



Mr David McPeak
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International Accounting Education
Standards Board (IAESB)
International Federation of Accountants

Email: davidmcpeak@ifac.org

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Ref.: ETH/PWE

Dear Mr McPeak,

Re: 2014 – 2016 IAESB Strategy and Work Plan Exposure Draft

FEE (the Federation of European Accountants) is pleased to comment on the 2014 – 2016 IAESB Strategy and Work Plan Exposure Draft, in particular on the three strategic priorities that the IAESB has identified for its work over the next three years.

1. Establish and develop International Education Standards (IESs)

FEE commends the IAESB for having reflected on its core reason for existence, higher purpose and mission.

The IAESB's primary work as standard setter for professional accounting education was central to fulfil its mandate to enhance the competence of professional accountants. Developing IES 1 – 8, the IAESB has created principles for professional accounting education worldwide. The revision of IES 1 – 8 started in 2009 was important to enhance the clarity of the standards and FEE has contributed to all related exposure drafts.

However, the completion of the revision project foreseen for 2013/2014, should have an impact on the IAESB's primary work and its overall mandate. According to the information provided about the IES revision project on the IAESB's website, the IAESB does not envision developing new IESs, which we support. A period of stability during which no new IESs will be issued will allow IFAC member bodies the time needed to implement the revisions.

Therefore, once this core work of the IAESB is completed in 2013/2014, it should pause its activities.

We doubt that the proposed activity to “continually scan of the dynamic environment in which professional accountants work to assess the need to revise existing IESs or develop additional standards” (paragraph 20 of the proposed Strategy and Work Plan) justifies that the IAESB remains fully operational. It should be sufficient to carry out such scans occasionally and based on evidence that a scan is needed, which can be done with a minimum investment of time and resources by the IFAC secretariat upon recommendation from IFAC member bodies.

2. Engage stakeholders and promote the adoption and endorsement of the revised IESs

Promoting the recognition and adoption of the revised IESs by engaging with IFAC member bodies, professional accountancy organisations (PAOs), regulators and education providers (paragraph 21 of the proposed Strategy and Work Plan) is to our view an activity where the IAESB has a limited role.

In the first instance, the IESs are addressed to IFAC member bodies, thus the adoption and endorsement of IESs is a task of the IFAC member bodies. The recently revised IFAC Statements of Membership Obligations (SMOs) are designed to assist PAOs in leading the way to serve the public interest by supporting adoption and implementation of international standards. Under the IFAC member body compliance programme, IFAC member bodies have to consider any actions that will need to be taken to address the revised SMO requirements, which generally includes the adoption and endorsement of the revised IESs. We are not aware whether, based on the structure of IFAC, the IAESB as independent standard setter has a role in IFAC’s member body compliance programme.

Secondly, in countries where IFAC member bodies are only partly or not at all involved in education, the role of IFAC in general or the IAESB in particular is even more limited. Even the IFAC member bodies can only use their best endeavours to ensure that professional accounting education programs delivered by those in charge of education (government authorities, universities or other educational organisations) refer to principles outlined in the IESs. We doubt that the IAESB could have a prominent influential role in these countries.

Additionally, as far as the provision of statutory audit in the European Union is concerned, the EU Statutory Audit Directive already provides a harmonised framework for educational qualification requirements that has to be applied by all stakeholders involved in education of accountants providing statutory audit. For these stakeholders (IFAC member bodies, government authorities or educational organisations that might have shared responsibilities), IESs might be interesting as background material for information, but EU law as implemented into national law prevails. In addition, the EU Statutory Audit Directive is currently under review, which might have an impact on the responsibilities of IFAC member bodies in the EU.

Activities related to the translation of IESs as suggested in paragraph 22 of the proposed Strategy and Work Plan are – as explained in Appendix 1 of the Strategy and Work Plan – aimed at identifying experts who can perform translation. We assume that acting as facilitator in identifying expertise within IFAC member bodies is an activity that can be carried out at IFAC secretariat level.

3. Support and provide guidance to facilitate the implementation of the revised IESs

According to paragraph 24 of the proposed Strategy and Work Plan, the IAESB intends to revise a number of International Education Practice Statements (IEPSs) and International Education Papers (IEIPs) to ensure that they are aligned with the revised IESs and support the implementation of the IESs.

Before starting such a comprehensive project, it might be worth investigating if and how the previous IEPSs and IEIPs were used in practice in order to evaluate their relevance and impact. To that extent, the proposed benchmark study of good practice to determine how IFAC member bodies are implementing the IESs might be of help.

Furthermore, provided that it turns out that there is a certain need for guidance to facilitate the implementation of the revised IESs, it should be kept in mind that IFAC standards are developed on a principles-based approach. Focusing on the underlying aim rather than on detailed restrictions and prohibitions, the principles-based approach combines flexibility with rigour in a way that is unattainable with a rules-based approach. Some guidance or examples of how the principles should be applied may be necessary, extensive guidance might however move too close to a rules-based approach.

For further information on this letter, please contact Ms Petra Weymüller from the FEE Secretariat (email: petra.weymuller@fee.be, Tel.: +32 2 285 40 75).

Yours sincerely,



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Chief Executive