



International Accounting
Education
Standards Board

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MINUTES OF

THE INTERNATIONAL ACCOUNTING EDUCATION STANDARDS BOARD PUBLIC MEETING HELD APRIL 18 TO 20, 2018.

PLACE: Nairobi, Kenya **Meeting No.** 1/18 (88)
VENUE: Radisson Blu Nairobi Hotel

PRESENT:

	Voting Members:	Technical Advisors:
United Kingdom	Chris Austin (Chair)	Adrian Pulham
Indonesia	Sidharta Utama	
Lebanon	Rania Uwaydah Mardini	Catherine Edwards
Mexico	Blanca Tapia	
South Korea	Yeong Kyun Ahn	Seonyeong Oh
Sri Lanka	Manil Jayasinghe	
United Kingdom		Suzie Webb
United Kingdom	Elizabeth Gammie	
United States	Brian McGuire	Raef Lawson
United States	Bruce Behn	Steve Matzke
TAC	Susan St. Amant	Daniel Slezak
TAC	Greg Owens	Sarah Jakubowski
TAC	David Simko	Susan Flis
TAC		Mienkie Etcheverrigaray
TAC	Anne-Marie Vitale	
Public Member	Yoshinori Kawamura	Shinji Takada
Public Member	Bernard Agulhas	Robert Zwane
Public Member	Isaac Njuguna	Edwin Makori

Observers:

CAG Chair	Keith Bowman
IAAER Observer	Keryn Chalmers
PIOB Representative	Aileen Pierce

IAESB Staff:

Managing Director, Professional Standards	James Gunn (by teleconference April 19)
Principal	David McPeak
Administrative Assistant	Sonia Tavares

APOLOGIES:

TAC, IAESB Member	Gareth Wellings
UK, IAESB Member	Rachel Banfield
Indonesia, Technical Advisor	Lindawati Gani
Mexico, Technical Advisor	Sylvia Meljem
TAC, Technical Advisor	Helen Partridge
UNCTAD Observer	Yoseph Asmelash

OPENING MATTERS

1(i) Welcome

Mr. Chris Austin, IAESB Chair, welcomed IAESB members, technical advisors, and observers to the meeting. He extended a special welcome to Ms. Catherine Edwards (technical advisor to Ms. Rania Uwaydah Mardini) and Dr. Aileen Pierce who participated in this meeting as the PIOB representative. Mr. Austin and Board members took the opportunity to serenade Ms. Rania Uwaydah Mardini, Dr. Ray Johnson, and Ms. Sonia Tavares, who were all celebrating their Birthdays on April 18.

Apologies were received from Dr. Rachel Banfield (IAESB member), Mr. Gareth Wellings, (IAESB member), Dr. Lindawati Gani (technical advisor to Dr. Sidharta Utama), Dr. Sylvia Meljem (technical advisor to Dr. Blanca Tapia), Ms. Helen Partridge (technical advisor to Ms. Anne-Marie Vitale), and Mr. Yoseph Asmelash (UNCTAD Observer). Mr. James Gunn (Managing Director, Professional Standards) provided regrets for sessions held on April 18 and 20.

1(ii) Approval of Agenda

The agenda was approved as is.

1(iii) Minutes and Action List of November 2017 (Mexico City) Meeting

The content of the minutes of the previous meeting was approved as is, but IAESB members provided a few minor typographical errors for correction.

1(iv) Report from the Chair

Mr. Austin reminded IAESB members of the need to deliberate on educational issues resulting from the agenda meeting papers with the view of protecting the public interest.

Mr. Austin acknowledged the work undertaken by Mr. Isaac Njuguna (Kenya Accountants and Secretaries National Examinations Board (KASNEB)) and Mr. Edwin Makori (Institute of Certified Public Accountants of Kenya (ICPAK)) and their staff members in hosting the IAESB CAG and IAESB meetings. He also acknowledged the massive efforts of IAESB task force and work group members in progressing the Board's work program since the November 2017 meeting. In particular, Mr. Austin thanked Steering Committee members for their contributions in preparing the IAESB's response to the Monitoring Group (MG)'s Consultation Paper, *Strengthening the Governance and Oversight of the International Audit-related Standard-setting Boards in the Public Interest*. He indicated that major take-a-ways of the letter were: (i) the need for the IAESB to remain independent subject to competent public interest oversight, with the benefit of a dedicated CAG and supported by IFAC; (ii) any changes should be more effective and clearer than the current arrangements, and accordingly avoid adding unnecessary layers of complexity; and (iii)

any changes should strengthen the standard setting architecture and financial reporting system as a whole. He indicated concern that the current MG proposals could lead to unintended outcomes that are not in the public interest.

Mr. Austin indicated that IFAC will begin a search for a limited term staff position to provide technical assistance to the Board. Mr. Austin also indicated that he will be stepping down as IAESB Chair on December 31, 2018 and a search for a new Chair has started with a May 8th deadline for expression of interest.

Mr. Austin then framed the proposed objectives of the upcoming meeting as follows, the Board will endeavor to:

- Discuss task force's proposals to dispose issues resulting from the analysis of Exposure Draft (ED) respondents' comments and endorse the next steps on the International Education Standard (IES) 7 revision project;
- Receive an update on Information and Communications Technology (ICT) information gathering activities and agree a way forward on project's milestones and timeline;
- Receive an update on the status of thought leadership and personal perspectives articles relating to professional skepticism and agree to a work plan for collecting examples of good practices from selected universities and academic networks on approaches to develop skepticism skills as part of IPD;
- Agree with the drafting guidelines for preparing Implementation Support Materials (IMs);
- Discuss the task force's findings on a gap analysis in the IESs relating to public sector accounting, reporting and assurance and agree with next steps to prepare a project proposal;
- Receive a Stakeholders Engagement and Communications (SEC) update on work group's activities and agree to a way forward on developing an Engagement and Communications Plan (ECP); and
- Receive an update on the progress to develop a 2019-2020 IAESB work plan and agree next steps for the July meeting.

