



INTERNATIONAL FEDERATION  
OF ACCOUNTANTS

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Agenda Item

2-1

## INTERNATIONAL ACCOUNTING EDUCATION STANDARDS BOARD

### DRAFT STRATEGIC AND OPERATIONAL PLAN 2007-2009

The purpose of this plan is to set the direction and priorities for activities of the International Accounting Education Standards Board (IAESB) for the three year period from January 2007 to December 2009.

#### 1. BACKGROUND

##### **International Federation of Accountants (IFAC)**

IFAC is the worldwide organization for the accountancy profession. IFAC's mission, as set out in its constitution, is "to serve the public interest, strengthen the accountancy profession worldwide and contribute to the development of international economies by establishing and promoting adherence to high quality professional standards, furthering international convergence of such standards, and speaking out on public interest issues where the profession's expertise is most relevant."

IFAC's current strategic plan (for the period 2006-2009) identifies four desired outcomes that IFAC aims to influence or have a direct impact on through the delivery of its services. These are:

- (1) Enhanced level of competence within the accountancy profession;
- (2) Convergence to high quality international professional standards;
- (3) Strong ethical culture within individual professional accountants;
- (4) Provision of high quality performance information.

In pursuit of these outcomes, the IFAC Board has established the IAESB to function as an independent standard-setting body under the auspices of IFAC and subject to the oversight of the Public Interest Oversight Board (PIOB).

##### **International Accounting Education Standards Board (IAESB)**

As an independent standard setting body under the auspices of IFAC, the IAESB develops and issues, in the public interest and under its own authority, standards, practice statements, and information papers on both pre-qualification education and training of accountants and on continuing professional development for members of the accounting profession

In addition, the IAESB acts as a catalyst in bringing together the developed and developing nations and to assist in the advancement of accounting education programs worldwide, particularly where this will assist economic development.

## 2. MISSION AND OBJECTIVES

The mission of the IAESB is: -

*“To serve the public interest by strengthening the worldwide accountancy profession through the development and enhancement of education.”*

In pursuing this mission, the IAESB has established its Terms of Reference, approved by the IFAC Board and the PIOB. These set out three objectives for the IAESB:<sup>1</sup>

- a) Establishing a series of standards and other statements reflecting good practice in pre- and post-qualification professional accountancy education and development;
- b) Establishing education benchmarks for IFAC’s compliance activities; and
- c) Fostering international debate on emerging issues relating to the education and development of professional accountants.

The IAESB’s objectives are aligned with IFAC’s desired outcomes as illustrated in Table 1 below:

**Table 1: Alignment of IFAC and IAESB Strategy**

IFAC Desired Outcome	IAESB Objective		
	<i>Establish standards and other statements</i>	<i>Establish education benchmarks</i>	<i>Foster debate on emerging issues</i>
<i>Enhanced level of competence</i>	Direct impact	Direct impact	Influence
<i>Convergence to high quality standards</i>	Direct impact	Direct impact	Direct impact
<i>Strong ethical culture</i>	Direct impact	n/a	n/a
<i>Provision of high quality performance information</i>	Influence	Influence	n/a

In fulfilling its objectives, the IAESB develops and issues the following:

- *International Education Standards for Professional Accountants (IES)*, which prescribe standards of generally accepted “good practice” in education and development for professional accountants. IES establish the essential elements (i.e., subject matter, methods and techniques) that education programs are expected to contain.

<sup>1</sup> The IAESB will review and seek public comment on its Terms of Reference, beginning in October 2008, for the period 2010-2012.

- *International Education Practice Statements (IEPS)*, which assist in the implementation of generally accepted “good practice” in the education and development of professional accountants by providing advice or guidance on how to achieve “good practice” or current “best practice.”
- *International Education Information Papers for Professional Accountants (IEIP)*, which promote discussion or debate on education and development issues affecting the accountancy profession, present findings, or describe situations of interest relating to education and development issues affecting the accountancy profession. IEIPs are not authoritative.

