Minutes of Public Meeting of the
INTERNATIONAL ACCOUNTING EDUCATION STANDARDS BOARD
CONSULTATIVE ADVISORY GROUP (CAG)

Held on October 22-23, 2018

MEMBERS:
Present:
Ray Johnson (Chair)
Amanda Dempsey
Nishan Fernando
José Echenique
Keith Bowman
Sekar Govindarajan
James Young
Mara Cameran
Ann Lamb
Elena Bozhkova
Jacqueline Birt
Salvador Marin
Ray Johnson (Chair)
Amanda Dempsey
Nishan Fernando
José Echenique
Keith Bowman
Sekar Govindarajan
James Young
Mara Cameran
Ann Lamb
Elena Bozhkova
Jacqueline Birt
Salvador Marin

National Association of State Boards of Accountancy
Independent Regulatory Board for Auditors (South Africa)
South Asian Federation of Accountants
Latin American Association of Business and Accounting Colleges and Universities
Public Accountants Council (Ontario, Canada)
Confederation of Asian and Pacific Accountants
American Accounting Association
European Accounting Association
Common Content Project
Public Company Accounting Oversight Board (USA)
Accounting and Finance Association of Australia and New Zealand
European Federation of Accountants and Auditors for SMEs

IAESB members:
Chris Austin
Anne-Marie Vitale
Susan St. Amant
Bernard Agulhas
Robert Zwane
Rania Uwaydah-Mardini
Adrian Pulham
Greg Owens
Isaac Njuguna
David Simko
Susan Flis
IAESB Chair
IAESB Deputy Chair, Chair of Information and Communications Technology Task force
IAESB member, Chair of IES 7 Revision Task force
IAESB member, Chair of Behavioral Competence Task force
IAESB member, Secretary of Behavioral Competence Task force
IAESB member, Chair of Public Sector Accounting, Reporting, and Assurance
IAESB member, Chair of Public Sector Accounting, Reporting, and Assurance
IAESB member, Chair of Stakeholder Engagement and Communication Work Group
IAESB member, Chair of Implementation Support Work Group
IAESB member, Chair of Professional Skepticism Task force
IAESB member, Secretary of Professional Skepticism Task force
Managing Director, Professional Standards
IAESB Principal
IAESB Executive Assistant

IFAC Staff:
James Gunn
David McPeak
Sonia Tavares

Observers:
Aileen Pierce
Public Interest Oversight Board Representative

Regrets:
Fabio Moraes da Costa
Stephanie Bryant
FUCAPE Business School (Brazil)
The Association to Advance Collegiate Schools of Business
OPENING MATTERS

1.1 Welcome and Introductory Remarks
Dr. Ray Johnson, Chair of the IAESB CAG, welcomed members and other participants to the meeting. A special welcome was extended to Ms. Elena Bozhkova (Representative of Public Company Accounting Oversight Board (USA)), Dr. James Young (Representative of American Accounting Association), Dr. Salvador Marin (Representative of European Federation of Accountants and Auditors for SMEs) to their first in-person meeting of the IAESB CAG, and to Dr. Aileen Pierce who represented the Public Interest Oversight Board at this meeting.

Apologies were received from Dr. Fabio Moraes da Costa (FUCAPE Business School (Brazil)) and Dr. Stephanie Bryant (The Association to Advance Collegiate Schools of Business).

1.2 Approval of Agenda and Minutes of Previous Meeting
Approval of Meeting Agenda
The CAG approved the meeting agenda as is.

Approval of Minutes of Previous Meeting
The CAG approved the minutes of the April 2018 CAG meeting, but asked that the teleconference participation and written contributions to task force chairs on the CAG agenda by Ms. Lamb, Dr. Birt, and Dr. Cameran should be acknowledged.