Mr. Austin also reported that he and IAESB representatives had undertaken the following speaking engagements and associated communications activities since the November 2017 meeting:

November 2017

- Implementation Challenges. Colegio de Contadores Públicos de México (CCPM) – IAESB Accountancy Education Forum, Mexico City, Mexico (Austin, Vitale, Simko, St. Amant, Tapia, Meljem);
- IAESB Update, November IFAC Council meeting, Brussels, Belgium (Gunn);
- Teleconference with J. Wickett, Consultant on CPA Canada Output-based CPD project (McPeak);

December 2017

- December 2017 PIOB meeting (Austin, Vitale; Bowman and Gunn by teleconference);

January 2018

- IAESB ICT Consultation, ICT Webinar with Academics (Matzke, Owens);
- IAESB ICT Consultation, ICT Webinar with Academics (Matzke, Owens, McPeak);
- SAFA Accountancy Quiz and Elocution, Kathmandu, Nepal (Austin, Jaysinghe);
- Are CFOs Future Ready? SAFA CFO Conference 2018, Kathmandu, Nepal (Austin, Jaysinghe);

February 2018

- SAFA Board of Directors meeting, Kathmandu, Nepal, (Austin);
- IAESB Update on International Education Standards, Kwansai Gakuin University Research Team, Toronto, Canada (McPeak, Yamaji, Onoe);
- Competencies necessary for the Accountant in an international environment, "Meeting for Public Accounting," Free University of Colombia, Cucuta Colombia (Tapia);

March 2018

- IAESB Update, Suriname Institute of Chartered Accountants (SUVA) Delegation, New York, USA (McPeak, Lens, Van Trikt);
- IAESB ITC Consultation, GAA Education Directors meeting, Los Angeles, USA (Vitale, Owens, Matzke);
- IAESB ITC Consultation, Financial Executives Institute meeting, Los Angeles, USA (Vitale, Owens, Matzke);
- IAESB ITC Consultation, IFAC PAIBC meeting, New York, USA (Vitale, Partridge);
- IAESB ITC Update, IFAC Technology Advisory Group, Teleconference (Vitale, McPeak);
- IAESB Update, International Public Sector Accounting Standards Board March 2018 Meeting, New York, USA (Austin, Uwaydah-Mardini, Pulham, McPeak); and
- IAESB Update, PIOB meeting, Madrid, Spain (Gunn).

CURRENT PROJECTS**2. REVISION OF IES 7, CONTINUING PROFESSIONAL DEVELOPMENT**

Ms. Susan St. Amant, IES 7 Revision task force chair, provided IAESB members with copies of papers on Analysis of Respondents on IES 7 Exposure Draft, IES 7 Crosswalk of Comments, Marked-up Version of Proposed Wording for IES 7, Clean Version of Proposed Wording for IES 7, as well as an Issues paper that identified questions for discussion. In addressing the respondents' feedback on the IES 7 Exposure draft the Board first deliberated on significant issues relating to (i) clarifying the input-based approach to CPD

measurement by providing examples of input measures in the Explanatory Material section, (ii) focusing CPD requirements on developing and maintaining professional competence, and (iii) clarifying expectations for the input-based and output-based measurement approaches for CPD activities by providing examples of evidence that are used to explain monitoring and enforcement in the Explanatory Material section. The Board, then, deliberated on issues raised by respondents and how to dispose of these issues in the objective statement, requirements, explanatory material, and introduction, as well as discussed what subject areas required further implementation guidance. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Input-based approach to CPD measurement

IAESB members expressed a mixed view on whether to remove the input measures from the input-based requirement on CPD measurement. The majority of members supported the removal of input measures from the requirement because it:

- Aligns with the view that there is no rationale or evidence from academic or professional literature to support the specified number of hours or CPD units that is identified in the extant requirement;
- Recognizes that prescribing at least 120 CPD hours (or equivalent learning units) over 3 years and at least 20 CPD hours (or equivalent learning units) each year are not supported by academic literature as a measurement approach of CPD activity to develop and maintain professional competence;
- Enables roles that have greater responsibility to the public or pose a greater risk to the public to require more hours or CPD units than that identified in the extant requirement;
- Provides greater flexibility for member bodies to adopt "byte sized learning units" that are less than an 1-hour CPD unit; and
- Adheres to a principles-based approach for setting standards and is consistent with the formulation of other extant IES requirements.

A minority of members requested that the specified number of hours or CPD units should be included in the input-based requirement on CPD measurement. These members indicated that in certain jurisdictions there continues to be challenges in enforcing members to complete the minimum number of CPD hours over a three-year period and noted that it may be too soon to remove hours of CPD units from the requirement for some IFAC member bodies. These members suggested that more investigation was needed to understand whether unintended consequences would occur because of the removal of the input measures; while, others suggested that those who do not comply with the input measures should be required to justify why they cannot meet the input measure.

Focusing CPD Requirements on Developing and Maintaining Professional Competence

IAESB members agreed with the CAG members' view that the requirements should emphasize the link between CPD and professional competence, which is consistent with the purpose of IES 7 (See [Paragraph](#)

[1 of Agenda Item 2-5 of the April 2018 meeting](#)) and the [IAESB Framework \(2015\)](#) document. However, IAESB members expressed a mixed view on whether to use the phrase, “that develops and maintains professional competence”, in paragraphs 9, 12, 13, and 14 (See [Agenda Item 2 of the April 2018 IAESB meeting](#)). A minority of IAESB members opposed its use because it is already included in the Glossary definition of CPD. The DWG advised that its inclusion may suggest or imply that there is such a thing as CPD that does not develop and maintain professional competence. A majority of members supported its inclusion in the requirements for CPD measurement because it reinforced the goal on developing and maintaining professional competence, but identified how the output-based and input-based approaches are to be demonstrated for measurement purposes. It was suggested that the use of this phrase should be reviewed to ensure consistency in both the revised standard and Glossary.

