

Agenda Item 6-1

IAESB CAG Meeting – New York, USA, February 9, 2010



**INTERNATIONAL FEDERATION
OF ACCOUNTANTS**

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Agenda Item

6-1

Committee: IAESB Consultative Advisory Group (CAG)
Meeting Location: New York, USA
Meeting Date: February 9, 2010
SUBJECT: IAESB 2010-2012 Strategy and Work Plan- IAESB Steering Committee Recommendations (02/10) in Response to IAESB Consideration of Significant Comments on the Exposure Draft

Introduction

1. The purpose of this paper is to assist CAG members' discussion of the Steering Committee's recommendations resulting from the Board's suggestions made at the October 2009 IAESB meeting. More specifically, the paper presents the amendments made by the Steering Committee to its revised draft of the *IAESB 2010-2012 Strategy and Work Plan* (the "SWP").
2. This agenda item contains the following materials:

Agenda Item 6-1	IAESB 2010-2012 Strategy and Work Plan- IAESB Steering Committee Recommendations (02/10) in Response to IAESB Consideration of Significant Comments on Exposure
Agenda Item 6-2	Exposure Draft of the proposed IAESB 2010-2012 Strategy and Work Plan (07/09)
Agenda Item 6-3	Draft IAESB 2010-2012 Strategy and Work Plan 02/10 showing changes from Exposure Draft (07/09)
Agenda Item 6-4	Draft IAESB 2010-2012 Strategy and Work Plan (02/10)

Background Material

3. The task force's progress on the project to develop *SWP* is provided at <http://www.ifac.org/Education/ProjectHistory.php?ProjID=0084>. Detailed summaries of the discussions of the IAESB and the IAESB CAG on the various project stages can be viewed in the minutes of the following meetings at <http://www.ifac.org/Education/Meetings.php>. The following provides a brief summary on the various project phases and the meeting at which the phase occurred:
 - October 2009 IAESB meeting, Review and discussion of comments received on the exposure draft of the *IAESB 2010-2012 Strategy and Work Plan*.
 - June 2009 IAESB meeting, Discussion and approval of the release of an exposure draft of the explanatory memorandum on *IAESB 2010-2012 Strategy*

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and Work Plan; A copy of the exposure draft can be obtained at, <http://www.ifac.org/Guidance/EXD-Details.php?EDID=0130>.

- March 2009 IAESB meeting, Discussion of issues related to the first draft of the *2010-2012 Strategy and Work Plan*.
- February 2009 CAG meeting, Discussion of Issues relating to the identification and prioritization of projects and activities for the preparation of the 1st draft (See February 2009 CAG Minutes at <http://www.ifac.org/Education/Meeting-Minutes.php?MID=0187>).
- December 2008 IAESB meeting, Discussion of issues relating to identification and prioritization of projects and activities.
- September 2008 IAESB meeting, Review and discussion of survey findings obtained from the first phase of public consultation.
- September 2008 CAG meeting, Discussion of project issues resulting from findings obtained from public consultation online survey (See September 2008 CAG Minutes at <http://www.ifac.org/Education/Meeting-Minutes.php?MID=0165>).
- May 2008 IAESB meeting, Discussion and identification of key issues that should be covered in the preparation of the project proposal.
- February 2008 IAESB meeting, Identification of reference materials and discussion of project timeline.

September 2009 CAG meeting

4. At its September 2009 meeting, the CAG provided suggestions on the strategic objective for consideration by the IAESB in its discussion of the *SWP*. The IAESB agreed with these suggestions and is shown in paragraph 6 of the Discussion section.

Discussion

5. The Steering Committee has considered the comments and suggestions resulting from the CAG and the IAESB discussion on the Analysis of Respondents Comments on the Exposure draft at its October 2009 meeting and developed a revised draft of the *SWP*. The following identifies areas where amendments have been made to the revised draft.

Strategic Objective

6. The Steering Committee has included the following CAG suggestions in its revision of the IAESB strategic objective: (1) to delete “internationally relevant” and (2) include the phrase, “high quality” to ensure consistency with the Terms of References of other IFAC Standards-setting Boards. The Steering Committee also agreed to include a phrase that refers to adoption and implementation of the IESs, so as to align the IAESB’s work with the strategic themes of IFAC’s 2009-2012 Strategic Plan.

