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By electronic submission through the IAESB website

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- please always indicate -

Dear Mr. McPeak,

**Re.: Meeting Future Expectations of Professional Competence:
A Consultation on the IAESB's Future Strategy and Priorities**

We are pleased to take this opportunity to participate in the above-mentioned invitation to comment on the IAESB's vision and strategy for 2017-2021.

First of all we would like to emphasize that we fully support the view of the IAESB and Chair Chris Austin that accounting education remains a fundamental pillar in improving the quality of reporting and auditing financial statements. It is therefore essential to strengthen the public trust and confidence in the quality of the work of professional accountants by enhancing further their competence and judgment.

We appreciate that the IAESB recognizes that time is needed to allow IFAC member bodies to fully implement the revised IESs before assessing whether the aims of the revised IESs are being achieved. This is in our view a crucial point: Education takes time. The regular time period for qualifying as a professional accountant after general schooling may be seven years or even longer. It therefore seems advisable to monitor the implementation of the revised IESs for a certain period before deciding on enhancing the existing IESs or developing new ones. This moni-

toring should encompass potential difficulties in understanding or complying with the standards. The IAESB might then consider preparing material to support adoption and implementation of the IESs. It should be made clear that this supporting material is intended to help IFAC member bodies and is therefore non-authoritative by nature.

We encourage the IAESB to advance the international debate on relevant issues. The IAESB is the right place to discuss these issues on a global level. This will support mutual understanding of local and regional circumstances in accounting education.

After these general remarks we now would like to respond to the individual questions:

1. What enhancements, if any, do you feel should be made to the existing International Education Standards (IESs)?

We are not aware of any deficiencies in the existing IESs. Enhancements do not seem to be necessary.

2. How can the requirements of IAESB IES 7, Continuing Professional Development (2014) support the learning outcomes approach of the other IESs, including IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)?

Centering IES 8 on a learning outcomes approach seemed sensible given the fact that IES 8 focuses on a clearly defined role (Engagement Partners Responsible for Audits of Financial Statements). IES 7 applies to CPD of all professional accountants. It is hard to imagine how learning outcomes could be designed for the variety of roles professional accountants perform all over the world.

Beyond that, we believe that many member bodies currently take an input-based approach or a combination approach. Limiting CPD to a pure output-based approach might constitute a major challenge for all these member bodies.

3. What action, if any, should the IAESB take to improve professional competence related to the appropriate exercise of professional skepticism and professional judgement?

We are not convinced that the IAESB should take actions here. If the IAESB nevertheless decides to start working in this area, it should coordinate with other Standard-Setting Boards in order to avoid misunderstandings.

4. What new IESs, if any, do you suggest be developed to address emerging matters related to the education of aspiring professional accountants and professional accountants?

We refer to our general remarks above and to our response to Question 1: We cannot see any need to develop new IESs, at least for the moment and the next years unless new circumstances arise.

5. What other activities, if any, do you suggest the IAESB prioritize for the period 2017-2021 (for example, implementation support; guidance; communications; thought leadership publications)?

First of all, the IAESB should monitor the implementation of the IESs and analyze difficulties member bodies have in implementing the standards. This might lead to additional non-authoritative support and guidance material.

The IAESB should also foster global debate on current and upcoming accounting education topics, e.g. through thought leadership publications.

We hope that our remarks will support the deliberations of the IAESB, and we would be delighted to answer any questions you may have.

Yours truly

Dr. Reiner J. Veidt
Executive Director

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