

IAESB Meeting Highlights – November 2-4, 2016

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This summary of decisions focusing on the recent meeting of the International Accounting Education Standards Board™ (IAESB) has been prepared for information purposes only. Except for approval of documents for public exposure and issuance of final pronouncements, decisions reported are tentative and reflect only the current status of discussions on projects which might change after further deliberation by the IAESB. Additional information on the November 2016 IAESB meeting that complements these meeting highlights is available on audio podcast at, <http://www.ifac.org/news-events/2016-11/iaesb-november-2016-meeting-highlights>

For more detailed information about IAESB projects, please refer to the project summaries on IFAC's website at [IAESB Projects in Progress](#).

IAESB 2017-2021 Strategy, 2017-2018 Work Plan, and Reforms to IAESB Operations

The IAESB received copies of revised versions of 2017-2021 Strategy, Background for the Strategy 2017-2021, 2017-2018 Work Plan and an Issues Paper that identified questions and issues on these proposed documents for IAESB consideration. As a result of a full discussion of these issues, the Board concluded to: (i) Present the Board's strategy, background section, and work plan as a seamless electronic package that features conciseness, uses graphics, and integrates and references content throughout the package by the use of electronic hyperlinks; (ii) Reorganize the message of the Chair's Statement as an introductory statement that emphasizes the work of Board to develop and maintain the IESs, recognizes the importance and purpose of the IESs, and aligns with message of the IAESB mission statement; (iii) Organize the Board's strategic objectives and priorities to recognize the importance of Strategic Engagement and Communication and Post-effective Date Review as vehicles that contribute to the Board's work on standards development and implementation support; (iv) Improve the clarity of the Background section by: recognizing the publication of a bi-annual work plan to ensure responsiveness and flexibility, identifying employers, government agencies, and users of accounting services as stakeholder groups that benefit from standards on the development of professional skills, and improving the linkage between the macro trends and areas where the Board is planning work activities; and (v) Enhance the work plan by clarifying the scope of each planned work area and describing using a schedule the Board's next steps in terms of activities that would be done, work already in-progress or work that will be targeted during 2017-2018. Following this discussion the IAESB approved the final content of 2017-2021 Strategy, Background for the Strategy 2017-2021, and 2017-2018 Work Plan.

The IAESB also received copies of a cover and explanatory note on proposed IAESB reforms, proposed recommendations to reform the IAESB's Terms of Reference and operating procedures, and marked-up version showing changes from the Terms of Reference dated January 2012 for consideration. As a result of a full discussion on these matters, the Board concluded to: (i) Amend the IAESB's Terms of Reference to clarify the principal remit of standards development and the relationship between that remit and the nature and scope of related or ancillary activities; (ii) Amend the IAESB's Terms of Reference to allow for adjustments to its size and composition of the IAESB; (iii) Formalize the roles and composition of the Steering Committee, Drafting Working Group, Implementation Support Advisory Group and Strategic Engagement and Communications Group; (iv) Align the CAG meetings with those of the IAESB, to enhance interaction between CAG and IAESB members and allow for joint participation in outreach activities, while

also enhancing the opportunity for the CAG function to further contribute to the advancement of international debate on issues relating to the education, development, and assessment of aspiring professional accountants and professional accountants; and (v) Evaluate how best to allocate available staff and budget resources, including potential bids for additional resource.

The IAESB directed the Steering Committee to submit the finalized 2017-2021 Strategy and 2017-2018 Work Plan to the Public Interest Oversight Board (PIOB) for approval of due process activities. Subject to PIOB approval, the 2017-2021 Strategy and 2017-2018 Work Plan would be published in December of 2016.

Review of IES 7, Continuing Professional Development

The IAESB received copies of a revised version of project proposal, a summary of IES 7 taskforce outreach activities, and an Issues Paper that identified significant issues and questions for Board discussion. As a result of this discussion, the IAESB concluded to: (i) Use a combination of revising either the requirements or explanatory material of IES 7 and of developing new implementation guidance to clarify and identify what are valid learning and development CPD activities, to include a CPD framework to understand good CPD practices, and to clarify the principles and requirements of CPD measurement approaches; and (ii) Perform further investigation on the implications of developing requirements that target member bodies and professional accountants. In addressing these issues, the IAESB directed the task force to revise the project proposal to reflect proposed revisions to the requirements and explanatory material of IES 7, indicate that these proposed revisions will be presented in the form of an Exposure Draft, and develop a new series of consultation questions related to the Exposure Draft for IAESB discussion at its April 2017 meeting.

Other Discussion Items

The IAESB agreed a process for maintaining the support materials to implement the IESs and to form an Implementation Support Advisory Group (ISAG) to oversee the process. The ISAG will report directly to the Board and will comprise of IAESB members, one CAG member, and other content experts on an as needed basis. IAESB members supported the proposal to continue work on improving the application of professional scepticism. The IAESB agreed that in the short-term the Professional Skepticism Task Force continue its work on (i) informing the Board through various discovery activities (literature review, research paper, and monitoring IESBA short-term revisions to the code) on key concepts relating to the application of professional scepticism and the need for future enhancements to the IESs and (ii) identifying education and training good practices designed to create awareness and help professional accountants to apply professional skepticism. In the longer-term, the Professional Skepticism Task Force would continue to engage with the Professional Skepticism Work Group and consider the need for additional research to inform the decision-making of the IAESB on an on-going basis. Finally, the IAESB supported the Strategic Engagement and Communication Task Force's proposed project description which aims to improve the Board's approach to communicating with its stakeholders. In the short-term the taskforce will work on (i) identifying stakeholders' needs, (ii) developing a communications grid to manage the Board's communications, and (iii) exploring the development of a relationship database. The IAESB directed the taskforce to provide an update on its activities at the April 2017 Board meeting.

Next Meeting

The IAESB will hold its next meeting in New York, USA on April 26-28, 2017.