The IAESB’s pronouncements enable it to achieve its objectives as set out in Table 2 below:

**Table 2: Alignment of IAESB Objectives and Pronouncements**

IAESB Objective	IAESB Pronouncements		
	<i>IES</i>	<i>IEPS</i>	<i>IEIP</i>
<i>Establish standards and other statements</i>	X	X	X
<i>Establish education benchmarks</i>	X	X	n/a
<i>Foster debate on emerging issues</i>	X	X	X

### **3. REPORTING AND COMMUNICATION**

In addition to reporting periodically to the IFAC Board, PIOB and to the IAESB’s Consultative Advisory Group (CAG), the IAESB will report publicly on its work program, activities and progress made in achieving its objectives each year. This report will be made available on the IFAC website, and is normally included as part of the IFAC annual report.

The IAESB will consider specific communication activities, in order to better achieve its objectives in the period 2007-2009, potentially including:

- Developing a communications plan for every IAESB pronouncement;
- Holding periodic consultative fora with member bodies, regulators, accounting educators and other IAESB stakeholders to identify issues in implementing IESs;
- Holding IAESB meetings, where possible, in conjunction with regional accounting conferences and similar events;
- Identifying educational materials available from member bodies, firms and others and facilitating effective access to these, possibly by developing a web-based IAESB search engine; and
- Improving communication with/between member bodies and other stakeholders on the implementation of IES.

**4. OPERATIONAL PLAN AND WORK PROGRAM**

The IAESB will, in the period 2007-2009, prioritize projects and activities aimed at:

- (a) establishing a series of standards and other statements (particularly developing guidance to aid with implementation of existing standards); and
- (b) establishing education benchmarks for IFAC’s compliance activities.

The IAESB will undertake a number of projects and other activities in pursuit of these objectives. The list of potential projects presented in the draft work program below describes how these projects address one or more of the IAESB’s objectives.

*KEY ASSUMPTIONS*

**Illustrative Project Timetable 2007-2009**

Meeting	Stage	Time
1	Agree project plan	2 hours
2	Discuss main issues and principles	2 hours
3	Consider first draft of document	3 hours
4	Consider revised draft	3 hours
5	Consider revised draft, approve for exposure	3 hours
6	Document out for exposure	n/a
7	Consider comments received	3 hours
8	Approve final document for publication	2 hours
		18 hours

**Illustrative IAESB Meeting Timetable**

Item	Time Needed
Opening matters and reports	2 hours
IFAC/CAG Updates	30 minutes
Strategy/Project Timetable	30 minutes
Member body updates	2 hours
Lunch and breaks (3 days)	6 hours
Work on projects	13 hours
	24 hours (i.e. 3 days)

With approximately 13 hours for work on projects in any meeting, this implies that the IAESB will be able to deal with a maximum of 4 such items in any one meeting. This will limit the number of new projects the IAESB can undertake.

**IAESB Technical Manager**

30% of time on administration, operations and communications;

70% of time on projects.

**International Accounting Education Standards Board  
DRAFT WORK PROGRAM, 2007-2009** (Version 1.1, September 22, 2006)

The following is a draft work program/outline project timetable for the IAESB for the period 2007-2009, assuming current resources. The IAESB will meet three times per year, for three days each time. There will be approximately four months between meetings. Given time available in meetings, and the technical resources available to the IAESB, it is assumed that the IAESB can undertake a maximum of four projects at any one time (see “Key Assumptions” below for more details).

The IAESB, together with its Consultative Advisory Group (CAG) has therefore considered the relative priorities and importance to IAESB stakeholders of potential projects and other activities, as outlined in the draft strategic plan for the period 2007-2009, to determine which specific projects and activities will form part of its operational plan for the period.

<b>CURRENT PROJECTS</b>	<b>STATUS</b>	<b>FEB 2007</b>	<b>JUNE 2007</b>	<b>OCT 2007</b>	<b>FEB 2008</b>	<b>JUNE 2008</b>	<b>OCT 2008</b>	<b>FEB 2009</b>	<b>JUNE 2009</b>	<b>OCT 2009</b>
Strategic Plan	Current		Consider ED comments & finalize							
Ethics Education IEPS	Current	Consider ED comments & revisions	Approve IEPS							
IT IEPS	Current	Consider ED comments & revisions	Approve IEPS							
Practical Experience IEPS	Current	Approve ED		Consider ED comments & revisions	Approve IEPS					
CPD IEIP (External)	Current	Receive progress report	Receive draft IEIP	Approve IEIP						

