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Our Ref: PSD/ED11/2014

Friday, 11 April 2014

Mr David McPeak
Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West
4th Floor
Toronto
Ontario M5V 3H2
Canada

Dear David,

Proposed International Education Standard (IES) 8 Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to comment on the Exposure Draft issued by the International Accounting Education Standards Board (IAESB).

ICPAK's detailed responses to the questions set out in the Exposure Draft (ED) are included as an appendix to this letter. ICPAK commends the IAESB for the proposed revision which we believe reflects the aims of the new Framework and the desire to apply the envisaged "clarity" approach. This proposed standard will go hand in hand with the IAASB project on framework for audit quality. We believe the IAESB should cascade these competency requirements to senior members of the audit team who are currently ignored in this standard.

Should you wish to discuss these comments further, please contact the undersigned on nixon.omindi@icpak.com.

Yours Faithfully,

Nixon Omindi
Manager, Compliance & Standards
For Professional Standards Committee

Question 1. Is the Objective statement (see paragraph 9) of the proposed IES 8 Exposure Draft (December 2013) appropriate and clear?

We are of the view that the objective statement is appropriate and clear.

Question 2. Is the Requirement (see paragraph 10) of the proposed IES 8 Exposure Draft (December 2013) appropriate and clear?

We agree that the requirement is appropriate and clear.

Question 3. Do you agree with the proposed learning outcomes provided in Table A?

We agree that the learning outcomes provided in table A are comprehensive and cover all key aspects of required learning and development of the engagement partner.

Question 4. Do you agree that levels of proficiency for the competence areas should not be included in Table A?

The range and scale of potential audit engagements vary across levels of engagements in terms of complexities thus varied levels of proficiency. We agree with non-inclusion of levels of proficiency as these would be ambiguous and suggest that different levels are acceptable for different learning objectives which are not realistic. They would also be difficult to measure.

Questions 5. Are there any additional explanatory paragraphs needed to better explain the requirement of the proposed IES 8 Exposure Draft (December 2013)?

As noted above, we believe the requirements are sufficiently clear and do not believe that any additional explanatory paragraphs are necessary.

Question 6. Does figure 1 of Explanatory Material section for the proposed IES 8 Exposure Draft (December 2013) assist in understanding which stakeholders have responsibilities that impact the professional competence of engagement partners?

Yes, we believe it does.

Question 7. Are there any terms within the proposed IES 8 Exposure Draft (December 2013) which require further clarification? If so, please explain the nature of the deficiencies?

We believe the terms within the ED are clear.

Question 8. Do you anticipate any impact or implications for your organization, or organizations with which you are familiar, in implementing the requirement included in this proposed IES 8 Exposure Draft (December 2013)?

There will be no substantive impact as the Institute already has a process of ensuring that all members eligible to act as engagement partners meet the annual CPD requirements prior to being issued with a practicing certificate that allows them to perform the engagement partner role.

Question 9. What topics or subject areas should Implementation guidance cover?

We believe the implementation guidance should be relatively simple, particularly as the ED does not specify levels of competence where most ambiguity would have arisen.