1.3 Summary of IAESB Responses to CAG Comments
The CAG noted the Summary of IAESB Responses as is.

1.4 CAG Chair’s Report
Dr. Johnson, CAG Chair, noted that he participated in the July 2018 IAESB and the September 2018 PIOB meetings representing the views of the IAESB CAG relating to the Board’s projects. He also indicated that he prepared and submitted the CAG’s comment letter to Dr. Stavros Thomadakis, IESBA Chair, on the IESBA’s Consultation Paper, Professional Skepticism – Meeting Public Expectations. Dr. Johnson thanked CAG members for their contributions and the strong chemistry that they have shown as a group over the last six months.

1.5 IAESB Chair’s Report
Mr. Chris Austin, IAESB Chair, reported on the PIOB’s approval of due process activities relating to IES 7, Continuing Professional Development (Revised) and indicated that the standard will be released with Implementation Support Materials to assist Professional Accountancy Organizations
(PAOs) in the implementation of the standard. He alerted CAG members to the tight timeline ahead in terms of completing the Board’s work on priority projects related to its 2018-2019 work plan, including Standards Development Activities, Development of Implementation Support Materials, and Stakeholder Engagement and Communications activities. Finally, Mr. Austin thanked CAG members for their contributions to the project of revising IES 7 and he also thanked Dr. Johnson for his support.

CURRENT IAESB PROJECTS

2. MAINTENANCE OF SUPPORT MATERIALS FOR IES IMPLEMENTATION

Mr. Isaac Njuguna, Implementation Support Work Group (ISWG) chair, provided CAG members with an Issues paper that summarized feedback from a survey on the implementation of IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes (2015) by developing IFAC member bodies, as well as questions for discussion. The following summarizes the CAG members’ discussion.

Discussion of Issues

Survey on the Implementation of IES 4

In general, CAG members were supportive of ISWG’s conclusions and recommendations on the survey (See Agenda Item 2-1 of the October 2018 CAG meeting). However, CAG members provided the following suggestions with the aim of improving the clarity and direction of the conclusions and recommendations:

- Improve the understanding of the implications of the conclusions by disaggregating the feedback and including a sentiment analysis of positive and negative views from the various jurisdictional perspectives of respondents;
- Support the conclusion and recommendation for additional support materials that provide “good practices,” as well as the need for case studies that reflect real-life examples from practice and regulators’ reports so to assist those delivering materials in the classroom.

CAG members also suggested that the context needed to be enhanced around the conclusions so that they can be better understood, including to:

- Develop Support Materials that include practice examples which consider factors, such as the proficiency level (e.g., IPD versus CPD), amount of practical experience, and prerequisites for entry into the program;
- Promote an integrated approach in addressing the implementation issues by reaching out to the IESBA and other IFAC committees for their perspectives;
- Review IES 4 learning outcomes with consideration of overlapping skills areas identified in IES 3’s learning outcomes;
• Improve communications relating to intellectual property and confidentiality to improve access to existing support materials; and
• Clarify the delineation of responsibility for development, implementation, and delivery processes for support materials.

CAG members also suggested developing a Personal Perspectives article that interviews those using “best/ good practices” in implementing the IESs, developing a website portal that enables stakeholders to share case studies, empirical research articles, and existing literature reviews, as well as providing an opportunity for discussion among interested stakeholders. In addition, CAG members indicated that this should not be a “one size fits all” initiative, and it is important to prioritize the needs of stakeholders.

**Proposed Way Ahead**

The advice and suggestions resulting from CAG members’ deliberations on issues relating to implementation of IES 4 will be brought to the IAESB for consideration at its October 2018 meeting.

### 3. Enhancements to Learning Outcomes from Information & Communications Technology Perspective

Ms. Anne-Marie Vitale, Information and Communications Technology task force chair, provided CAG members with copies of papers that included a mapping of learning goals to learning outcomes, marked-up and clean versions of revised and new ICT and professional scepticism learning outcomes, marked-up and clean versions of conforming and clarifying changes to extant learning outcomes, as well as an Issues paper that identified questions for discussion. The following summarizes CAG members’ discussion.