Marked-up Version of IAESB Strategic Objective

The IAESB’s objective **is s-are** to serve the public interest by:

- Establishing a series of **high quality** standards and other **statements publications** reflecting good practice in **pre-and post-qualification professional**

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- ~~accountancy education and development~~ the education, development and assessment of professional accountants;
- **Promoting the adoption and implementation of the International Education Standards;**
 - ~~Establishing~~ **Developing** education benchmarks for IFAC's compliance activities **measuring the implementation of the International Education Standards;** and
 - ~~Fostering~~ **Advancing** international debate on emerging issues relating to the ~~education and development~~ **education, development and assessment** of professional accountants.

Action Requested:

1. Do you agree with the proposed amendments made to the strategic objective? If not, what changes do you suggest making to the strategic objective?

Revision of Standards

7. *Accounting Roles of Professional Accountants*

The Steering Committee has clarified the subsection entitled, Revision of Standards, in both the Chairman's Statement and Strategy sections by indicating that the project on the revision of the IESs will consider the variety of roles of a professional accountant when the task forces review each standard. The proposed amendments to the document acknowledge the need to ensure that the standards address the various roles performed by a professional accountant, including the role of accounting technicians.

Action Requested:

2. Do you agree with the proposed amendments made to the subsection on Revision of Standards for the following sections:
 - i. Paragraph 13, Chairman's Statement
 - ii. Paragraph 19, StrategyIf not, what changes do you suggest making to this subsection?

Communications

Project-by-Project Communications and Convergence Paper

8. The Steering Committee has clarified the subsection entitled, Communications, in both the Chairman's Statement and Strategy sections by indicating that specific communications activities will be identified for each project. The proposed amendments ensure greater flexibility for the IAESB to address communication issues and target appropriate audiences on a project-by-project basis. In addition, the Steering Committee has clarified the description of the consultation paper on convergence in the Communications subsection of the Strategy section by identifying activities which will gather information on the various education models around the world so as to inform the development of a consultation paper. Additional information has been included to describe the scope of the paper.

Action Requested:

- 3. Do you agree with the proposed amendments made to the subsection on Communications for the following sections:**
- i. Paragraph 16, Chairman’s Statement**
 - ii. Paragraphs 26-27, Strategy**
- If not, what changes do you suggest making to this subsection?**

Other Issues

Alignment of timelines for Development and Guidance of IES 8

9. The Steering Committee has amended Appendices 1 and 2 to align the project timelines for the revision and guidance projects to ensure that the task force benefits from the collection of respondents’ comments received from public consultation and exposure drafts phases of these projects. The amendments to the time line were made to accommodate proper work flow for the 4 task forces and to ensure consistency among the 2 Appendices. In addition the Steering Committee has made some additional editorial amendments to the document as result of suggestions received from respondents on the exposure draft of the *SWP*. These amendments were seen as editorial in nature and did not affect the content, but rather improved the clarity of the document.

Action Requested:

- 4. Do you agree with the proposed editorial amendments made by the Steering Committee to the document? If not, what changes do you suggest making to the document?**

Public Interest Issues

10. The Steering Committee has considered the comments/suggestions from the discussion of both the CAG and the IAESB and developed a revised draft of the *SWP*.

Action Requested:

- 5. Based on minutes of previous meetings, do you agree that the IAESB has consulted the CAG on, and has considered its comments in relation to, the development and finalization of the SWP? If not, what comments have not been considered in relation to, the development and finalization of the SWP?**

Proposed Way Ahead

11. If IAESB members are in agreement with the proposed amendments made by the Steering Committee in response to IAESB/CAG comments and suggestions, it is proposed that the IAESB undertake a page-by-page review of the draft *SWP* document.
12. Following a page-by-page review, the IAESB votes on the approval of the final revised content of the exposed *SWP* document in accordance with the IAESB Terms of Reference.
13. After approving the final revised content of the exposed *SWP* document, the IAESB votes on whether there has been substantial change to the exposed document such that re-exposure is necessary.
14. If re-exposure is judged not to be necessary the publication of the *SWP* will occur in the early April 2010, subject to the receipt of any comments made by the PIOB and approval of due process of the project by the PIOB at its March 29-30, 2010 meeting.