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**IAESB November Meeting – New York, USA**

**To:** IAESB  
**From:** Chris Austin  
Chair, International Accounting Education Standards Board (IAESB)

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**International Accounting Education Standards Board (IAESB) – 2016 Progress Report to Date**

**Note from IAESB Chair**

The IAESB has delivered significant achievements during 2016 against the 2014-2016 Strategy and Work Programme, thereby helping to serve the public interest. We have enhanced our outreach to stakeholders, both to promote adoption of the International Education Standards (IESs), and to inform our ongoing deliberations about Standards development. We have:

- issued new support materials on Learning Outcomes, in response to demand from our stakeholders;
- published Staff Questions and Answers on IES8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements;
- published guidance on Entry Requirements and a “perspectives paper”, drawing on the literature, about factors that affect success or failure in professional accounting education;
- maintained our key documents, including the Framework for IESs; completed a Baseline Usage Survey of the extant IESs, drawing on IFAC data; and
- started a new project to revise IES 7, Continuing Professional Development.

We have developed a new five-year Strategy for 2017-2021, and considered carefully whether and how we can adjust the structure and our ways of working as a Board and CAG in order to maximise our output and deliver on our strategy. We hope to finalise and approve these matters at the Board meeting on 2<sup>nd</sup> - 4<sup>th</sup> November.

In April, we co-hosted a forum with the South African Independent Regulatory Board for Auditors (IRBA-IAESB Accountancy Education Forum: Building Human Capacity and Professional Accounting Education). This attracted some fifty participants from several African countries, as well as IAESB and CAG members. The Forum involved presentations by professional member bodies, academics, practitioners and the World Bank. Key messages included the need to compete with other professions in attracting people at an early age, developing broad knowledge as well as technical competence, and the importance of continuing professional development.

The Nominating Committee has approved several new appointments and reappointments, including a representative from AICPA and a female practitioner from the Middle East which will enhance the IAESB’s diversity of professional, geographic and gender backgrounds.

More detail on the IAESB’s achievements in 2016 is provided below.

**Maintaining the IESs**

We completed our inaugural maintenance review of the Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants (2015), the IAESB Glossary of Terms (2015), and suite of 8 IESs. This review improved clarity and consistency among these publications, addressing terminology changes, matters of language, typographical corrections, or other drafting issues.

We reviewed IES 7, Continuing Professional Development, which has been in effect since January 2006. Extensive consultations and roundtable discussions with stakeholders demonstrated significant demand for revising this IES by: (i) recognising that professional accountants are responsible for developing and maintaining their own professional competence; (ii) supporting consistent CPD practice through a global CPD Framework; (iii) identifying acceptable CPD activities; (iv) clarifying the meaning of the output-based and combination approaches in measuring CPD activity; and (v) establishing a measurement approach for CPD activity. We judge that CPD is fundamental to the public interest. So the importance of revising IES 7 cannot be understated: it is essential to enable the profession (individuals and member bodies) to meet the challenge of changing skills needs during a period of innovation within the financial reporting supply chain.

### **Supporting the Implementation of the IESs**

We have developed and published a wide range of support materials.

#### Learning Outcomes Guidance

In January, we published a package of support materials on implementing a learning outcomes approach, comprising: a [value statement](#) (a description of benefits); [guiding principles](#) (the fundamental elements of design, assessment, and governance); [frequently asked questions and answers](#); and [illustrative examples](#). These materials are relevant for Initial Professional Development (IPD), Continuing Professional Development (CPD), and practical experience. We were pleased that during the development of these materials we were able to call upon a number of stakeholders to take part in one-to-one and online discussions.

#### Entry Requirements to Professional Accounting Education Programmes

In September, we published support materials on setting entry requirements for professional accounting education programmes. These are directed at Professional Accounting Organisations, funding agencies, academics, aspiring professional accountants and other parties interested in setting entry requirements for professional accounting education programs.

This innovative package of support materials was developed to meet the needs of a range of stakeholders.

- A guidance paper on factors to consider in setting educational entry requirements, and what information can assist individuals considering a career as a professional accountant;
- Frequently Asked Questions on the terminology and concepts contained in IES 1;
- An illustrative example of factors to consider when setting educational entry requirements; and
- Perspectives on entry requirements, based on a literature review, assessing the range of factors that could influence an individual's successful completion of professional accounting education.