Providing Examples of Evidence for Monitoring and Enforcement

IAESB members agreed that examples of evidence for monitoring and enforcement should be referred to when explaining the requirements on output-based and input-based measurements approaches measurement in Explanatory Material section. However, IAESB members expressed a mixed view on whether to do this by including cross-referencing of paragraphs in the Explanatory Material section. A majority of members favored including cross-referencing of paragraphs because it enabled users to fully understand the inter-connectivity of concepts when explaining the measurement requirements in the Explanatory Material section. The DWG advised that cross-referencing paragraphs within the Explanatory Material section might confuse readers and is inconsistent with previous drafting work on the IESs. A minority of members opposed including cross-referencing because it created the potential issue of applying analogy; that is, identifying correspondence or partial similarity of concepts which can be misleading in understanding an explanation. Some members advised that a careful review of the Explanatory Material section should be done when applying cross-referencing of paragraphs to mitigate this effect.

Review of Introduction, Objective, Requirements and Explanatory Material Sections

Introduction

IAESB members suggested the following changes to paragraph 5 of the Introduction and accompanying paragraphs in the Explanatory Material section (See [Agenda Item 2-5 of the April 2018 IAESB meeting](#)):

- Paragraph 5: Keep the word, ‘networking’, and delete the phrase, ‘sharing of knowledge and experiences’ because this activity was seen to be included in networking;
- Paragraph A2: Clarify the paragraph’s wording by reviewing the use of the words, ‘conversely’, ‘update’, and ‘enhance’; reversing the sequencing of descriptions of maintain and develop; revisiting the description around the word, ‘maintains’, to recognize a continuing approach; and revisiting the description around the word, ‘develops’, to include the ideas of lifelong learning to reflect ongoing pursuit;
- Paragraph A3: Use ‘ongoing’ rather than ‘continuing’; and

- Paragraph A4: Use the word, 'are', rather than the phrase, 'continue to be'.

Board members suggested that paragraph A2 should be removed and included in the Glossary or the Framework (2015) document because the proposed wording may be unintentionally narrow in its description of what it means to 'develop and maintain professional competence'. The concept of 'develops' also applies to situations when new roles or career progression are not being pursued and the concept of 'maintains' extends to more than just those competence areas and proficiencies obtained at the end of IPD.

Objective

IAESB members suggested the following changes to paragraph 8 on the Objective and accompanying paragraph in the Explanatory Material section (See [Agenda Item 2-5 of the April 2018 IAESB meeting](#)):

- Paragraph 8: Clarify the paragraph's wording by using, 'is for', rather than 'have'; replacing 'through the undertaking of' with 'by undertaking'; and using the phrase, 'role of a professional accountant', rather than the phrase, 'in the accountancy profession'; and
- Paragraph A7: Clarify the paragraph's wording by using the word, 'performance', rather than 'provision'.

IAESB members suggested that the objective statement in paragraph 8 needed to emphasize the undertaking of CPD to develop and maintain professional competence rather than developing and maintaining professional competence. IAESB members also agreed to remove the public interest reference in the objective statement because it is already established in the Framework (2015) document. In addition, there exists roles of a professional accountant that do not directly impact the public interest. IAESB members supported the view that learning outcomes should not be prescribed in IES 7 because there would too many learning outcomes needed to address the many roles performed by professional accountants. IAESB supported keeping the Explanatory Material paragraph explaining the objective statement because it is consistent with those paragraphs used in other IESs.

Requirements

CPD for Professional Accountants

IAESB members suggested the following changes to paragraph 9 on the Requirement for CPD for Professional Accountants and accompanying paragraphs in the Explanatory Material section (See [Agenda Item 2-5 of the April 2018 IAESB meeting](#)):

- Paragraph 9: Clarify the paragraph's wording by using the phrase, 'role of a professional accountant', rather than the phrase, 'in the accountancy profession';
- Paragraph A8: Clarify the paragraph's wording for bullet (a) by updating to the revised version of the IESBA Ethics Code (2018) and for bullet (b) by deleting the phrase, 'in all sectors', to avoid redundancy;

- Paragraph A10: Re-position this paragraph as explanatory material for requirement on output-based measurement approach and clarify the paragraph's wording by using the phrase, 'can be', rather than the word, 'is', to avoid creating a hidden requirement;
- Paragraph A11: Clarify the paragraph's wording by using the phrase, 'identify, undertake, and record relevant CPD', rather than the phrase, 'take a more active role in their CPD', so as to provide a sharper focus on expected activities and use the phrase, 'personal development gaps', rather than the phrase, 'personal learning and development gaps', so to ensure a more inclusive interpretation development gaps than IES learning outcomes; and
- Paragraph A16: Clarify the paragraph's wording because the proposed wording may be too narrow and may not be descriptive of roles within the accountancy profession and re-position this paragraph as earlier explanatory material so as to provide a better understanding of the types of roles performed by professional accountants.

Several IAESB members suggested that the wording of the requirement on CPD for professional accountant would be improved if the target audience included professional accountants. In addition, some members suggested that paragraphs A11 to A14 should be repositioned to support the requirement on the promotion and access to CPD. IAESB members also suggested several small editorial changes to paragraphs A9, A12, and A14 to improve the clarity. These changes addressed issues that improved the understanding without substantially changing the content of these paragraphs.

Promotion and Access to CPD

IAESB members suggested the following changes to paragraphs of this Explanatory Material section (See [Agenda Item 2-5 of the April 2018 IAESB meeting](#)):

- Paragraph A18: Clarify the paragraph's wording by including a new bullet (b) 'that encourages the use of a CPD Framework to support relevant learning and development'; and
- Paragraph A20: Clarify the paragraph's wording by including the phrase, 'planned and un-planned learning and development activities that IFAC member bodies may promote for CPD', so to qualify learning and development activities and ensure consistency with the wording of the requirement.

