

Exposure Draft

June 2013

Comments due: October 4, 2013

*International Accounting Education Standards
Board*

**2014 – 2016 IAESB
Strategy and Work Plan**

IAESB

International Accounting
Education
Standards Board™

This Exposure Draft was developed and approved by the International Accounting Education Standards Board (IAESB).

The IAESB develops education standards, guidance, and information papers on Initial Professional Development (IPD), training of professional accountants, and continuing professional education and development.

The objective of the IAESB is to serve the public interest by setting high-quality education standards for professional accountants and by facilitating the convergence of international and national education standards.

The structures and processes that support the operations of the IAESB are facilitated by the International Federation of Accountants (IFAC).

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REQUEST FOR COMMENTS

This Exposure Draft, *2014 – 2016 IAESB Strategy and Work Plan*, was developed and approved by the International Accounting Education Standards Board (IAESB).

The proposals in this Exposure Draft may be modified in light of comments received before being issued in final form. **Comments are requested by October 4, 2013.**

Respondents are asked to submit their comments electronically through the IAESB website, using the "[Submit a Comment](#)" link. Please submit comments in both a PDF and Word file. Also, please note that first-time users must register to use this feature. All comments will be considered a matter of public record and will ultimately be posted on the website. Although IAESB prefers that comments are submitted via its website, comments can also be sent to David McPeak, IAESB Technical Manager at davidmcpeak@iaesb.org.

This publication may be downloaded free of charge from the IAESB website: www.iaesb.org. The approved text is published in the English language.

EXPLANATORY MEMORANDUM ON THE PROPOSED 2014 – 2016 IAESB STRATEGY AND WORK PLAN

Introduction

1. This memorandum provides background on, and an explanation of, the exposure draft of the proposed *2014 – 2016 IAESB Strategy and Work Plan* released for public comment on July 3, 2013.
2. The IAESB's current strategic plan, published in March 2010, set the direction and priorities for the activities of the IAESB to December 2013. The expiry of the current plan, together with developments in professional accounting education and the profession as a whole, have made it necessary to develop a new strategy and work plan. The IAESB has decided, therefore, to seek public comment on its proposed strategic direction, as well as on its intended projects and activities for the period 2014 – 2016. The IAESB will consider comments received at its meeting in October 2013.

Background

3. The International Federation of Accountants (IFAC) is the global organization for the accountancy profession. It is dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC has 173 members and associates in 129 countries around the world, representing approximately 2.5 million accountants in public practice, education, government service, industry, and commerce. IFAC's mission is to serve the public interest by: Contributing to the development, adoption, and implementation of high-quality international standards and guidance; Contributing to the development of strong professional accountancy organizations and accounting firms, and to high-quality practices by professional accountants; Promoting the value of professional accountants worldwide; and Speaking out on public interest issues where the accountancy profession's expertise is most relevant.
4. The International Accounting Education Standards Board (IAESB) is an independent standard-setting body that develops education standards, guidance, and information papers for use by IFAC member bodies and other interested stakeholders in professional accounting education, such as: Universities and education providers, employers, regulators, government authorities, accountants, and prospective accountants. Under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAESB, and the IAESB Consultative Advisory Group, which provides public interest input, the IAESB develops its standards and guidance. The structures and processes that support the operations of the IAESB are facilitated by IFAC.

Content of Proposed 2014 – 2016 IAESB Strategy and Work Plan

5. The proposed strategy and work plan outlines how the IAESB's mission and objectives align with IFAC's strategic priorities, and also explains how the IAESB works through member bodies to achieve its objective, which is to serve the public interest by:
 - Establishing a series of high-quality standards and other publications reflecting good practice in the education, development, and assessment of professional accountants;
 - Promoting the adoption and implementation of the International Education Standards;

- Developing education benchmarks for measuring the implementation of the International Education Standards; and
- Advancing international debate on emerging issues relating to the education, development, and assessment of professional accountants.