**Discussion of Issues**

**Sufficiency of Process**

In general, CAG members indicated that the process used to develop new or revised learning outcomes related to ICT was sufficient (See [Agenda Item 3-1 of October 2018 CAG meeting](#)). However, CAG members suggested that the following to improve the understanding of the process:

- Include a qualitative description of the process as an appendix to the Exposure Draft; and
- Improve the clarity of the process’s scope by identifying limitations, such as there is no work allocated to develop a competency framework.

**Granular Skills**

In general, CAG members supported the proposed granular skills because they assist in the implementation of the learning outcomes. However, several CAG members indicated that the
proposed granular skills read more like granular learning outcomes statements and flexibility may be needed in their formulation because certain skills will change in the workplace going forward. It was suggested that granular skills will be helpful to developing and developed countries, but they are a moving target because of pervasiveness nature of change. Several CAG members also suggested that proposed PAIB learning outcomes may already be covered by Member Organizations through their core competencies. It was also suggested that proposed professional skepticism learning outcomes may not sufficiently cover learning outcomes needed to demonstrate behavioral competence.

**Proposed Revised and New ICT Learning Outcomes**

In general, CAG members supported the proposed revised and new learning outcomes for ICT in IESs 2, 3, 4, and 8. However, several CAG members indicated that IFAC member organizations need flexibility to adapt to country-specific regulations and sector-based regulations. Some CAG members questioned the proficiency levels of the proposed ICT learning outcomes and whether they were sending the right message to the public. In particular, it was noted that the proficiency level for software use would differ from the proficiency level needed to interpret the output from software tools. Several CAG members indicated that professional accountants need to be able use ICT skills in a practical business environment. It was pointed out that there were no ICT skills covering artificial intelligence, block chain technology, or an awareness and appreciation of future technologies.

**Definitions**

CAG members provided several editorial suggestions for the terms, “Information and Communications Technologies” and “Data and Information,” including

- **Information and Communications Technologies**
  - Replacing “organizations” with “society” or “individuals” to broaden the scope and deleting “effectively” to avoid prejudging the quality of communications;

- **Data and Information**
  - Revisiting the formulation of the definition to improve clarity, possibly separating the two terms to broaden what is captured by the two terms.

**Proposed Way Ahead**

The advice and suggestions resulting from CAG members’ deliberations on issues relating to proposed revisions to ICT learning outcomes will be brought to the IAESB for consideration at its October 2018 meeting.
4. **LIST OF 2018-2019 IAESB PROJECTS AND ACTIVITIES**

   CAG members noted the July IAESB list of priority projects and activities (See Agenda Item 4-1 of October 2018 CAG meeting) that Board members approved for completion by June 30, 2019.

5. **IAESB STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS**

   On behalf of the Stakeholder and Engagement Work Group (SE&C), Mr. David McPeak (IAESB Principal) made an oral presentation that provided CAG members with an update on SE&C activities during the period between April and October, as well as its planned activities to June 30, 2019. The following summarizes CAG members’ discussion.

   **Discussion of Issues**

   CAG members supported the continued use of Personal Perspectives articles as a communications vehicle. CAG members also suggested:

   - Using other types of formats in developing Personal Perspectives articles, such as an interview format;
   - Promoting the awareness of Personal Perspectives articles by including them in PAO newsletters and magazines;
   - Recommending the use of Personal Perspectives and Accounting Education Insight articles as a “good / best” practice in transition notes for June 2019;
   - Developing webinars and discussion forums that promote engagement and obtain 2-way interaction among stakeholders and IAESB; and
   - Bringing greater awareness to the need for additional resources from IFAC to support the Board’s communications and engagement activities.

   **Proposed Way Forward**

   The CAG members’ comments on methodology, analysis, and project proposal would be forwarded to IAESB for consideration at its October 2018 meeting.