FUTURE PROJECTS	STATUS	FEB 2007	JUNE 2007	OCT 2007	FEB 2008	JUNE 2008	OCT 2008	FEB 2009	JUNE 2009	OCT 2009
REVIEW OF IESs	Proposed	Consider project proposal	Agree approach	Public consultation	Agree findings					
DEVELOP BENCHMARKING METHODOLOGY	Proposed		Consider project proposal	Discuss issues/principles	Public consultation	Consider first draft	Consider revised draft	Approve ED		Consider ED comments and revisions
GOOD PRACTICE GUIDANCE 1	Proposed			Consider project proposal	Discuss issues/principles	Consider first draft	Consider revised draft	Approve ED		Consider ED comments & revisions
GOOD PRACTICE GUIDANCE 2	Proposed			Consider project proposal	Discuss issues/principles	Consider first draft	Consider revised draft	Approve ED		Consider ED comments & revisions
GOOD PRACTICE GUIDANCE 3	Proposed				Consider project proposal	Discuss issues/principles	Consider first draft	Consider revised draft	Approve ED	
2010-2012 STRATEGIC PLAN							Begin 2010-2012 strategic planning		Strategic planning session (all day)	Consider draft strategic plan and approve ED
MEETING TIME NEEDED FOR PROJECTS		13 hours	14 hours	11 hours (not including work on IES review)	11 hours (not including work on benchmarking)	11 hours	14 hours	11 hours	11 hours	12 hours

The specific areas in which good practice guidance will be developed will be determined by the IAESB's review of existing IESs, including external consultation.

In addition to the above, the IAESB will undertake work in 2007 to:

- Review and update the *Framework for International Education Statements*;
- Develop an IAESB search engine to facilitate access to educational materials.

**PROPOSED PROJECTS AND ACTIVITIES, 2007-2009**

The IAESB and its CAG has considered a number of potential projects and activities in support of the three objectives set out in its Terms of Reference. These are set out below, together with a mapping demonstrating how each contributes to the achievement of one or more of these objectives. From this list of potential projects and activities, the IAESB (with advice from the CAG) has prioritized new projects and activities as detailed below:

Priority	Proposed Projects	Objectives as set out in IAESB's Terms of Reference		
		Establishing a series of standards and other statements reflecting good practice in pre- and post-qualification professional accountancy education and development.	Establishing education benchmarks for IFAC's compliance activities.	Fostering international debate on emerging issues relating to the education and development of professional accountants.
1	Developing a benchmarking methodology to determine the extent of implementation of IESs, as well as assisting in a determination of the extent to which convergence towards IESs has taken place.	X	X	X
2	Conducting a detailed review of existing IES (with input from stakeholders) to determine priority areas for additional guidance.	X	X	X
3	Reviewing and updating the existing <i>Framework for International Education Statements</i> .	X	X	X
4	Developing good practice guidance (IEPS) to support IES 3 (guidance on assessment of competence in the skills areas outlined in the standard).	X	X	X
5 (equal)	Developing good practice guidance (IEPS) to support IES 6 (assessment of professional knowledge; professional skills; and professional values, ethics and attitudes).	X	X	X
5 (equal)	Developing good practice guidance (IEPS) to support IES 8 (specific guidance on "advanced level" knowledge).	X	X	X

**PROPOSED PROJECTS AND ACTIVITIES, 2007-2009 (continued)**

5 (equal)	Identifying educational materials available from member bodies, firms and others and facilitating effective access to these, including the development of a web-based IAESB search engine.			<b>X</b>
5 (equal)	Developing standard or guidance to support education and development of accountants training in business	<b>X</b>	<b>X</b>	<b>X</b>
9	Developing an advanced level version of the current Ethics Education Toolkit.	<b>X</b>		<b>X</b>
10	Developing IEIP(s) in areas of emerging interest, possibly including an IEIP identifying specializations within the accounting profession.	<b>X</b>		<b>X</b>
11	Developing guidance (IEPS or IEIP) for member bodies in producing and using competency frameworks.	<b>X</b>		<b>X</b>
12	Developing additional good practice guidance (IEPS) to support IES 2 (guidance on implementing accounting/organizational and business knowledge components).	<b>X</b>	<b>X</b>	<b>X</b>