Measurement of CPD

IAESB members suggested the following changes to paragraph A21 of this Explanatory Material section (See [Agenda Item 2-5 of the April 2018 IAESB meeting](#)):

Paragraph A21: Clarify the paragraph's wording by including the phrase, 'of CPD in terms of the achievement of learning outcomes or completion of a specified amount of adequate learning and development activities', to describe measurement of CPD in terms of what it is evaluating; that is, evidence to achieve learning outcomes and to complete a specified amount of adequate learning and development activities.

Output-based Approach

IAESB members suggested the following changes to paragraph 13 on the Requirement for Output-based Approach and accompanying paragraphs in the Explanatory Material section:

- Paragraph 13: Clarify the paragraph's wording by using the phrase, 'roles as professional accountants', rather than the phrase, 'in the accountancy profession'; and
- Paragraph A23: Clarify the paragraph's wording by using the phrase, 'measures CPD in terms of', rather than the phrase, 'focuses on', to describe what the output-based approach is expected to do.

IAESB members suggested that the term, 'learning outcomes', should be described to ensure that reader understands what is expected of learning outcomes in relation to a competence area, how learning outcomes can be achieved, and what should be considered when including them in programs of CPD.

Input-based Approach

IAESB members suggested the following changes to paragraph 14 on the Requirement for Input-based Approach and accompanying paragraphs in the Explanatory Material section:

- Paragraph 14: Clarify the paragraph's wording by removing the word, 'adequate', to avoid creating undefined expectations and by using the phrase, 'roles as professional accountants', rather than the phrase, 'in the accountancy profession', to remove the unintended consequence of narrowing the scope of the requirement in certain jurisdictions.

IAESB members also suggested several small editorial changes to paragraphs A25 and A26 to improve the clarity. These changes addressed issues that improved the understanding without substantially changing the content of these paragraphs.

Use of Both Measurement Approaches

IAESB members suggested that the clarity of paragraph A28 could be improved by sharpening the differences within each bullet and among bullets (a), (c), and (d).

Monitoring and Enforcement of CPD

IAESB members suggested the following changes to paragraphs of this Explanatory Material section (See [Agenda Item 2-5 of the April 2018 IAESB meeting](#)):

- Paragraph A31: Clarify the paragraph's wording by using the phrase, 'and retained', to describe the characteristics of verifiable evidence, and to reposition the paragraph earlier in the section on monitoring and enforcement of CPD to improve understanding;
- Paragraph A35: Clarify the paragraph's focus on systematic monitoring by replacing the reference to reviewing with other activities because reviewing has a particular meaning in engagements and by adding a fourth bullet on working with regulators or other licensing regimes to assist in monitoring and enforcing CPD requirements; and

- Paragraph A37: Clarify the paragraph's last sentence by removing any judgmental reference to the standard being overly burdensome on an IFAC member body because standards should adopt a neutral perspective and avoid recognizing resource or other practical constraints.

IAESB members also suggested several small editorial changes to paragraphs A30, A37, and A42 to improve the clarity. These changes addressed issues that improved the understanding without substantially changing the content of these paragraphs.

Finally, IAESB members agreed that the proposed wording changes did not significantly change the content of the IES 7 Exposure Draft (June 2017) and should not be re-exposed to the public.

Proposed Way Forward

The IAESB Chair directed the task force to integrate comments on content from CAG and Board members, and on drafting from DWG members, and then prepare for the Board a revised version of the IES 7 Exposure Draft for review with the aim of obtaining its approval at the July IAESB meeting.

3. PUBLIC SECTOR ACCOUNTING, REPORTING, & ASSURANCE

Ms. Rania Uwaydah-Mardini, Public Sector task force chair, provided IAESB members with an Issues paper that included discussion questions on the task force's methodology of reviewing literature and stakeholder outreach, findings from analyses of competency frameworks and syllabi, and gap analysis of IESs competence areas and learning outcomes. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Methodology and Analysis

In general, IAESB members were supportive of the task force's approach in capturing information from a wide range of perspectives. However, several members suggested that further information on knowledge and skills could be obtained from curricula of professional accountancy organization's education programs and specializations. Members indicated that further effort was needed to clarify the scope of the project. In particular, members questioned whether Not-For-Profit (NFP) entities should be included in the proposed scope. Members also indicated that including NFP entities would have an impact on whether additional learning outcomes would be needed for IPD programs. It was suggested that the analysis provide more information to understand why NFP entities should or should not be included in the scope of the project.

Several members indicated that the findings of the analysis supported the view that competence areas and accompanying learning outcomes of the extant IESs did not adequately cover the development of competence needed for the public sector. IAESB members agreed with the following differences identified in IESs 1, 2, 4, 7, and 8 by the task force: i) Differences relating to perspective and attributable basically to

the absence of PS references; ii) Substantive gaps attributable to competencies and related knowledge requirements that are sector specific; and iii) Differences pertaining to highly specialized areas such as compliance and performance audits. It was also suggested that more effort should be placed on identifying areas in the public sector where additional skills and competence are needed, such as: tendering and procurement processes, prevention of electronic crime, and public sector assurance.

Project Proposal

IAESB members agreed that further work was needed to develop a project proposal that would clarify the project scope, determine whether the project has sufficient resources and identify what other, if any, additional resources are needed. It was suggested that the task force gather information on the number of professional accountants who work in the public sector and are members of IFAC member bodies. This information would enable to better understand how to engage with this type of stakeholders. Several members indicated that additional consultation was needed to clarify the project's direction and to inform the Board's decision-making on significant issues. It was suggested that the task force could develop an Invitation To Comment (ITC) consultation paper to gather this advice.

Proposed Way Forward

IAESB members directed the Public Sector Accounting, Reporting, and Assurance task force to continue its work to prepare a project proposal and provide an update on the project's status to the Board at its July meeting.