6. **COMBINING IESs 2, 3, AND 4**

   Mr. Gareth Wellings, Drafting Working Group chair, provided IAESB CAG members with copies of papers on the proposed draft of proposed Combined IESs 2, 3, and 4, extracts from March 2013 IAESB Issues paper, March 2013 IAESB meeting minutes, February 2013 IAESB CAG meeting minutes, an Analysis of Members Comments, and an Issues paper that identified questions for discussion on the viability of combining IESs 2, 3, and 4. The following summarizes the CAG’s discussion.
Discussion of Issues

Exposure Draft of Combining IESs 2, 3, and 4

CAG members expressed a mixed view on whether to issue an Exposure Draft (ED) on combining IESs 2, 3, and 4. Those members in favour of issuing an ED indicated that the project was time neutral and would not extend the timeline for revising the learning outcomes of IESs 2, 3, and 4. Members also suggested that many of issues raised from the minutes of prior discussions were no longer present. Those members who opposed issuing an ED indicated that there was no compelling reason for combining these IESs, the project was not identified in the IAESB 2017-2018 work plan, and it may have unintended consequences on existing learning outcomes that might require additional drafting changes. Several members asked whether the combining of these IESs would create additional work for the PAOs.

Title of Combined Standard

CAG members agreed with the proposed title, Initial Professional Development – Accounting Education Programs, for the standard that combines IESs 2, 3, and 4. However, CAG members queried on how IES 5 on practical experience would be included in accounting education programs.

Ordering of Content

CAG members suggested that the content on professional values, ethics, and attitudes should be placed before content on technical competence and professional skills to give it greater prominence. This change could be reinforced by changing the order of sentences in Paragraph 2 of the proposed Combined standard (See Agenda Item 6-2 of October 2018 CAG meeting). It was also suggested that greater emphasis was needed in providing a common understanding of proficiency by explaining the selection of action words in the learning outcome statements, and showing the need to integrate the learning outcomes of IESs 2, 3, and 4 to demonstrate professional competence.

Extending the Requirement for Reflective Activity

CAG members suggested the need to bring the requirement on reflective activity to the beginning of the requirements and to provide additional explanation on its importance to professional accountants in the Explanatory Material section, In addition, CAG members suggested that attention to the translation and cultural issues in its application was needed for improved comprehension of what is reflective activity.

Retaining General Education

CAG members supported the view of retaining general education because it provides a foundation to develop technical competence, professional skills, and professional value, ethics, and attitudes,
as well as assists in the integration of these elements. It was suggested that wording from the Framework (2015) would assist in explaining the importance of general education.

Improving Clarity of Explanatory Material
CAG members suggested that examples provided in paragraphs A22, A32, and A33 are too narrow in scope and may not be helpful for illustrating learning activities to demonstrate technical competence and professional skills. It was suggested that this material be used in developing implementation guidance materials that have a narrower scope, such as a support material that focuses on reflective activity.

Proposed Way Forward
The advice and suggestions resulting from the CAG’s deliberations on the proposal to combine IESs 2, 3, and 4 into one IPD standard will be brought to the IAESB for consideration at its October 2018 meeting.

7. ENHANCEMENTS TO LEARNING OUTCOMES FROM PROFESSIONAL SKEPTICISM PERSPECTIVE

Mr. David Simko, Professional Skepticism task force chair, provided CAG members with copies of papers that included an IAESB response letter to the IESBA Consultation paper on professional skepticism, a skills inventory workbook, proposed professional skepticism learning outcomes, as well as an Issues paper that identified questions for discussion. The following summarizes the discussion of IAESB CAG members.

Discussion of Issues
Sufficiency of Process
In general, CAG members agreed with the proposed process used by the task force in performing the analysis of PS skills and behaviors from various sources to the competence areas and learning outcomes in the existing IESs. CAG members, however, did question how behavioural competence would be integrated in terms of competence areas and learning outcomes within the existing IESs.