In March, we released a webcast about the *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants*, including the key concepts that support learning and development programmes for professional accountants and aspiring professional accountants.

### **Assessing the Impact of the IESs**

In April, we received the final taskforce report on the IES Usage Study, which assessed the implementation status of the original IESs with a particular focus on IES 7. The report drew on data from the Compliance Advisory Panel, and was facilitated with doctoral student support from Indiana University kindly arranged by an IAESB Member. The report provides a baseline against which to assess progress in adopting and implementing the recently revised IESs, helped to inform the IAESB about future Strategy and Work plan activities and also acts as a useful data source for interested parties. We plan to confer with the Compliance Advisory Panel about devising a questionnaire to IFAC Member Bodies to inform the post-effective date implementation review, to be conducted in the next Strategy period.

Outreach

We conducted a wider range of outreach activities, using IAESB members' professional and geographical networks, in North America, Africa, Europe, and Asia. These activities allowed us to promote greater awareness of the Board's pronouncements and projects, and also provided valuable insights into implementation challenges facing PAOs. We also enhanced our use of electronic and social media (e.g., audio podcasts, twitter, video conferencing, webcasts, and webinars) to communicate about the Board's pronouncements and projects

**IAESB 2017-2021 Strategy and Annual Work Plan**

During 2016, we developed our 2017-2021 Strategy through extensive consultations with stakeholders, building on responses to the December 2015 Consultation paper, [Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities](#). We have also considered carefully the Board's structure and ways of working, in light of feedback and taking account of planned future work. We will finalise and hopefully approve the final 2017-2021 and future Work Plan at the Board meeting on 2-4 November, subject to PIOB approval of due process.

**Major Achievements**

**Standards and Guidance**

- December 2015: Released a Consultation paper, [Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities](#). Forty two comment letters were received from the following stakeholder groups: IFAC Member Bodies and Associates; Public Accounting Firms; Regulators; Other Professional Organizations; Individuals and Others.
- April 2016: Approved Drafting Changes to *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants* (2015); *IAESB Glossary of Terms* (2015); and suite of 8 International Education Standards. Expected Release: November 2016.

The following support materials were also issued to promote awareness, understanding, and effective application of International Education Standard (IES) 8 and the Framework:

- November 2015: Webcast series that addresses application issues that might arise on implementation of IES 8 by [professional accountancy organizations](#), [public accounting firms](#), or [engagement partners](#); and
- March 2016: Webcast that provides an [overview of the key elements of the Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants](#).

<b>Adoption and Implementation</b>	<ul style="list-style-type: none"> <li>• December 2015: Published to the IAESB website, <a href="#">Staff Questions and Answers on IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements</a>. This publication addresses address questions or issues that might arise on implementation of IES 8.</li> <li>• January 2016: Published to the IAESB website, <a href="#">Implementation Support Material on a Learning Outcomes Approach</a>. These materials set out guiding principles, a value statement, illustrative examples, and staff questions and answers on a learning outcomes approach.</li> <li>• September 2016: Published to the IAESB website, <a href="#">Implementation Support Material on IES 1, Entry Requirements to Professional Accounting Education Programs</a>. Support materials include: Frequently Asked Questions; Guidance paper; Illustrative Example; and Perspectives on IES 1, Entry Requirements to Professional Accounting Education Programs.</li> </ul>
<b>Stakeholder Engagement</b>	<ul style="list-style-type: none"> <li>• March 2016: Released 2 Videos – <a href="#">How the IAESB Can Address Future Needs In Accounting Education</a></li> <li>• April 2016: Released Audio Podcast - <a href="#">IAESB April 2016 Meeting Highlights</a>.</li> <li>• May 2016: Released <a href="#">IAESB eNews</a>.</li> <li>• September 2016: <a href="#">Stakeholder Engagement and Communications survey</a> issued with over 260 responses providing input on how we as a Board can improve our engagement, communications and feedback loop with our stakeholders.</li> </ul>
<b>Environmental Issues</b>	
<p>The IAESB continues to consult with IFAC Member bodies and other interested stakeholders on best practices and emerging issues in the area of continuing professional development. The Board continues to monitor IAASB’s work on enhancing audit quality, on data analytics from the IAASB’s Data Analytics Working Group, as well as the International Integrated Reporting Council’s work on Integrated Reporting. These initiatives may identify the need for new competences and learning outcomes.</p>	

**4<sup>th</sup> Quarter Update and 2016 Projects in Process**

**Revision of IES 7, *Continuing Professional Development***

The IES 7 taskforce has completed its structured consultations, and will present a project proposal to the November IAESB meeting for revising IES 7 and developing implementation support materials. The project will help enhance the consistency, quality and relevance of CPD undertaken by individual professional accountants.