4. INFORMATION & COMMUNICATIONS TECHNOLOGY

Ms. Anne-Marie Vitale, Information and Communications Technology task force chair, provided IAESB members with copies of papers that provided ICT survey results, questions used in outreach activities with stakeholders, list of member bodies involved with outreach, and methodology used to evaluate the need of ICT in other SSBs' standards, as well as an Issues paper that identified questions for discussion. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Proposed Descriptors of Five ICT Elements

In general, IAESB members supported the proposed descriptors for the five ICT elements ([See Page 3 of Agenda 4-1 of IAESB April 2018 meeting](#)) indicating they were useful in organizing ICT activities. However, several IAESB members provided the following suggestions to improve on clarity of the descriptors and the use of the five ICT elements:

- Re-order the five ICT elements which might enhance readers' understanding of each element in context of an ICT process;
- Ensure that each ICT element acts as an umbrella that captures ICT activities relevant to roles performed by professional accountants;
- Include information technology programming and digital security in the digital acumen descriptor;
- Use ICT elements as a bridge or framework to introduce learning outcomes; and
- Remove the word, professional, from the phrase professional judgment in the business acumen element so as to acknowledge the perspective of general business rather than that of a professional accountant.

Information Gathering Activities

In general, IAESB members indicated that information gathering activities from key IAESB stakeholders were sufficient as described ([See Page 10 of Agenda Item 4 of IAESB April 2018 meeting](#)). However, several members suggested consulting with: other professions, members of the banking sector, members of Inspection teams from government agencies, and data scientists. IAESB members observed that in some instances stakeholders might be in a mode of reacting rather than leading because of the complexity and frequency of ICT changes. It was suggested that a broad perspective for consultation was important because extant stakeholders might not be the primary audience because of changing business models.

Mapping ICT Elements to the IESs

All IAESB members agreed that information gathering activities supported the view that competence areas and accompanying learning outcomes for ICT in the extant IESs were not capturing the skills needed by professional accountants working in a digital age.

In addition, IAESB members indicated that findings from the mapping of ICT elements confirmed the presence of deficiencies in the existing learning outcomes of extant IESs. However IAESB members suggested that descriptors of ICT elements should be finalized and mapping to the IESs completed before identifying the extent of changes to learning outcomes of extant IESs. It was suggested that a broader lens than an ICT lens should be used to evaluate the relevancy of certain learning outcomes within the extant IESs because of the inter-connectivity of skills among professional skepticism, behavioral competence, and ICT. Several members indicated that there were important implications to education programs when making changes to the learning outcomes, including appropriate upskilling of lecturers and reviewing curricula to determine what education topics may need to be removed. It was suggested that more information is needed to determine if ICT changes will be adequately addressed through changes to individual IESs or whether a new IES on ICT should be developed.

Proposed Milestones and Timeline

IAESB members indicated that the proposed timeline was aggressive. It was suggested that the project milestones and timeline should be reviewed to ensure enough time for the task force to provide sufficient

evidence to evaluate whether extant IESs are fit for purpose and identify standard development activities that are responsive to the needs of stakeholders. Several members indicated that consultation was needed to better understand what implementation materials were needed to support PAOs.

Proposed Way Forward

The IAESB directed the ICT Force to continue work on finalizing its findings from ongoing consultations and on mapping ICT skills in the 5 ICT elements with the aim of developing an Issue paper that brings recommendations on possible standards development activities for Board discussion at its July meeting.

5. PROFESSIONAL SKEPTICISM

Mr. David Simko, Professional Skepticism task force chair, provided IAESB members with copies of two personal perspectives articles and two thought leadership articles on professional skepticism, a summary of the professional skepticism survey results, a plan to request examples of good practices, an IESBA consultation paper, as well as an Issues paper that updated on task force activities since October 2017 IAESB CAG meeting and provided questions for discussion. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Activities of Other Standard Setting Boards

IAESB members indicated that there were no fatal flaws with the proposed IESBA Consultation Paper, Professional Skepticism – Meeting Public Expectations (See [Agenda Item 5-8 of the April 2018 IAESB meeting](#)). It was suggested that the formulation of question 5 should be revisited because the IAASB definition is being used to start the consultation on the defining professional skepticism for all professional accountants.

In general, IAESB members supported a response to the consultation paper. However, members indicated that the response should not undermine the credible work done by the Professional Skepticism Work Group that was composed of members from the three SSBs. In addition, several members indicated that the response should emphasize the Board's education perspective in IES 4; that is, professional skepticism should be interpreted as applying to the broader context of a role as a professional accountant. Some members also indicated that a new definition of professional skepticism that applies to all professional accountants could bring more confusion to education programs and the Board should be prepared to address any implications of a new definition to education stakeholders with implementation support materials.

Board Update Items

IAESB members noted the progress that task force members have made on developing implementation support material from the report on professional skepticism literature. In particular, Board members expressed support for: i) publishing two personal perspectives articles and developing two thought leadership articles resulting from the report on professional skepticism literature; and ii) using the report on professional skepticism literature and survey results to inform the task force's analysis of the learning outcomes in IESs 2, 3, 4, and 8 (See Agenda Items [5-2](#), [5-3](#), [5-4](#), [5-5](#), and [5-6](#) of the April 2018 IAESB meeting).

Examples of Good Practices

IAESB members supported the CAG members' comments on gathering examples of good practices from selected universities and academic networks on approaches used to develop the skills that support the application of professional skepticism as part of IPD and CPD, including evaluation and assessment of critical thinking and underlying skills for professional skepticism. IAESB members also suggested that good practices should be collected from member bodies. In addition, information on deficiencies in the application of audit skills and competencies can be obtained from regulators' disciplinary orders such as PCAOB's disciplinary orders reached with registered firms, non-USA firms, and associated persons. These examples show deficiencies in the application of professional skepticism by auditors in an audit environment. It was also suggested that examples of assessment practices could be obtained from materials of publishing houses. Some members indicated that guidance on the assessment of achievement of learning outcomes was needed for improved implementation by PAOs.