The IAESB's proposed strategy for the period 2014 – 2016 focuses on: (a) Completing the revision of existing and assessing the need for future IESs, (b) Engaging stakeholders to promote the adoption and endorsement of the revised IESs, and (c) Supporting and providing guidance to facilitate the implementation of the revised IESs.

Completion of Current Work Program

6. In meeting this strategy, the IAESB intends to complete three projects already in progress. These projects will develop:
- Definition for the term, Professional Accountant;
 - Guidance on Learning Outcomes Approaches to Professional Accounting Education; and
 - Guidance on the Implementation of IES 8.

The first two projects are scheduled to be completed by 2015. The schedule of the third project is subject to the completion the revision of IES 8.

Proposed Future Work Plan

7. Appendix 1, 2014 – 2016 IAESB Activities and Projects shows which activities and projects are included in the work plan, and when they are expected to be commenced. Following extensive consultation on and consideration of a range of potential projects, it is essential that the IAESB promote the recognition and adoption of the revised IESs to IFAC member bodies, regulators, and education providers through outreach activities. Much of the IAESB 2014–2016 work plan, however, will focus on developing guidance to support the implementation of the revised IESs. In particular, priority will be given to developing implementation guidance on ethics education and practical experience, while ensuring that projects on developing implementation guidance for general education and entry requirements will progress as time and resources permit.

Guide for Respondents

8. The IAESB would like to receive comments on all matters (e.g., project priorities) related to its proposed *2014 – 2016 IAESB Strategy and Work Plan*. Anyone offering comments should refer to specific sections of the proposed *2014 – 2016 IAESB Strategy and Work Plan* include the reasons for the comments and, where appropriate, make explicit suggestions for proposed changes to the plan. The IAESB would also like to hear from respondents who agree with this exposure draft.

2014 – 2016 IAESB STRATEGY AND WORK PLAN

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Chairman's Statement

1. I am pleased to present the proposed 2014 – 2016 Strategy and Work Plan of the International Accounting Education Standards Board (IAESB).

Preamble

2. In fulfilling its mandate to enhance the competence of professional accountants, the IAESB has successively engaged over the last four years in a substantive revision and redrafting of its eight International Education Standards (IESs). The revision project has improved consistency and clarity of the principles-based IESs by:
 - Articulating the nature of professional competence in terms of technical competence, professional skills, and professional values, ethics, and attitudes;
 - Delineating the competence areas required to perform a role as a professional accountant;
 - Clarifying the obligations of IFAC member bodies in developing and assessing professional accounting education; and
 - Setting the essential learning outcomes required to meet the public's expectations of the professional competence to be demonstrated by a professional accountant and audit engagement partner.
3. The IESs are informed by the global environment of professional accounting and set out the educational requirements for the initial and continuing professional development of professional accountants. The requirements in the IESs are further enhanced by accompanying explanatory material.
4. The review and improvement of education standards for professional accountants, as well as other supporting materials, is on-going and central to the mandate of the IAESB. Figure 1 illustrates the significant activities of the IAESB's mandate.

FIGURE 1: IAESB Activities



5. The work of the IAESB, however, goes beyond that of issuing standards. The IAESB's work also impacts the quality to professional accounting education globally. This enhances the competence of professional accountants and improves the public confidence in financial and related non-financial information.

Strategic Context

6. In considering its strategy and work plan for 2014 – 2016 the IAESB has reflected on its core reason for existence, higher purpose, and mission as they relate to its broad public interest mandate. While continuing its primary work as a standard-setter for professional accounting education, the IAESB is proposing to provide implementation guidance, engage in advocacy, and contribute to capacity building within the accounting profession. This scope of work is intended to enhance the public confidence in the competence and judgment of accounting professionals.
7. The IAESB considers that the public interest is served by:
 - Promulgating a series of high-quality standards and other publications reflecting good practice in the education, development, and assessment of professional accountants;
 - Promoting the adoption and implementation of the IESs;
 - Developing education benchmarks for measuring the implementation of the IESs; and