**Professional Scepticism**

The Professional Scepticism taskforce has continued to participate in the cross-SSB work led by the IAASB. The taskforce will present proposals to the November IAESB meeting for addressing professional accounting education issues from the IAASB's Invitation to Comment (ITC), Enhancing Audit Quality in the Public Interest: A Focus on Professional Skepticism, Quality Control and Group Audits and the IAESB's Consultation Paper, Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities. These proposals will include short- and long-term activities designed to enhance the application of professional scepticism in the standards.

**Other IAESB Initiatives**

The following initiatives will inform the IAESB's Work Plan for 2017-2018:

- Collaboration with the Compliance Advisory Panel's staff on how best to gather evidence that will inform the post-implementation review of the revised IESs;
- Taskforce reports, including proposals on strategic engagement and communications, and on how best to maintain the IESs' implementation support materials.

**Other Matters**

We continue to engage with IFAC's Communication team on the 2016-2017 IAESB Handbook of Education Pronouncements; and IFAC's Integrated Reporting work group on professional competence and skills development.

**2017 IAESB & IAESB CAG Meetings**

- The IAESB meetings scheduled for 2017 occur in New York, USA on April 26th to 28th and Mexico City, Mexico on November 1st to 3rd.
- The IAESB CAG meetings scheduled for 2017 include New York, USA on April 24th and 25th and Mexico City, Mexico on October 30th and 31st.

## **IAESB Outreach Activities for 2016 to Date**

IAESB representatives participated in, or presented, at the following events:

### **January**

- IES implementation in Mexico, Education Committee Meeting, Mexican Institute of Public Accountants (Tapia, Meljem)
- Mexican Accounting Education Programs, Advisory Accounting Committee, Ministry of Education (Tapia, Meljem)

### **February**

- Global Accounting Alliance meeting (Colella, Austin, Gunn)
- Teleconference meeting with Vice-President, Regulatory Affairs, CPA-Canada (Owens, McPeak)
- Teleconference meeting with World Bank on its CFRR Initiative for Benchmarking and Profiling in Eastern Europe (Vitale, Forster, McPeak)
- *Competencies of Professional Accountants based on International Standards*, IAI-ICAEW Seminar Series, Ikatan Akuntan Indonesia (IAI) – ICAEW (Utama)
- IFAC Professional Accountants in Business meeting (Tilley, Austin, Gunn)
- Forum of Firms teleconference (St. Amant, McPeak)

### **March**

- Forum of Firms teleconference (St. Amant, McPeak)
- Global Accounting Alliance meeting, (Bowman, Gunn)
- Teleconference meeting with World Bank on its CFRR Initiative for Benchmarking and Profiling in Eastern Europe – IES 8 Clarifications (Owens, McPeak)
- *International Education Trends -IESs*, Seminar, Business Faculty. National University (Tapia)
- IAASB meeting (Simko, McPeak by teleconference)
- IFAC Small and Medium Practices Committee meeting (Simko, McPeak)
- IFAC Professional Accountants in Business meeting (Simko, McPeak)
- Informal meetings on IAESB Future Strategy with individuals from the regulatory and investor communities (Gunn)

### **April**

- IRBA-IAESB Accountancy Education Forum: Building Human Capacity and Professional Accounting Education (Austin, Dempsey, Njuguna, McPeak)
- Pan African Federation of Accountants meeting (Agulhas, Zwane)
- PSWG teleconference (Simko)

