INTERNATIONAL FEDERATION
OF ACCOUNTANTS

Agenda Item

545 Fifth Avenue, 14th Floor   *Tel:* +1 (212) 286-9344
New York, New York 10017   *Fax:* +1 (212) 856-9420
Internet: http://www.ifac.org

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Committee:	International Accounting Education Standards Board
Meeting Location:	Istanbul
Meeting Date:	November 6 to 8, 2006

IAESB TECHNICAL MANAGER'S REPORT

This report outlines staff and associated activities for the period July 1 to October 20, 2006.

Section 1 – IAESB Projects

1.1 Information Technology for Professional Accountants

Following the IAESB's meeting in Santiago in July 2006, an exposure draft of a proposed International Education Practice Statement (IEPS), *Information Technology for Professional Accountants*, was released, with a deadline for submissions of November 15, 2006. To the end of September 2006, the exposure draft had been downloaded 1,576 times.

1.2 Ethics Education

Following formal approval from the IAESB at its meeting in Santiago in July 2006, International Education Information Paper (IEIP) 4, *Approaches to the Development and Maintenance of Professional Values, Ethics and Attitudes in Accounting Education Programs* was published in August 2006.

An exposure draft of a proposed IEPS, *Approaches to Developing and Maintaining Professional Values, Ethics and Attitudes* was released in September 2006, with a deadline for submissions of December 15, 2006, following IAESB approval via electronic ballot. To the end of September, the exposure draft had been downloaded 587 times.

Continued staff time has been required to manage the relationship with the developers of the *Ethics Education Toolkit*, which has been delayed while the draft version of the toolkit was "debugged," and changes made to ensure conformity with IFAC style guidelines. The final version of the toolkit was eventually received on October 20, 2006. Work is now ongoing to finalize packaging and distribution, and it is anticipated that CD-ROMS will be distributed to IFAC member bodies, TAC members firms (and to IAESB and CAG members) at the end of November 2006.

1.3 Practical Experience

Following the IAESB's meeting in Santiago in July 2006, members of the Practical Experience Task Force met once in London and once by conference call to revise the proposed International Education Practice Statement (IEPS) in line with the IAESB's recommendations. In addition, an Issues Paper was prepared for the CAG meeting in Brussels in September 2006.

After considering comments from the CAG, a revised, draft IEPS was posted on the IAESB's electronic discussion board for comments from IAESB members in advance of the current meeting. The revised, draft IEPS is included in the agenda papers for the IAESB's current meeting as Agenda Item 3-1.

1.4 CPD

A detailed Project Scope document for a project to develop an International Education Information Paper (IEIP) on output-based approaches to CPD was prepared by the CPD Task Force for CAG consideration at its meeting in September 2006. Following that meeting, the document was revised to take account of the CAG's comments and suggestions; in particular widening the scope of the project to investigate a variety of approaches to CPD measurement. The revised document is included in the agenda papers for the IAESB's current meeting as Agenda Item 4-1.

The revised Project Scope document has been circulated to the Technical Managers of other IFAC Boards and Committees, and has received strong support both for the need for guidance in this area and for the proposed approach. In addition, initial approaches have been made to three potential consultants/consulting organizations, to investigate their willingness/ability to conduct this project on behalf of the IAESB.

1.5 IAESB Strategy Review

Following the IAESB's meeting in Santiago in July 2006, a small working group consisting of the IAESB Chair, IAESB Deputy Chair, the IFAC Technical Director and the IAESB Technical Manager met in Toronto in September to develop draft strategic and operational plans for consideration by the at their meeting in September 2006. The plans were updated by the same working group to take account of the CAG's comments and suggestions, and are included in the agenda papers for the IAESB's current meeting as Agenda Item 2-1.

Section 2 - Promotional and Liaison Activities

2.1 Promotional Activities

There continues to be significant interest in the work of the IAESB, and specifically the International Education Standards, as member bodies and others work on implementation issues. Presentations made by IAESB Board members and staff since the IAESB's meeting in Santiago include:

- American Accounting Association, Washington, August 8, 2006;
- Corpul Expertilor Contabili si Contabililor Autorizati din Romania (CECCAR) Annual Congress, Bucharest, September 15, 2006;

- Role of the Accounting Profession in Economic Development – Africa Region Learning Workshop, Nairobi, September 28, 2006[1];

- Komara Auditoru (Czech Chamber of Auditors) Annual Congress, Prague, October 16, 2006.