- Advancing international debate on emerging issues relating to the education, development, and assessment of professional accountants.
8. The suite of IESs aims to promote the quality of and consistency in professional accounting education around the world. While IESs are primarily aimed at IFAC member bodies and other professional accountancy organizations (PAOs), other stakeholders are encouraged to adopt these standards. Public confidence in the profession is ultimately influenced by the work of all professional accountants.
 9. With on-going global convergence and increasing mobility of professionals, more work has to be done in the areas of adoption and implementation of the IESs so as to engage stakeholders and build increasing capacity in the accountancy profession. The IAESB sees this as a natural extension of its work which is reflected in the proposed 2014 – 2016 IAESB Strategy and Work Plan.

Acknowledgments

10. On behalf of the IAESB, I wish to thank my predecessor, Mark Allison, under whose leadership the initial work of the *2010 – 2013 IAESB Strategy and Work Plan* took place. A great debt of gratitude must go to the voluntary, yet diligent contributions of members of the IAESB and their technical advisors, as well as the administrative and management support by IFAC staff.
11. The proposed *2014 – 2016 IAESB Strategy and Work Plan* builds on the body of previous work. I am confident that the direction of our work will reflect our deep understanding of the strategic and educational challenges confronting the accountancy profession globally, as well as the welcomed feedback received from extensive stakeholder consultations. Opinions from IFAC member bodies, regional organizations, professional accounting associations, public accounting firms, regulators, academics and members of the public have helped to inform the determination of the IAESB's strategic priorities for the next three years. We will remain sensitive to the dynamic environment, and remain alert should there be a need to amend or improve our plan at any time.
12. An enhanced public confidence in the accounting profession serves the higher purpose of assuring and providing confidence to stakeholders who rely on the work of professional accountants. The successful execution of the proposed *2014 – 2016 IAESB Strategy and Work Plan* presented herein will make a significant contribution to the achievement of this aspiration.

Peter Wolnizer
IAESB Chairman
April 2014

Strategic Statement 2014 – 2016

Our Higher Purpose:

13. The IAESB exists, in the public interest, to raise the level of confidence and trust of stakeholders in the work of professional accountants.
14. Recognizing the trend towards global convergence and the increasing mobility of professional accountants, the IAESB strives to achieve its higher purpose through the provision, promotion and harmonization of accounting education standards that seek to:

- (a) Improve the quality of professional accounting education worldwide to enhance the competence and judgment of professional accountants; and
- (b) Contribute to the development of the accountancy profession worldwide by assisting in building human capacity in accounting.