Definitions
CAG members made the following suggestions to improve the clarity of the proposed definitions (See Agenda Item 7-1 of October 2018 CAG meeting):

Critical Thinking
- Replace the word, “issue” with the following phrase, “facts, data, and information” to enhance the scope;
• Replace the phrase, “in posing” with the following word, “prompts” to reflect the understanding and willingness to analyze and evaluate;

**Questioning Mindset**

• Replace the word, “fundamental” with the word “essential” to emphasize its importance to the application of critical thinking;
• Suggest adding the “and behavior” to improve understanding of what is needed to apply a questioning mindset;
• Suggest capturing the concept of behavioral competence in the definition of questioning mindset;

**Professional Judgment**

• Suggest adding the word, “skills” to the phrase,” relevant training, knowledge, and experience” to improve understanding;
• Suggest linking to the role of professional accountants rather than to relevant professional standards;
• Review the phrase, “relevant professional standards” because the intent of the phrase may not be well understood in different circumstances.

It was also suggested that the term, “cognitive flexibility” should also be defined.

**Proposed Way Forward**

The advice and suggestions resulting from the CAG’s discussion on the proposed process and definitions will be brought to the IAESB for consideration at its October 2018 meeting.

8. **IMPLEMENTATION SUPPORT MATERIAL FOR PROFESSIONAL SKEPTICISM**

Mr. David Simko, Professional Skepticism task force chair, provided CAG members with an Issues paper that proposes an additional publication to better explain how the IESs support the development of a questioning mindset in professional accountants and identifies questions for discussion. The following summarizes the discussion of IAESB CAG members.

**Discussion of Issues**

*Personal Perspectives Article*

CAG members supported the need for additional Implementation Support Material to demonstrate how the IESs support one’s ability to be skeptical and apply a questioning mindset. In general, CAG members supported the proposal for a Personal Perspectives article to address this need and also made the following suggestions:

• Align proposed thought leadership materials on enhancing the exercise of professional skepticism and professional judgment by professional accountants with the IESBA’s work on its Ethics Code;
• Facilitate the awareness and support the application of professional skepticism and professional judgment in the development and education of professional accountants;
• Use other forms of communication vehicles, such as a video to provide an overview of best / good educational practices in developing the application of professional skepticism and professional judgment in aspiring and professional accountants; and
• Support the development of short articles that can be disseminated through newsletters and magazines of academic associations and PAOs.

Proposed Way Forward
The advice and suggestions resulting from the CAG’s discussion on implementation support materials for professional scepticism will be brought to the IAESB for consideration at its October 2018 meeting.

9. IMPLEMENTATION SUPPORT MATERIAL FOR IES 7
Ms, Susan St. Amant, IES 7 Revision task force chair, provided CAG members with copies of papers that included an overview of support materials for IES 7 (Revised), relevant and adequate CPD, examples of measurement approaches, CPD frameworks, as well as an Issues paper that identified questions for discussion. The following summarizes the discussion of IAESB CAG members.

Discussion of Issues
In general, CAG members supported the direction and the coverage of concepts addressed within the Implementation Support Materials papers. However, CAG members made the following suggestions to improve clarity:

Overview of IES 7 Support Materials
• Enhance the understanding of Paragraph 2 (See Agenda Item 9-2 of October 2018 meeting) by recognizing that CPD affects professional accountants working in SMP and SMEs;
• Improve clarity of the scope in Paragraph 4 by indicating that it does not represent an exhaustive list of guidance materials;
• Expand the scope of IES 7 Support Materials by gathering feedback on the content of Support Materials and examples of “good” practice from stakeholders;

Relevant and Adequate CPD
• Improve clarity of 1st Paragraph (See Page 1 of Agenda Item 9-3 of October 2018 meeting) by replacing the word, “consistency” with “effective;”
• Review whether the phrase, “size of the organization” in Paragraph 2 (See page 1) is needed when describing professional accountants;
• Review whether the word, “number” is appropriately used and conveys the right messaging when describing the concept of adequate CPD in Paragraph 2 (See Page 2);
• Improve clarity of Paragraph 3 (See Page 2) by replacing the word “including” with “for example”;
• Add a fourth bullet to Paragraph 3 (See Page 2) to capture professional accountants working in SMPs and distinguish from those professional accountants working in the “Big Four” public accounting firms;
• Add a bullet that recognizes professional accountants returning to practice;

Measurement Evidence Examples
• Review whether examples of evidence sufficiently cover examples of jurisdictions and breath of CPD learning activities, such as practice inspections;

CPD Frameworks
• Enhance the section on “The Value of CPD Frameworks” by explaining how CPD Frameworks would be implemented by SMP practitioners (See Agenda Item 9-5 of October 2018 CAG meeting);
• Include a reference to IAESB Glossary to assist with definitions; and
• Improve clarity of the term “Self-Assessment” by replacing the phrase, “..to identify relevant learning outcomes and personal development gaps” with “..to identify personal development gaps and relevant learning outcomes.”

