

## STATEMENT BY THE CHAIR



“With International Education Standards (IESs) 1 through 8 now in effect, our 2017 – 2021 Strategy [<link to strategy>](#) reflects a commitment to continuous and innovative engagement with stakeholders, proactively identifying trends that impact the accounting profession to inform future IESs development, providing impactful implementation support, and a post-effective date review that will be used in the continuous improvement of IESs.

The Strategy sets ambitious targets for developing and maintaining relevant professional competence in an environment subject to rapid and substantial change. With a view towards transparency, accountability and flexibility, the Strategy will be supplemented with a bi-annual work plan setting out IAESB activities informed by and responsive to evidence gathered.”

The IAESB serves the public interest through the development of high quality international education standards.

The IAESB completed the revision of the current suite of IESs during 2014 to 2016 with the publication in 2014 of [IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements](#).

During this same period:

- Stakeholders provided valuable input on the IESs informed by their own adoption experiences,
- Implementation guidance for the IESs was published in response to stakeholder demand, and
- A study was performed to better understand IES usage.

## THE ENVIRONMENT TODAY

### WHAT IS THE CURRENT STATE?

The IAESB has issued a suite of eight IESs. These IESs cover the requirements of professional accounting education programs and, through the inclusion of learning outcomes, the professional competence expected of aspiring and professional accountants. Professional accounting education is relevant throughout the career of a professional accountant. Effectively meeting the public interest expectations of stakeholders (for example, employers, governments and other users of accounting services) requires IESs that prepare and foster the growth of skills by aspiring and professional accountants.

Currently, the IESs address the following broad areas:

- Entry requirements to professional accounting education programs
- Professional accounting education program content
- Practical experience
- Assessment
- Continuing professional development

### Implementation Guidance Issued

The [Guiding Principles](#) for Implementing a Learning Outcomes Approach.

[Examples](#) from Members Bodies, demonstrating the Guiding Principles in practice.

[Support materials for IES 8](#) that include a Staff Q&A and a webinar series.

[Support Materials for IES 1](#), Entry Requirements to Professional Accounting Education Programs.

These accomplishments were aligned with the prior Strategy and Work Plan and have informed the 2017 – 2021 Strategy.

**WHAT ARE THE CHALLENGES?**

Macro trends impacting the accountancy profession made it clear there is an expectation and need for aspiring and professional accountants to demonstrate competence in an environment of constant change - change that will necessitate new and deeper levels of understanding and application of knowledge.

**Macro Trends**

**Information and Communications Technology (ICT):** Disruptive potential of ICT and increasing pace of change; the use of intelligent systems, data mining, and predictive analytics to exploit 'big data' will transform both the operational and interpretative aspects of accountancy

**Transparency and accountability in the public sector:** Growing scrutiny of public finances and call for complete and accurate information for decision making; governments, under pressure to enhance transparency and accountability, will increasingly seek help with financial reporting

**Professional skepticism:** increased use of professional judgment and subjectivity in management's financial reporting decisions; continued instances of audit failures; effective application of recent auditing standards

**Continuing professional development:** changing learning methods; importance of the educational provider, competence based measurement

Standards is within an environment of constant movement. To support high quality services, aspiring and professional accountants must develop and maintain their competence.

The IAESB must be diligent in anticipating whether the suite of IESs and portfolio of implementation guidance will be sufficient to develop the competent professional accountants of tomorrow. Implementation support that brings the principle-based IESs into focus within an environment that is characterized by constant change is a clear expectation of stakeholders.

A continuous watch of the environment is needed so that professional accountants possess the competence, and the agility, to perform their professional responsibilities on a timely basis with both confidence and quality. Serving the public interest demands IESs and implementation guidance relevant for tomorrow's accountant, **today**.

The 2017 – 2021 Strategy defines how the IAESB, IFAC Member Bodies and other stakeholders can work together to meet these challenges and maintain the relevancy of the IESs.

There is a broad-based view to rethink education, training and development due to globalization and changing demographics.

There are also possible changes to the Standards issued by the International Auditing and Assurance Standards Board (IAASB) and the International Public Sector Accounting Standards Board (IPSASB) as set forth in their strategic objectives and work plans. Even without further change, the application of existing

## A STRATEGY FOR THE FUTURE [\[insert hyperlink to the Strategy\]](#)

### WHAT IS KNOWN

Demonstrating professional competence cannot occur without learning and development. Professional accounting education is integral to the objectives of the IAASB, International Ethics Standards Board for Accountants (IESBA) and IPSASB

The IESBA specifically recognizes the importance of experience, training and education in its Code of Ethics for Professional Accountants. It states:

*“Circumstances that create a threat to a professional accountant in business performing duties with the appropriate degree of professional competence and due care include having insufficient experience, training and/or education”<sup>1</sup>*

Achieving consistency and quality relies on dynamic Standards development and evaluation to keep pace with, and remain relevant to, the competence expectations of professional accountants globally.

### THE IAESB

Our 2017 – 2021 Strategy has been developed with the continued and significant commitment of volunteer resources provided by IAESB members and technical advisors - including support from sponsoring organizations and employers.

*[Insert photo of the Board and Technical Advisors]*

*IAESB Board members and Technical Advisors November 2016*

IAESB
Board members: 18
Technical advisors: 16
Countries represented: 11
Females: 13
Males: 21
Advanced degrees: 42
Languages spoken: 12
Total years of professional experience: 830

<sup>1</sup> IESBA Code of Ethics for Professional Accountants, Section 330.2.