2.2 IFAC Website and Electronic Communications

Interest in IFAC's website remains high. Nearly 400,000 unique visitors viewed more than 2,160,000 web pages in the first nine months of 2006. This represents a 10% increase over the 364,000 visitors to the IFAC website in the same period in 2005. The website continues to attract visitors from countries throughout the world. Individuals from 204 countries and territories visited the site during this period, compared with 162 countries during the same period in 2005.

More than 9,700 unique visitors viewed the IAESB's web pages in the nine months to the end of September 2006.

More than 14,000 individuals have signed up to receive the IFAC Education eNews service. eNewsletters are usually released three times per year, after IAESB meetings; the most recent was published in August 2006, highlighting the publication of IES 8 and IEIP 4, and the imminent release of IT and Ethics Education exposure drafts.

2.3 IAESB Publications

There were approximately 9,200 downloads of IAESB publications in the nine months to the end of September 2006. The most popular downloads were:

Publication	No. of Downloads
IES 8, *Competence Requirements for Audit Professionals*	1,475
IES 7 - Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence	789
Introduction to International Education Standards	509
International Education Standards 1-6	485

Section 3 – Consultation and Oversight

3.1 IAESB Consultative Advisory Group (CAG)

The CAG held its second and final meeting of 2006 in Brussels, September 21-22. Substantive discussions were held on a series of matters relating to the IAESB's current work program (Practical Experience and CPD) and proposed strategic and operational plans. The CAG's views and advice are reflected on these and other matters are reflected in the agenda papers prepared for the IAESB's current meeting.

The CAG next meets in New York on February 26, 2006, the day before the IAESB's meeting.

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[1] A detailed report on this event is included in the agenda papers for this meeting as Agenda Item 1-5.

3.2 CAG Membership

Two new Member Organizations and their Representatives joined the CAG at its Brussels meeting:

- Kariem Hoosain: CEO, Independent Regulatory Board for Auditors (South Africa);
- Agnieszka Ostaszewicz: Board Member, European Federation of Accountants and Auditors for SMEs (Poland).

Gary Holstrum, the US Public Company Accounting Oversight Board (PCAOB) Representative is retiring, and has been replaced as the PCAOB's CAG Representative by Greg Scates, Associate Chief Auditor.

At its meeting in September 2006, the PIOB approved the nomination of a third new Member Organization and Representative. Mr Lal Nanayakkara from Sri Lanka will join the CAG at its next meeting as the Representative of the South Asian Federation of Accountants (SAFA).

In addition, an approach has been made to the International Association of Financial Executives Institutes (www.iafei.org) to identify a potential representative able to represent this important user group.

3.3 IFAC Board

A report of the activities of the IAESB was prepared for the IFAC Board meeting in Toronto, September 7-8, 2006. In addition, a detailed report of the IAESB's activities over the period from November 2005 to October 2006 was prepared for the IFAC Board/Council meetings in Istanbul in November 2006.

3.4   Public Interest Oversight Board (PIOB)

A report of the activities of the IAESB was prepared for the PIOB's meeting in Madrid, September 25-26, attended by the IAESB and CAG Chairs. The conversation focused on due process issues and there may be some minor changes to the IAESB's due process procedures going forward. These are still being worked through by the IFAC management.

Section 4 – IAESB Membership

4.1   Composition

Currently, the IAESB consists of 18 members: 11 member body members, 2 public members and 5 members nominated by the Transnational Auditors Committee (TAC).

At its meeting in June 2006, the IFAC Board approved the creation of an additional public member position so that the Terms of Reference of all three IFAC standard-setting boards would be consistent. For 2007, the IAESB will consist of 18 members: 10 member body members, 3 public members and 5 TAC members.

A number of new IAESB members have been approved by the IFAC Board and the PIOB to replace members rotating off after the current meeting. At the time of writing, letters are being sent to the new members and their sponsoring organizations advising them of their appointments. Details of new members will be distributed to the IAESB once this process has been completed.