

International Accounting Education  
Standards Board

**Update on Projects & Activities**

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*Introduction*

**Overview of Presentation**

- *About IFAC & IAESB*
- *Overview of IES Revision Project*
- *Redrafting of IES 7*
- *Revision & Redrafting of IES 5*
- *2011-12 Challenges*

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*About IFAC & IAESB*

**Who is IFAC**

- **Global organization of the accountancy profession, dedicated to the public interest**
- **Comprised of 164 member bodies and associates in 125 countries**
- **Represents 2.5 million accountants in public practice, education, government, service, industry, and commerce**



*About IFAC & IAESB*

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

- **One of 4 standard-setting bodies in IFAC that develops standards and guidance for education, assessment, and development of professional accountants**
- **Members include practicing accountants, academics, representatives from business, the forum of firms and the public**
- **Oversight of Board's activities by Public Interest Oversight Board (PIOB)**
- **Consultative Advisory Group**



### *About IFAC & IAESB*

#### ***The IAESB's objective 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 IESs
- Developing education benchmarks for measuring the implementation of the IESs
- Advancing international debate on emerging issues relating to the education, development, and assessment of professional accountants

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### *About IFAC & IAESB*

#### **Strategic Initiatives:**

The IAESB's projects and activities have focused on:

- Revision of IESs
- Adoption & Implementation Materials
- Communications

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### *Overview of IES Revision Project*

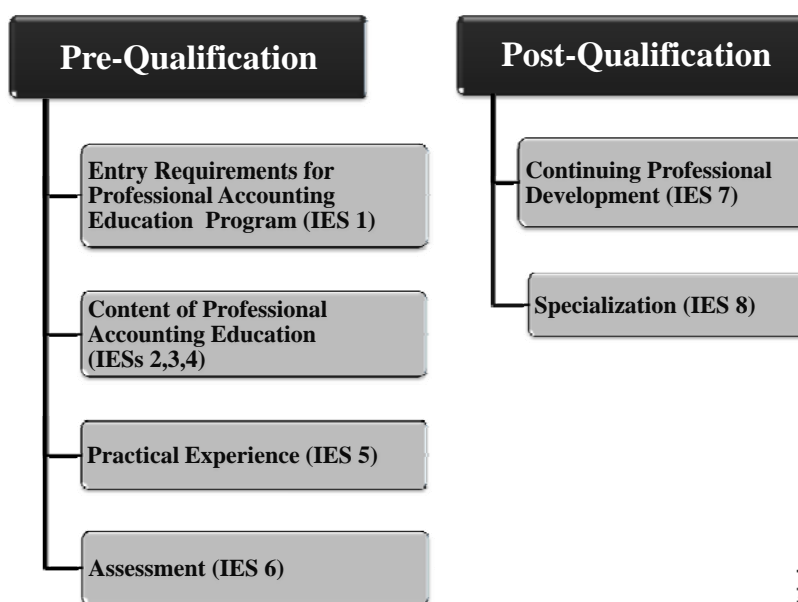
#### **Aim of Revision Project:**

- Improve clarity
- Ensure consistency with new Framework (2009) document
- Clarify issues resulting from environment and experience
- Ensure wide and sufficient consultation

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### *Overview of IES Revision Project*



### ***Overview of IES Revision Project***

- ***IES 1, Entry Requirements to a Program of Professional Accounting Education***
- ***IES 2, Content of Professional Accounting Education Programs***
- ***IES 3, Professional Skills and General Education***
- ***IES 4, Professional Values, Ethics and Attitudes***
- ***IES 5, Practical Experience Requirements***
- ***IES 6, Assessment of Professional Capabilities and Competence***
- ***IES 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence***
- ***IES 8, Competence Requirements for Audit Professionals***

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### ***Overview of IES Revision Project***

#### **Revision of IESs – Progress to Date**

- Consultation of project issues with CAG (February 2010, September 2010, February 2011 mtgs.)
- Public consultation
  - Targeted consultation meetings on IESs 1, 3, & 5 (March-August 2010)
  - Consultation paper on IES 8 issued (March 2010)
  - Exposure Draft of IES 7 (December-March 2011)
  - Exposure Drafts of IESs 4 & 6 (April-July 2011)
  - Exposure Drafts of IESs 1 & 5 (June-October 2011)

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### *Overview of IES Revision Project*

#### **Scope of Revision of IESs 1- 6:**

- IES 1: Develop a principle-based approach to entry requirements
- IES 2: Provide greater depth for knowledge content through learning outcome approach
- IES 3: Merge general education with professional skills
- IES 4: Increased emphasis on learning outcome approach
- IESs 5 & 6: Develop a principle-based approach to the requirements for practical experience and assessment

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### *Redrafting of IES 7*

#### **Purpose**

- Improve clarity by reorganizing content (Introduction, Objective, Requirements, Explanatory Materials)
- Ensure terms & concepts are consistent with new Framework (2009) document

#### **Public Consultation**

- 3-month exposure period (Dec-March 2011); 40 Responses received (e.g., IFAC Member Bodies & Associates, Public Accounting firms, Regulators, Other Professional Organizations, Individuals)
- Overall reaction was positive- Significant Improvement on Current Standard
- Received additional requests for clarification
- Requests for additional guidance on output-based approach to measure attainment of CPD

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*Redrafting of IES 7***Proposed redrafted IES 7 continues to:**

- Allocate responsibility to individual professional accountant for maintaining competence
- Identify requirements for PAOs in areas of:
  - Promotion of lifelong learning
  - Access to CPD
  - Mandatory CPD for all professional accountants
  - Monitoring and enforcement

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*Redrafting of IES 7***Proposed Redrafted IES 7**

- Requires IFAC Member bodies to establish their preferred approach to measuring their members' CPD activity from the following approaches:
  - output-based
  - input-based or
  - a combination of input-based and output-based approaches.

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### *Revision & Redrafting of IES 5*

#### **Purpose**

- Provide greater flexibility in measuring practical experience
- Ensure terms & concepts are consistent with new Framework (2009) document
- Improve clarity of IES 5

#### **Proposed Public Consultation**

- 3-month exposure period (Dec-Feb 2012)

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### *Revision & Redrafting of IES 5*

#### **Proposed Requirements of Revised IES 5:**

##### **Practical Experience shall be:**

- part of Initial Professional Development
- have a duration & intensity sufficient to perform work with professional competence
- measured using one of the following three approaches: output-based; input-based; or a combination approach.
- conducted under the direction of a mentor or supervisor
- recorded in verifiable & consistent form
- reviewed on a periodic basis

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### *2011-12 Challenges*

#### **Revision of IESs – Next Steps**

- Review of final draft & Approval for publication of IES 7 (October IAESB meeting)
- Analysis & Discussion of IESs 1, 4, and 6 consultation findings (October IAESB mtg.)
- Discussion & Approval of IES 8 Exposure Draft (October IAESB mtg.)
- Discussion of Issues & Drafts on IESs 2, 3, & 5 with IAESB (Sept CAG & Oct IAESB mtgs.)
- Review of Final Drafts & Approval for publication (2012-2013)

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### *IAESB Information*

- IAESB's web site –  
**[www.ifac.org/Education/](http://www.ifac.org/Education/)** – provides more information on IAESB activities, projects, and all education pronouncements.

THANK -YOU

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