

November 28, 2016

Eddy Wymeersch
PIOB Chair
C/ Oquendo, 12
28006 - Madrid, Spain

Re: Consultation on 2017-2019 PIOB Strategy

Dear Mr. Wymeersch,

The International Accounting Education Standards Board (IAESB) Consultative Advisory Group (CAG) appreciates the opportunity to comment on the Public Interest Oversight Board's (PIOB) consultation paper entitled, 2017-2019 PIOB Strategy.

In general the IAESB CAG supports the goal of the PIOB as enunciated in the consultation paper, *2017-2019 PIOB Strategy*. The IAESB is also fully supportive of the PIOB's view that there is room for structural improvements to enhance the independence of the SSBs and their responsiveness to all stakeholders.

The IAESB CAG has chosen to comment on only those sections that fall within the IAESB CAG's remit of responsibility for professional accounting education and training. We provide comment on the following.

Identification of threats to the public interest

In general the IAESB CAG agrees with a risk-based approach to the public interest, subject to consideration of the following comments:

- Enhance the step of identifying risks to the public interest by integrating the perspective of education and development. For example, IAESB's standard on entry requirements addresses, from an education and development perspective, issues relating to the provision of sufficient numbers of high-quality aspiring professional accountants. A risk management framework that protects the public interest will not only identify risks from different perspectives, but also socialize these risks to ensure that they are addressed when developing and implementing standards' requirements.
- Encourage representation on both the IAESB CAG and IAESB that recognizes the various education models that exist globally in the area of education and development.

Strengthened PIOB oversight

The IAESB CAG supports the PIOB's approach in overseeing the standard setting activity of the SSBs and their strategies and work plans, including nominations to the SSBs and the review of the Board's terms of reference. The IAESB CAG does not see any added value in the PIOB being involved at an earlier stage by overseeing working groups and or task forces. The IAESB CAG would see greater value added to the standards development process if CAG members and IAESB Public members are encouraged to participate and reflect a public interest perspective on taskforce/workgroups for the Board's authoritative standards projects. Not only would projects benefit from members' expertise and experience, but they would be more likely to recognize public interest issues. The PIOB can show leadership in providing orientation to new members in sensitizing members' recognition and discussion of public interest issues. The use of a risk management framework that protects the public interest would not

only identify risks from different perspectives, but also socialize these risks to ensure that they are addressed when developing and implementing standards' requirements.

The IAESB CAG believes that further investigation and experimentation are needed to improve representation in consultations that require directional input. Greater emphasis on surveys and polling that target impacted audiences on specific issues relating to education standards' requirements may be more efficient and effective. With the advent of social media and other technological advances such as webcasts, respondents' electronic responses can be assembled on and accessed from one repository website that enables public scrutiny. CAG members could be empowered to discuss projects asynchronously through email threads, polling and surveys all of which can be viewed by the public on the IAESB website.

Supporting accounting education

Public interest issues are continuously evolving because of changes in the environment, user expectations and advances in technology. CAG members are well placed to identify emerging public interest issues because of the diversity of their experience and expertise. The IAESB CAG can take a leadership role in ensuring that the Board is aware of emerging issues relating to the public interest, especially those issues relevant to international accounting education standard-setting, and to accounting education practices and processes. Such a role might be enhanced by the CAG facilitating Accountancy Education Forums that address issues on professional accounting education. The PIOB can support the CAG in this role by encouraging International regulators to publicly share their Inspection findings. Access to these findings would ensure that the CAG is better informed in their deliberations on public interest issues when the project proposal for developing and maintaining standards is reviewed.

Finally, the IAESB CAG encourages the PIOB to continue to use its influence to convince the Monitoring Group (MG) to become more closely involved with the IAESB's standards and its pronouncements. Member organizations of the MG have been invited to participate in the IAESB CAG but have not participated as members to date. MG members may wish to consider other possibilities such as seeking out an independent representative who might be appointed by them to represent their views in the CAG's deliberations or at the least to set up a mechanism to express their views through comment letters when the Education Board consults on its publications.

We believe that a greater level of engagement would help the work of the CAG, IAESB and inform the MG directly.

We trust that the above comments are helpful and we look forward to the forthcoming 2017-2019 PIOB Strategy.

Yours sincerely,



Keith Bowman

IAESB CAG Chair