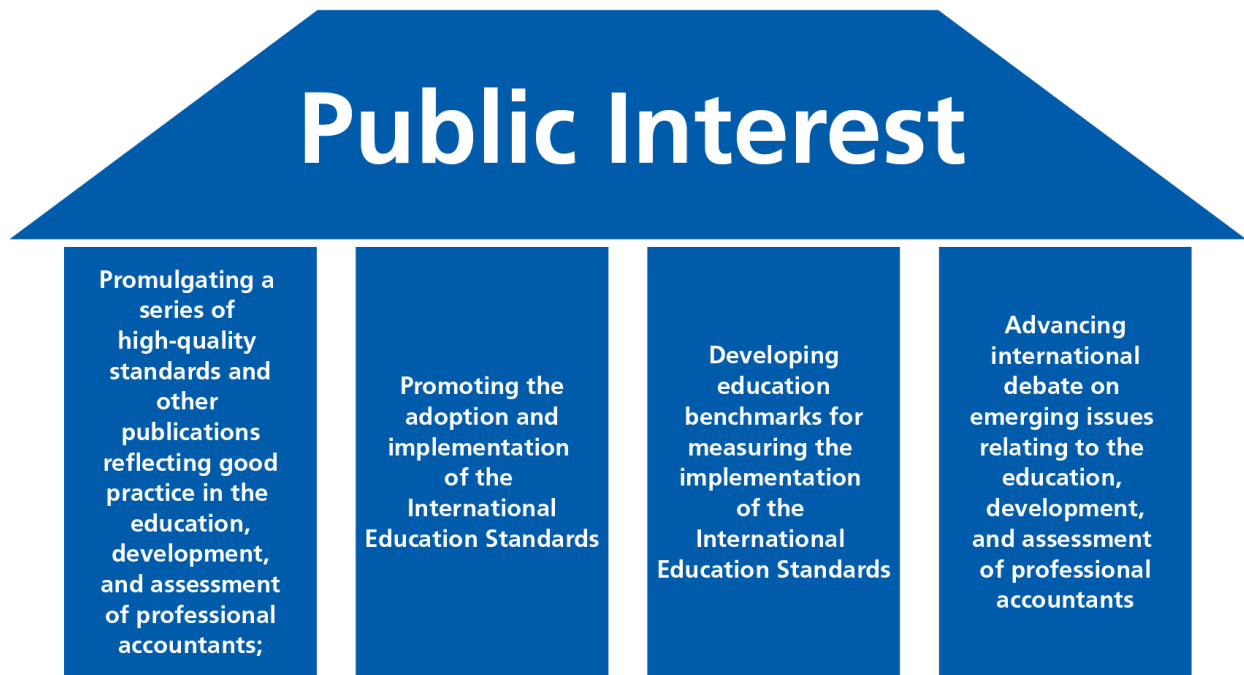
Our Mission

- 15. The IAESB serves the public interest by strengthening the worldwide accountancy profession through the development and enhancement of education.

Our Strategy (2014 – 2016)

- 16. Having substantively revised and improved the IESs, the IAESB now sets out clear strategic priorities that will inform its work over the next three years. Figure 2 illustrates how the IAESB serves the public interest through its 2014 – 2016 Strategic Objectives.

FIGURE 2: IAESB Strategic Objectives



- 17. This next phase combines completing the current IAESB's projects and introducing projects that support and promote the benefits of implementing the IESs as global professional accounting education standards.

18. The table below summarizes the three strategic priorities:

Strategic Priorities
(a) Establish and develop IESs and pronouncements.
(b) Engage stakeholders and promote the adoption and endorsement of the revised IESs.
(c) Support and provide guidance to facilitate the implementation of the revised IESs.

Establish and develop IESs and pronouncements

19. The development of IESs remains the core mandate of the IAESB. In that process, the IAESB is mindful of the challenges confronting IFAC member bodies to provide qualifications that ensure an appropriate balance between the technical competence; professional skills; practical experience; and professional values, ethics, and attitudes. The IAESB is also conscious of the global competition for talent, and the imperative that the accounting profession remains an attractive career option.
20. A substantive revision of the suite of IESs aimed at updating the content and improving the consistency and clarity of the IESs has been undertaken over the last four years. The IAESB will continually scan the dynamic environment in which professional accountants work to assess the need to revise existing IESs or develop additional standards in professional accounting education.

Engage stakeholders and promote the adoption and endorsement of the revised IESs

21. As part of an important advocacy role, the IAESB recognizes the need to engage widely with a variety of stakeholders (IFAC Member Bodies, PAOs, Regulators, and Education Providers). This outreach work forms an integral part of the next phase of work for the IAESB and will seek to promote the recognition and adoption of the revised IESs.
22. The work will also entail the translation of IES's and other relevant IAESB pronouncements into several major languages.
23. An essential purpose of the outreach and advocacy work is to promote the benefits of the IESs as the global benchmark for professional accounting education, and to reinforce how their adoption and implementation serves the public interest.

Support and provide guidance to facilitate the implementation of the revised IESs

24. To support the implementation of the IESs, the IAESB intends to revise a number of International Education Practice Statements (IEPSs) and International Education Information Papers (IEIPs) to ensure that they are aligned with the revised IESs.
25. In addition, a benchmark study of 'good practice' will be conducted to determine how IFAC member bodies and other PAOs are implementing the IESs. The IAESB will also facilitate knowledge sharing and capacity building in the PAO community.
26. These projects are aimed at accelerating and enhancing the required capacity and capability of IFAC member bodies and other PAOs to implement the IESs in an effective and efficient manner.