### **May**

- *The Role and Application of International Education Standards of the IAESB*, 2016 Malaysian Institute of Accountants' National Accounting Educators Conference (Utama)
- Teleconference Interview on IES 7, *Continuing Professional Development* with CPA Australia (Chalmers)
- Teleconference Interview on IES 7, *Continuing Professional Development* with Chartered Accountants of Australia and New Zealand (Chalmers)
- Teleconference Interview on IES 7, *Continuing Professional Development* with Independent Regulatory Board for Auditors - South Africa (Agulhas, Orth)
- Teleconference Interview on IES 7, *Continuing Professional Development* with The Institute of Chartered Accountants of Bangladesh (Siddique, Fernando, McPeak)
- Teleconference with IFAC Compliance Advisory Panel Staff on Compliance Reporting Issues

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(McGuire, Bryson, Chuvashva, McPeak)

**June**

- *IAESB Update*, Joint SSB's Chairs Session at the June 2016 IFAC Board Meeting (Austin, Gunn, Pulham)
- Teleconference Interview on IES 7, Continuing Professional Development with Public Interest Oversight Board (Novoa, Ramos, Pierce, St. Amant)
- Teleconference Interview on IES 7, Continuing Professional Development with the South African Institute of Chartered Accountants (Makori)
- Teleconference Interview on IES 7, Continuing Professional Development with the Zambian Institute of Chartered Accountants (Makori)
- Teleconference Interview on IES 7, Continuing Professional Development with the Institute of Certified Public Accountants of Kenya (Makori)
- Teleconference Interview on IES 7, Continuing Professional Development with the Institute of Certified Public Accountants of Uganda (Makori)
- Teleconference Interview on IES 7, Continuing Professional Development with the Public Company Accounting Oversight Board (Ceynowa, Vitale)
- Teleconference Interview on IES 7, Continuing Professional Development with the Hong Kong Institute of Certified Public Accountants (Wong, St. Amant)
- Teleconference Interview on IES 7, Continuing Professional Development with the Chartered Accountants of Ireland (Bristow, Otty)
- Teleconference Interview on IES 7, Continuing Professional Development with the Association of Chartered Certified Accountants (Hodgson, Otty)
- Teleconference Interview on IES 7, Continuing Professional Development with the Institute of Chartered Accountants in England and Wales (Mayali, Otty)
- Workshop on Accounting Curriculum Development based on International Standards, Ikatan Akuntan Indonesia (Utama)
- June 2016 IESBA Meeting (Simko, McPeak by teleconference)
- June 2016 PIOB meeting (Bowman, Gunn, Austin by Skype)

**July**

- PSWG meeting (*Simko, Agulhas, McPeak*)
- World Bank teleconference (Kusz, McPeak)
- INTOSAI Capacity Building Committee meeting (Makwetu, Van Schalkwyk, Gunn, McPeak by teleconference)

**August**

- Teleconference Interview on IES 7, Continuing Professional Development with IFAC (Bryson, Prinsloo, Simko, McPeak)
- *Update on IESs*, PAAB Zimbabwe Education Committee (EDCOM) (Zwane)
- *IAESB Update*, Canadian Comprehensive Audit Foundation meeting (McPeak)
- *Education to be Competent*, 4th Summit, Colombian Institute of Public Accountants (Meljem)
- *IAESB Update*, Promoting Financial Accountability Program, U.S. Department of State's International Visitors Leadership Program (McPeak)

**September**

- Standard-Setting Boards' Chairs Briefing Teleconference on Professional Skepticism (Simko, Gunn, McPeak)
- *Development of Competencies of Professional Accountants based on International Standards*, Seminar on Accounting, Universitas Sebelas Maret (Utama)
- September IAASB CAG and IESBA CAG Meeting (Simko, McPeak by teleconference)
- Teleconference with IFAC Compliance Advisory Panel Staff on Compliance Reporting Issues

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- September 2016 PIOB meeting (Bowman, Gunn)
- September 2016 IESBA Meeting (Simko, McPeak by teleconference)

**October**

- Teleconference Interview on IES 7, Continuing Professional Development with Institute of Management Accountants (Warner, McGuire)
- PSWG meeting (Simko, Agulhas, McPeak by teleconference on October 11)
- Forum of Firms meeting (St. Amant, Owens, Gunn)
- *Impact of Information Technologies in Accounting Education and Professional Development*, Seminar, Mexican Association of Charter Accountants (Tapia, Meljem)