

Technical Manager  
International Accounting Education Standards Board  
International Federation of Accountants  
277 Wellington Street West  
Toronto Ontario Canada M5V 3H2

15 June 2010

Dear Sir/Madam

**Consultation Paper – Revision of International Education Standard 8: Competence Requirements for Audit Professionals**

On behalf of RSM International Limited, a global network of independent accounting and consulting firms, we are pleased to have the opportunity to respond to your request for specific comments on the aforementioned Consultation Paper issued by the IAESB in March 2010.

Our responses to the specific matters on which the IAESB is seeking feedback are set out below.

**A. Do you consider that the IAESB has identified the critical issues in respect of “whom” the IES 8 requirements are aimed at?**

We agree that the IAESB has identified the critical issues in respect of “whom” the requirements are aimed at and that clarification is needed with regard to the inconsistencies between IES 8 and the ISAs. Given that IES 8 acknowledges that “the responsibility for the development and assessment of the required competence is shared”, we agree that the redrafted standard should make it clear which party is responsible for which areas of an audit professional’s development. This would assist in implementation of this standard and effective monitoring.

**B. Would expansion of the “Audit Professional” definition cause concern, or would you broadly support this approach? Are there any additional factors that you think the IAESB should consider including as part of this definition?**

We broadly support the approach of expanding the “Audit Professional” definition by considering criteria such as the relationship between the auditor’s level of experience, the complexity and nature of an audit engagement, the use of specialists and the audit professional’s role during the engagement. We believe that clarifying this definition through expansion will help regulators and audit organisations to identify those people who meet this definition and are subject to the standard.

**C. Do you agree that any revision of IES 8 necessitates consideration of the use of the term “significant judgment”? If so, what advice would you give the IAESB on this matter?**

We believe that the existing use of the term “significant judgement” within the Audit Professional definition has the potential to create confusion if not more clearly defined. Accordingly, we agree that revision of the IES 8 necessitates consideration of this term.

**D. Are there any additional considerations that you would like the IAESB to consider when clarifying guidance on shared responsibilities among the stakeholders identified above?**

We recommend that the clarification include clear guidance on how these shared responsibilities should be monitored to ensure effective implementation of the standard.

**E. In considering the question of “advanced level” competences, do you believe that the IAESB has identified an area that requires further clarification? If so, how would you advise the IAESB to approach this matter?**

We agree that the IAESB has identified an area that requires further clarification. As an international organisation, we believe that this clarification would be particularly useful in relation to those advanced level competences that are the responsibility of audit organisations.

**G. Do you believe that the IAESB should address competences for different types of audit engagements? If so, what types of audit engagement should the IAESB consider? Should these examples be limited to transnational and specialized engagements?**

We believe that the development of competences for different types of audit engagements should be the responsibility of the IAASB and therefore does not need to be considered by the IAESB.

**H. Are there any other definitional inconsistencies that you would like the IAESB to consider?**

There are no further definition inconsistencies we would like considered.

**I. Do you agree with the IAESB’s approach to eliminating inconsistencies?**

We agree with the IAESB’s approach to eliminate inconsistencies and believe it will help ensure harmonisation with other redrafted or revised IESs.

**J. Are there any other areas you consider to be specific issues that you would like the IAESB to consider as part of its revision of IES 8?**

There are no other areas we would like considered as part of the IES 8 revision.

**K. Finally, do you foresee any impact on your organization or the wider profession of the IAESB’s proposed changes to IES 8?**

We do foresee an impact on the wider professional as there will be greater emphasis and clarification on the exact role to be played by audit organisations in developing audit professionals.

We would be pleased to discuss our comments further with members of the IAESB or its staff. If you wish to do so, please contact Robert Dohrer (tel: +1 919 645 6819; email: [robert.dohrer@mcgladrey.com](mailto:robert.dohrer@mcgladrey.com)).

Yours sincerely



**Robert Dohrer**  
Chair of the Transnational Assurance Services  
Executive Committee of RSM International



**Jean M Stephens**  
Chief Executive Officer  
RSM International