Implementation of Strategic Priorities and Work Plan

27. In developing the detailed Work Plan for the 2014 – 2016 Strategy, the IAESB recognizes the impact of resource availability on competing priorities.
28. For each of the activities and projects, the IAESB will develop success measures to ensure that sufficient clarity of purpose and expectation is provided to each project team.
29. A description of the on-going projects as well as a list of activities and projects that support the proposed *2014 – 2016 Strategy and Work Plan* is provided as Appendix 1.

APPENDIX 1: IAESB Activities and Projects

Establish and Develop IESs and Pronouncements	Priority¹	Expected Date of Completion
Finalize 2014 – 2016 IAESB Strategy & Work Plan <i>Analyze Exposure Draft respondents' comments with the aim of preparing and approving the final version of the 2014 – 2016 IAESB Strategy & Work Plan</i>	IN-PROGRESS	Q2 2014
Revision of IES 8 <i>Develop a revised version of IES 8, Competence Requirements for Audit Professionals</i>	IN-PROGRESS	Q4 2014
Develop the Definition for the Professional Accountant <i>Develop a revised definition for the Professional Accountant and provide explanatory material to explain aspects of the definition</i>	IN-PROGRESS	Q4 2014
Revise the IAESB Framework for the International Education Standards for Professional Accountants (2009) <i>Develop a revised IAESB Framework for the International Education Standards document to ensure consistency of terminology and phraseology, as well as to update any educational concepts or principles resulting from the IES Revision project</i>	IN-PROGRESS	Q4 2015
Develop Guidance on Learning Outcomes Approaches for Professional Accounting Education <i>Develop an International Education Information Paper that identifies examples of how IFAC member bodies and PAOs are using learning outcomes approaches to develop and assess their professional accounting education programs</i>	COMMITTED	Q2 2015
Develop Guidance on the Implementation of IES 8 <i>Develop an International Education Information Paper that identifies examples of competence frameworks for audit engagement partners and provides examples of good practice in fulfilling the requirements for continuing professional development of an audit engagement partner</i>	COMMITTED	Q4 2015

¹ LEGEND: IN-PROGRESS- The IAESB is currently working on the project; COMMITTED- The IAESB has decided to undertake the project in the 2014 – 2016 period; TARGETED- The IAESB has decided to undertake the project once in-progress and committed projects have substantially been completed.

<p>Scan Environment for Gaps in the Development, Delivery, and Assessment of Professional Accounting Education</p> <p><i>Review a summary of action plans of IFAC Member Body Compliance Program to identify problem areas in the implementation of revised IESs. Explore the need for new IESs and other types of guidance materials that identify the CPD requirements for other specialization pathways such as internal audit, assurance services, risk management, insolvency, business valuation, taxation, financial advisory, investment and wealth management. Such standards would assist member bodies in identifying the competence required by their members to work in roles such as CFOs, Accounting Technicians, Tax Accountants, & Public Sector Accountants.</i></p>	COMMITTED	Q4 2015
<p>Develop 2017 – 2019 Strategy and Work Plan</p> <p><i>Develop and approve the 2017 – 2019 IAESB Strategy and Work Plan</i></p>	COMMITTED	Q4 2016
<p>Engage Stakeholders and Promote the Adoption and Endorsement of the Revised IESs</p>	Priority ²	Commencing
<p>Promote the Recognition and Adoption of the Revised IESs with IFAC Member Bodies, Regulators, and Education Providers through Outreach Activities</p> <p><i>Provide an advocacy role on the revised IESs in developing countries, considering their local environment. Obtain endorsement of the revised IESs by IFAC member bodies, regional organizations, national standard-setters, regulators, and education providers. Present at Regional Organizations and National Standard-Setters meetings to promote the use of revised IESs in the development and assessment of professional accounting education programs.</i></p>	COMMITTED	Q1 2014
<p>Facilitate the Translation Process of the IESs and Other IAESB Education Pronouncements</p> <p><i>Act as a facilitator in identifying expertise within IFAC member bodies to assist in development and review of translated IAESB pronouncements. Work with IFAC Translations staff and staff of IFAC member bodies to identify experts who can perform translation or can provide terminology reviews of translated IAESB pronouncements to the official languages of the United Nations (i.e., Chinese, Russian, Arabic, Spanish, French)</i></p>	COMMITTED	Q2 2014

