



## **International Accounting Education Standards Board and CAG Oversight Plan 2019**

**In view of IFAC’s decision to establish an “International Professional Development Panel/Board” that will replace the IAESB starting on July 1, 2019, the following Oversight Plan for the IAESB has been developed under the assumption that the IAESB will continue developing the projects currently on the Board’s agenda until the end of June 2019.**

**Oversight intensity is proposed after a risk assessment of the SSB projects.**

### **1. 2018 Highlights**

In July, IFAC communicated to the IAESB its decision to replace this SSB by an “International Professional Development Panel/Board”. This communication was followed by a press release in early August. Under IFAC’s initiative, the successor of the IAESB will start its activities in July 2019 and will not be subject to PIOB oversight. A Transition Advisory Group (TAG), chaired by the incoming IAESB Chair, has been set up to assist IFAC in determining the Terms of Reference for the Education Panel, the successor of the IAESB.

The IAESB discussed this matter during its October meeting. Apparently, according to IFAC, the new Panel will function as a strategic advisor to the IFAC Board, and will be comprised of 10-12 members, appointed for their strategic focus and their capacity to reach into their networks to leverage on the networks’ resources. IFAC will be a facilitator, and the Panel will likely have a mandate to monitor, advise, and update the IFAC Board on professional development issues.

The PIOB is of the view that PIOB’s engagement with education for professional accountants has been, and would continue to be, constructive from a public interest perspective, even if under a different model. IFAC should continue to drive education support activities, which could benefit from PIOB engagement and support, (e.g. recommend actions beyond standard setting, areas of focus, technology, outreach initiatives, etc.).

The PIOB is also of the view that there is an important role for the successor of the IAESB, beyond standard setting, mainly by contributing effectively to the education of future auditors and professional accountants worldwide, and to developing the profession in less developed countries. This would include developing modern tools for teaching, training and assessing professional accountants’ skills and competences.

Regarding the Board’s leadership, the term of the IAESB Chair, Chris Austin, ended in December 2018. The new Chair, Anne-Marie Vitale, was approved by the PIOB in September 2018, and will start a 1-year term in January 2019.

### **2. Expected IAESB Activity for 2019**

During the first half of 2019, the IAESB will continue working on the projects on Professional Skepticism (PS) and Information and Communications Technology (ICT); as well as on the Public-Sector Accounting, Reporting and Assurance project (PSARA). The Board plans to finalize these projects by June 2019, just before the Panel takes over. Revisions to the extant

standards that result from these projects will be submitted for PIOB approval in September 2019.

### 3. Oversight Assurance Team in 2019

	PIOB Observers
IAESB	Karen Stothers
IAESB CAG	-

### 4. Risk Assessment Analysis for 2019

Given that the Board is being wrapped up in June 2019, the importance of the three new projects mentioned above, and the need to oversee the new Panel, an **Oversight Model 1 (High Intensity)** will be applied in 2019, for as long as the IAESB continues under the PIOB oversight.

The IAESB's successor will need to develop new Terms of Reference (ToR), which in principle, will not include PIOB oversight as the current ToR do. This is an aspect the PIOB will have to follow up.

**Appendix I** details the 4 different Oversight Assurance Models applied by the PIOB.

### 5. Oversight Activities for 2019

#### 5.1. Direct Observations of Meetings

At the time of this memo, the IAESB and the IAESB CAG plan for a limited activity in 2019, during the first half of the year.

#### **IAESB:**

The Board will meet twice in 2019. The PIOB will observe the final IAESB meeting for 2019, scheduled for June 24-26 in Toronto.

The PIOB will not observe the April 9-11 meeting in Bali.

#### **IAESB CAG:**

The CAG will meet once, back-to-back with the Board. The PIOB will not observe this meeting:

April 8-9 - Bali

#### 5.2. Approvals Scheduled for 2019

The IAESB plans to submit the revisions resulting from the PS, ICT and PSARA projects for PIOB approval in September 2019.



### **5.3. Oversight Analysis**

PIOB staff will perform a public interest analysis of the outcome of the PS, ICT and PSARA projects, when these standards are submitted for PIOB approval.

Throughout the year, PIOB observers, supported by PIOB staff, will confirm whether the OAM planned for the first half of 2019 remains relevant. Should the PIOB determine that a change of OAM or any other substantial change is required, the reasons supporting the change will be recorded as part of this plan.

## APPENDIX I - OVERSIGHT ASSURANCE MODELS

Model	Intensity of PIOB Oversight	When	PIOB Observations
1	High	Higher risk to public interest protection	100% observations
2	Medium	Medium risk to public interest protection	Medium level of observations
3	Low	Low risk in public interest protection	Minimal or no observations