Proposed Way Forward

The IAESB Chair indicated that he will respond to the IESBA Consultation Paper to express the view that "professional skepticism", however defined, applies to every professional accountant and not just to auditors. The Professional Skepticism task force was asked to prepare an Issues paper that brings the findings on the gap analysis on learning outcomes in the IESs and any resulting recommendations on possible standards development activities for Board discussion at its July meeting.

6. PROFESSIONAL SKEPTICISM – BEHAVIORAL COMPETENCE

Mr. Bernard Agulhas, Behavioral Competence task force chair, provided IAESB members with an Issues paper that included discussion questions on the project's problem statement, proposed definition, use of competency frameworks, feedback from regulators, and use of skills buckets. The following summarizes the Board's discussion.

IAESB Discussion of Issues

Definition of Behavioral Competence

IAESB members agreed with CAG members' view that the task force should focus its work in the immediate term on performing a gap analysis on skills and behaviors for behavioral competence in the IESs. The findings of this work would then better inform the task force's efforts in determining whether a more robust definition of behavioral competence is needed. Several IAESB members suggested that it was appropriate to focus on identifying behaviors and referred to the work by the IESBA on revising the Code of Ethics. It was suggested that it would be helpful to distinguish whether these behaviors are common to other professions or are unique to the accountancy profession.

Use of Competence Frameworks

IAESB members supported the view that more visibility should be given to the concept of behavioral competence in the IESs. In general, IAESB members also supported the need for further investigation to identify competencies and behaviors by undertaking a review of competence frameworks. However, several IAESB members suggested that the task force should first leverage the information collected by the ICT and Professional Skepticism task forces. Other members suggested that the task force consult with the Common Content Group, IESBA, and the AACSB on their work on identifying behaviors and good practices.

Feedback from Regulators

IAESB members noted the feedback obtained from the initial outreach with regulators (See [Agenda Item 6-1 of the April 2018 IAESB meeting](#)). Some members suggested this feedback could also be enhanced by consulting FRC-UK's findings from reviews of audit engagements of corporate financial statements. It was suggested that IES 7 could do more in promoting the need to refresh professional accountants' sensitivity to ethical issues. Several members suggested that the skills and behaviors identified in this area might be validated with the assistance of the IESBA members.

Proposed Way Forward

The IAESB Chair directed the Behavioral Competence task force to coordinate with the ICT and Professional Skepticism task forces so as to leverage information from their consultations and work on developing an inventory of skills and behaviors. Once this information is analyzed the IAESB Chair asked the task force to prepare a work plan for IAESB discussion.

7. IAESB SHAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

Mr. Greg Owens, SEC work group chair, provided IAESB members with copies of papers on Detailed IAESB Activities, Draft Engagement and Communications Plan, as well as an Issues paper that identified questions for discussion. The following summarizes the discussion of IAESB members.

Discussion of Issues

Update of Activities

IAESB members noted the SECWG's update on its activities and deliverables (See [Appendix A of Agenda Item 7-1](#) and [Agenda item 7-2](#) of April 2018 IAESB meeting). IAESB members also expressed support for the SECWG's list of planned activities and deliverables for 2018.

Engagement and Communications Plan

IAESB members supported the SECWG's initiative to develop an IAESB Engagement and Communications Plan (ECP). IAESB members suggested that the objectives of the proposed ECP should be reviewed to recognize the following themes: i) issuing information; ii) gathering information; and iii) promoting two-way dialogue. It was also suggested that the plan provide more detail for the following areas: i) explain how the engagement and communications activities will be maintained; ii) explain how reactions from target audiences will be obtained; iii) describe the resources needed to ensure the plan is sustainable and kept up-to-date. It was suggested that the Board needed to be more proactive in engaging and communicating with its stakeholders, as well as to improve its structuring and prioritizing messages to its stakeholders. Several IAESB members also suggested the need to clarify the boundaries of work being done by the ISWG and the SECWG.

Proposed Way Forward

The IAESB Chair directed the SECWG to continue its planned activities and deliverables, including its work on developing the ECP. The IAESB Chair asked the SECWG to prepare a progress report on the ECP for the Board's discussion at its July meeting.

8. MAINTENANCE OF IMPLEMENTATION SUPPORT MATERIALS

Mr. Isaac Njuguna, Implementation Support Work Group (ISWG) Chair, provided IAESB members with copies of papers on Content Layout and Visual Aids of Selected Guidance Material, Web Analytics on Usage of Support Materials, as well as an Issues paper that identified questions and proposals for discussion. The following summarizes the IAESB members' discussion.

Discussion of Issues

Drafting Guidelines for Implementation Support Material

In general, IAESB members supported the initiative to develop drafting guidelines to prepare ISMs because it addresses issues of consistency and branding among products. IAESB members, however, provided the following suggestions for consideration:

- Develop templates from drafting guidelines that describe needed editorial details, such as font size and styles for references, tables and schedules;
- Develop a flow diagram for the editorial process and identify responsibilities of IFAC Communications staff and reviewers for areas of graphical design, permissions, and writing styles;
- Provide guidance on tagging support materials;

- Determine whether combining drafting guidelines into one document (One-stop shopping) for all pronouncements is feasible;
- Determine what is in the range of materials (e.g., personal perspectives articles, interpretation guidance) that falls within implementation support materials;
- Use shared portal to facilitate access of drafting guidelines for authors;
- Clarify what remains relevant support materials from existing guidance materials for the IESs;
- Develop guidelines for the production and use of video materials; and
- Perform further piloting of “webpage hits” to better understand the data gathered and its implications on further projects on developing ISMs.

Proposed Way Forward

The IAESB Chair directed the ISWG to prepare an Issue paper that provides recommendations on which of the existing guidance materials need to be withdrawn now, replaced or refreshed for IAESB discussion at its July meeting.