Proposed Way Forward
The advice and suggestions resulting from the CAG’s comments and suggestions on Implementation Support Materials for IES 7 would be considered by the IAESB at its October 2018 meeting.

10. IFAC AND OTHER REPORTS
The IAESB CAG received and noted the Dashboard reports on the activities of the Standard–Setting Boards. IAESB CAG members had no comments on the reports but were asked to forward a list of their speaking engagements to IAESB staff.

11. FUTURE MEETINGS AND OTHER BUSINESS
The CAG noted that its next meeting will be held in Bali, Indonesia on April 8 and 9, 2019.

12. PIOB REPRESENTATIVE’S COMMENTS
Dr. Pierce indicated to CAG members that it continues to be a pleasure for her to observe the IAESB CAG on behalf of PIOB because discussions at the CAG meeting are always thought-provoking, and the attention to detail is commendable in the context of the agenda for this particular meeting. There
is a demanding work program anticipated for the Board over the remaining eight months of its existence and the CAG continues to have an important role in representing the public interest in the SSB deliberations. Depending on the specific work plan agreed at the Board in the coming days, there may be additional demands on CAG members’ time and valuable input in the upcoming busy period.

On behalf of PIOB, Dr. Pierce asked that CAG members to continue to do their best to make even more time available to reflect and feed-back at this critical juncture. She congratulated the Task Forces for the extensive and good quality materials tabled for consideration. Dr. Pierce also expressed appreciation to the IAESB staff, David and Sonia, for the ongoing support and helpful engagement with PIOB. The staff also deserve congratulations for their agility and dedication in supporting the constructive IAESB and CAG responses to the changed circumstances forced upon them by the recent IFAC position on education. In conclusion, Dr. Pierce indicated job well done to all participants and thanked all for the insights shared, and to IFAC for the generous hospitality provided.

13. MEETING CLOSURE

Dr. Johnson thanked CAG members for their advice and suggestions to the agenda items. He noted that members’ discussion was thoughtful and their input on the Board’s projects was helpful to the chairs of the task forces and work groups.

Dr. Johnson closed the meeting and wished everyone safe travels home.

The public meeting closed at 12:13 hours, October 23, 2018.

Approved by Chairperson: ................................................

Date: .................................................................
# ACTION LIST

## IAESB CAG MEETING – October 2018

<table>
<thead>
<tr>
<th>ACTION</th>
<th>PERSON(S) RESPONSIBLE</th>
<th>DUE DATE</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Update CDL</td>
<td>S Tavares/ D McPeak</td>
<td>ASAP</td>
<td>DONE</td>
</tr>
<tr>
<td>4. Present CAG comments/advice on the preparation of learning outcomes for Information and Communications Technology</td>
<td>AM Vitale/ D McPeak</td>
<td>October 24, 2018</td>
<td>DONE</td>
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<tr>
<td>5. Present CAG suggestions /advice on proposal to develop an Exposure Draft to combine IESs 2, 3, and 4, into one IES</td>
<td>S St Amant/ D Slezak/ D McPeak</td>
<td>October 24, 2018</td>
<td>DONE</td>
</tr>
<tr>
<td>6. Present CAG suggestions/advice on the Engagement and Communications Plan</td>
<td>G Owens/ D McPeak</td>
<td>October 24, 2018</td>
<td>DONE</td>
</tr>
<tr>
<td>7. Present CAG suggestions/advice on Implementation Support Materials for IES 7</td>
<td>D McPeak</td>
<td>October 24, 2018</td>
<td>DONE</td>
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