² LEGEND: IN-PROGRESS- The IAESB is currently working on the project; COMMITTED- The IAESB has decided to undertake the project in the 2014 – 2016 period; TARGETED- The IAESB has decided to undertake the project once in-progress and committed projects have substantially been completed.

Support and Provide Guidance to Facilitate the Implementation of the Revised IESs			Priority ³	Commencing
Prioritize and Develop Guidance to Implement the Revised IESs <i>Review and prioritize the following guidance projects that would assist IFAC member bodies to implement the revised IESs</i>			TARGETED	Q1 2014
➤	Revise IEPS 1, Approaches to Developing and Maintaining Professional Values, Ethics and Attitudes	<i>Revise IEPS 1 to align with revised IES 4 to reflect a learning outcomes approach and to ensure consistency with changes in terminology. The extant IEPS 1 provides guidance on (1) implementing IES 4, (2) developing professional values, ethics and attitudes in accordance with that standard, and (3) how member bodies may ensure professional accountants continue to develop professional values, ethics, and attitudes throughout their careers through Continuing Professional Development.</i>	TARGETED	TBD ⁴
➤	Revise IEPS 3, Practical Experience Requirements – Initial Professional Development for Professional Accountants	<i>Revise IEPS 3 to align with revised IES 5 to reflect a learning outcomes approach and to ensure consistency with changes in terminology. The extant IEPS 3 provides guidance for (1) IFAC member bodies to implement the requirements of IES 5 and (2) employers, mentors and trainees on their roles and responsibilities regarding a period of practical experience.</i>	TARGETED	TBD
➤	Develop implementation guidance on how general education is used to develop the professional accountant	<i>Develop an information paper that defines general education appropriate to the development of a professional accountant and identifies examples of “good practice” on its implementation.</i>	TARGETED	TBD

³ LEGEND: IN-PROGRESS- The IAESB is currently working on the project; COMMITTED- The IAESB has decided to undertake the project in the 2014 – 2016 period; TARGETED- The IAESB has decided to undertake the project once in-progress and committed projects have substantially been completed.

⁴ TBD- To be determined as a result of the prioritization activity.

➤	Develop implementation guidance on entry requirements into professional accounting education programs	<i>Develop an information paper that provides examples of: (1) good practice on setting entry requirements into professional accounting education programs; (2) alternative pathways to entry into a professional accounting education program, and (3) information that ensures good communication practices on chances of successful completion to ensure better decision-making for entrants into a professional accounting education programs.</i>	TARGETED	TBD
<p>Promote the Benefits of the Revised IESs as a Benchmark for Country Accountancy Development and the Development of Human Capacity</p> <p><i>A portion of the project would be dedicated to developing a survey to identify good practices in implementing the revised IESs, as well as challenges for PAOs in implementing the revised IESs. Develop an International Education Information Paper that benchmarks good practice on how PAOs implement IESs. The project would consolidate good practices and implementation challenges of PAOs and how they could be overcome.</i></p>		TARGETED	2016 Q1	
<p>Facilitate Knowledge Sharing and Capacity Building in the Professional Accounting Organization Community</p> <p><i>Develop non-authoritative guidance (toolkit) to assist developing member bodies in working towards compliance with the standards. Practical examples of how to comply with various IES would be provided.</i></p>		TARGETED	2016 Q2	

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Published by:



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