9. IAESB 2019-2020 WORK PLAN

IAESB members noted Mr. Austin’s presentation on an overview of the next IAESB Work Plan, including extant and potential projects scheduled for the period of 2018 to 2020 (See [Agenda Item 8 of the April 2018 IAESB meeting](#)). IAESB members questioned whether preparations were in place to replace those members who are stepping off the Board at the end of December 2018. Mr. Austin indicated that he was currently working with IFAC’s Nominations Committee members to interview candidates and that a list of final candidates would be endorsed by IFAC and then approved by the PIOB at their September meetings. Mr. Austin reported that the terms of successful candidates come into effect at the beginning of 2019, but he will be reaching out to them before to begin their orientation process into the Board’s projects and activities. Dr. Pierce confirmed the Chair’s description of the nominations process and indicated that a PIOB representative oversees the nominations process before the final list of successful candidates is presented to the PIOB for approval.

Proposed Way Forward

The IAESB Chair asked the Steering Committee to refine the proposed work plan with a view to sharing an enhanced version showing current projects, possible projects, and Task Force Chair and Secretary succession plans at the July meeting.

OTHER MATTERS OF INTEREST

10. IAESB AND OTHER IFAC DASHBOARD REPORTS

The IAESB received and noted the Dashboard reports on the activities of the Standard-setting Boards supported by IFAC. It was noted that the IESBA is expecting to issue its consultation paper on professional skepticism in May and will also be conducting 3 global roundtables on its consultation paper on professional skepticism in Washington, D.C., USA (June 11), Paris, France (June 15) and Tokyo, Japan (July 12). IAESB members were asked to forward a list of their speaking engagements to IAESB staff.

11. DRAFTING WORKING GROUP- PROGRESS REPORT

Dr. Bruce Behn, Drafting Working Group (DWG) member, reported that the following activities were performed by members of the DWG for the period since the November 2017 IAESB meeting:

- Assisted with the finalization of drafting guidelines for IAESB's implementation support material;
- Reviewed and provided editorial suggestions on the following thought leadership materials:
 - Personal Perspectives article, No Accounting Education is Complete without Values, Ethics, & Attitudes;
 - Personal perspectives article, How Professional Skepticism Applies to All Accountants;
 - Personal Perspectives article, Promoting Trust for Sustainable Growth;
 - Accounting Education article, Role of Bias in Professional Skepticism;
 - Accounting Education article, How Can We Become Better Skeptics? and
- Reviewed and provided editorial suggestions of revised Exposure Draft (April 16, 2018) of IES 7, Continuing Professional Development.

Dr. Behn noted that the development of the consultation paper on IES Target Audience has been deferred until the July 2018 IAESB meeting. He indicated that the DWG looks forward to assist in finalizing the draft version of IES 7 for approval and publication.

12. ENVIRONMENTAL SCAN AND EMERGING EDUCATION ISSUES

IAESB members received a presentation from Ms. Rania Uwaydah Mardini on emerging educational issues in Lebanon. The presentation (See [Agenda Item 12 of the April 2018 IAESB meeting](#)) covered an overview of the accounting environment within Lebanon, including the Lebanese Association of CPAs (LACPA); the status of Initial Professional Development, LACPA examination process, Continuous Professional Development, and academic accounting education; and an update on some of the challenges that the accountancy profession in Lebanon is facing in implementing the IESs, IFRSs, ISAs, and IPSASs.

IAESB members thanked Ms. Uwaydah Mardini for her informative presentation on emerging education issues in Lebanon. Several members requested further clarification on the rationale for setting the age of 21 as an entry requirement and whether examination pass rates were also reported in terms of first-time writers and repeat writers. It was suggested that gathering good practices, monitoring the effectiveness of

training practices by public accounting firms and other training providers, as well as in-depth analyses of examinations data provide the means to benchmark performance and improve learning and development practices. Some members also commented on the benefits of having an independent oversight body, other than the accounting member organization, acting in the capacity of regulator to monitor and enforce the implementation of standards and processes such as CPD and quality assurance inspections. IAESB members also pointed to some of the successful initiatives in educating on the prevention of corruption and improving transparency in reporting financial information.

FUTURE MEETINGS & OTHER BUSINESS

13-1. FUTURE MEETINGS

The IAESB Chairman reminded members that their next formal meeting would be held in New York, USA on July 11 and 12, 2018. The CAG and Board are also scheduled to meet in 2018 as follows:

- September 13 and 14 CAG meeting in New York, USA; and
- October 24-26 IAESB meeting in New York, USA.

13-2. UPDATE ON COMPLIANCE ADVISORY PANEL

IAESB members noted the IFAC Compliance Advisory Panel's report entitled, International Standards: 2017 Global Status Report (See [Agenda Item 13-2a of the April 2018 meeting](#)), and the Information paper on Revised Definition of Compliance Advisory Panel's IES Adoption (See [Agenda Item 13-2b of the April 2018 meeting](#)). Dr. Brian McGuire (Post Effective Date Implementation Review task force chair) indicated that Mr. Joseph Bryson, IFAC Director on Quality and Development, would provide a presentation on the 2017 Global Status Report at the July IAESB meeting.

14. PIOB REPRESENTATIVE'S REPORT

In her closing comments, Dr. Aileen Pierce, PIOB representative, congratulated IAESB members on another very interesting Education Standards Board meeting, with some very important topics being addressed. As always, the Board was inclusive and highly engaged. These two aspects led to rich discussions which were thought-provoking and probing, as appropriate. Progress has been made on the key IES 7 project and plans for other significant projects – ICT and PS – are becoming more focused. These improvements were seen as good progress although a substantial amount of work will be required between now and July to deliver on what most stakeholders want: a robust and timely education response to PS and ICT issues highlighted by both the profession and the regulatory community.

In addition to acknowledging progress made this week, Dr. Pierce addressed two further points: collaboration with other SSBs and resources.

