, videos, frequently asked question papers, IFAC Staff publications as well as direct engagement or presentations to IFAC Member Bodies and other organizations.



In this final stage, the IAESB assesses the effectiveness of each international education standard by performing a post-effective date implementation review of the standard.

This stage can help inform the IAESB about areas where there is difficulty in implementing the standard, items within the standard that require further clarity or support and further areas for future Standards Development.



The IAESB can issue new international education standards or revise existing ones, but it can also use other tools as part of standards development in order to enable Accounting Education to operate in the public interest.

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As noted earlier, sometimes the IAESB might consider a range of solutions – not all of which might result in the development of an new standard.

The key is that the IAESB operates on the basis of input from stakeholders and the evidence it has gathered in order to make a determination about what is needed.

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Developing and Supporting IESs



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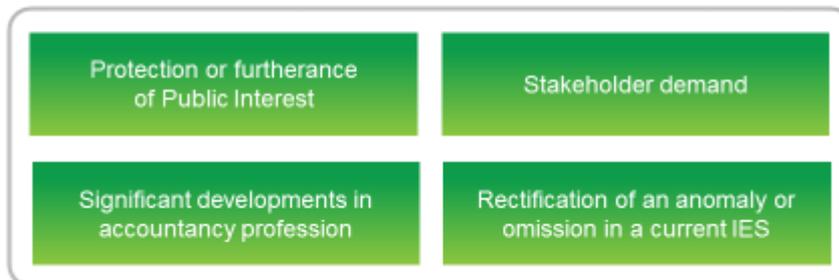
The IAESB may determine that having considered the needs of Accounting Education that the public interest is best served by a non-Standards Development solution.

The IAESB may decide that what is needed is implementation support to be provided when a new or revised international education standard was released OR to develop additional implementation support in response to requests for more guidance by stakeholders.

This may be the case when an issue is still in its infancy or it would be impractical to issue an international education standard on an issue that may be country specific. In these instances, the IAESB may determine that its role is to advance international debate and discussion on a particular topic, or to support individual member bodies or regional organizations to deal with a particular issue. Thus, it may include investing Board time in activities to share research, develop thought leadership or share real life examples.

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New IES or New IES Content Criteria



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For the IAESB to make a decision about whether to create a new international education standard, or add revise content in an existing standard, the IAESB would need to be satisfied that this was justifiable on the basis of:

- Protection or furtherance of public interest
- Stakeholder demand
- Significant developments in the accountancy profession or
- Rectification of an anomaly or omission in the current international education standard.

To help determine whether the criteria has been satisfied, as already discussed, the IAESB engages with stakeholders on emerging issues, consults and gathers evidence on a particular topic or issue. The IAESB will then make a decision about whether a new international education standard is the right solution.



Where can I learn more about the IAESB?

www.iaesb.org

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If you would like to learn more about the work of the IAESB, access our website on www.iaesb.org

Thank you for watching this 'Find out More' webcast.



www.iaesb.org