Dr. Pierce made explicit mention of cross-SSB collaboration within the SSB environment, it is undoubtedly a challenge to make this effective and real. In recent times, the creation of the PSWG was a positive step; its early 'death' was almost a tragedy (!); the ongoing conversations at TF Chair level offer a thread of optimism; the confusion and misunderstanding demonstrated at this meeting around the level of education input into the IESBA PS Consultation Paper and/or the IAESB's shared responsibility for the PS Consultation Paper is evidence of the potential to misrepresent and/or misunderstand the extent of collaboration. There are encouraging signs outside of IAESB meetings, e.g., at a recent IESBA meeting she noted increased references to the importance of collaborating with IAESB and other Boards on key aspects of new ethics requirements. However, formal steps have been taken to put collaboration between IAASB and IESBA on a more structured footing, as evidenced by the joint meeting last summer where protocols for working together on specific topics were discussed. In fairness, informal collaboration began between those two Boards long before a formal structure was proposed. Dr. Pierce summarized her point to the Board that emerging collaboration between education and ethics is fragile and under-developed. There is very limited evidence of even a fragile collaboration between IAESB and IAASB.

On the resources issue, PIOB continues to believe that the Education Standards Board is substantially under-resourced. The current plans and activities are impressive and Board members, TAs and CAG members must be congratulated for the evident commitment and contribution to delivering for this Board. However, a number of examples from this meeting (the list is not exhaustive) of where she sees significant challenges posed by limited resources include:

- Cross-collaboration with other SSBs;
- Moving the ICT project on in the progressive, forward-focused way aspired to by the TF;
- Capacity to develop comprehensive and targeted implementation guidance; and
- Quality control of thought leadership publications and implementation guidance.

Dr. Pierce fully acknowledged that neither Board members nor PIOB can individually influence allocation of resources to education. However, it was frustrating to hear references during these meetings to the adequacy of resources because of the (not disputed!) talent and commitment of volunteer time and effort. Dr. Pierce stated that she believes the Chair needs to fight for additional resources to deliver on the Board's strategy in a timely and quality way.

Mr. Austin thanked Dr. Pierce for her comments and her contributions to the IAESB's deliberations.

15. TERMINATION OF MEETING

Meeting Achievements

Mr. Austin also thanked everyone for their contributions to the meeting. He indicated that excellent discussion and progress had been made by Board members in responding to the 8 objectives identified at the beginning of the meeting. He summarized the achievements of the meeting as follows, the Board:

- Deliberated and disposed of significant issues arising from respondents' comments on the IES 7 Exposure Draft and will conduct a page-by-page review of the document at the July meeting with the aim of obtaining its approval;
- Agreed a way forward to look at the efforts of task forces on ICT, professional skepticism, and behavioral competence to plan the work holistically to add to or expand competence areas and accompany learning outcomes in the current standards the ICT project proposal for developing thought leadership articles and gap analysis, including project timeline and milestones;
- Agreed a way forward for the task force on Public Sector Accounting, Reporting, and Assurance to prepare a project proposal;
- Agreed next steps for the ISWG on reporting to the Board at its July meeting on its investigation of which implementation support material products need to be withdrawn now, replaced or refreshed, as well to explore how to merge the drafting guidelines for Implementation Support Materials with work being done by the DWG and SECWG on drafting guidelines of other IAESB pronouncements;
- Endorsed next steps for follow up on recruiting a fixed-term IAESB position to assist in engagement and communications area while making use of IAESB volunteers' assistance;
- Endorsed further work to expand the proposed Engagement and Communications Plan for review by the Board while including the opportunity to engage with the IFAC Communications team at the July meeting; and
- Endorsed further work on expanding who and what are the activities, responsibilities, priorities, for the 2019-2020 work plan.

Finally, Mr. Austin indicated that the Board achieved successful engagement with the accountancy profession of Kenya and East African communities through the Accountancy Education Forum, two ICT roundtables and Young Accounting Professionals meeting. He also thanked Ms. Uwaydah Mardini for her presentation on emerging education issues in Lebanon.

Acknowledgments

- Mr. Austin thanked FCPA Julius Mwatu, Chairman of the Institute of Certified Public Accountants of Kenya, and CPA Pius M. Nduatih, Secretary and Chief Executive of the Kenya Accountants and Secretaries National Examinations Board, for co-hosting of the IAESB and IAESB CAG meetings.
- He expressed his appreciation to Mr. Edwin Makori and his ICPAK staff, as well as to Mr. Isaac Njuguna and his KASNEB staff for their work in organizing this successful meeting, as well as for the excellent hospitality provided. Mr. Austin also thanked IFAC staff for their assistance in the preparations of the meeting.

Mr. Austin then wished all a safe journey home.

The meeting closed on Friday, (April 20th, 2018) at 12:14 hours.

Approved by Chairman:

Date:

ACTION LIST – AS A RESULT OF APRIL 2018 IAESB MEETING

ACTION	PERSON(S) RESPONSIBLE	DUE DATE	STATUS
1. Update and circulate 2018 CDL	Sonia Tavares / David McPeak	ASAP	Done
2. Prepare a final revised draft of IES 7	Susan St. Amant, Daniel Slezak, and David McPeak	July 11, 2018	Done
3. Develop Agenda items on IAESB Stakeholder Engagement & Communications, Maintenance for Support Materials for IES Implementation, Professional Skepticism, IES Target Audience, Revision of IES 7, Public Sector Accounting, Reporting, and Assurance, and Information and Communication Technology for the July 2018 in-person IAESB meeting	Anne-Marie Vitale, Helen Partridge, Susan St. Amant, Daniel Slezak, Isaac Njuguna, Edwin Majori, David Simko, Susan Flis, Greg Owens, Sarah Jakubowski, Rania Uwaydah Mardini, Adrian Pulham, Gareth Wellings, & David McPeak	July 11, 2018	Done