

Comments on Consultation paper, Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities

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By The Institute of Chartered Accountants of Pakistan



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Dear Mr. McPeak

The Institute of Chartered Accountants of Pakistan appreciates the International Accounting Education Standards Board for giving it the opportunity to submit its comments on "*Consultation paper, Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities*".

The following pages contain our comments for your kind consideration.

With best regards

Omair Jamal
Director Education and Training

Question 1:

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

Response of Question 1:

IAESB has recently revised the whole set of IES along with the Framework. The current approach of learning outcome based professional development is already a challenging task and it would require significant time and effort on the part of IAESB to help effective implementation. Therefore, we do not suggest any further enhancement of existing IESs.

Question 2:

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

Response of Question 2:

Whilst we agree that transition from IPD to CPD is a seamless process, but it is very important to keep competence areas of CPD flexible and dependent upon the judgment of an individual professional accountant. The learning required under CPD phase is individual's role-specific and cannot be fully aligned to IPD, which is relatively generic in nature.

We suggest that IESs – 7 may introduce, initially, a preferable/suggestive documented approach of "reflect-act-assess impact". A professional accountant may be advised/encouraged to use the said approach based on learning outcomes gained during IPD phase.

Question 3:

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

Response to Question 3:

This problem is very complex and has many other dimensions. We believe that professional skepticism and professional judgment had been the haul mark of professional qualification. In last two decades, introduction of highly sophisticated accounting and auditing soft-wares have impacted the mental development and practice of professional accountants in these areas. During IPD phase aspiring professional accountants face the following issues:

- Heavy size of data
- Complexities of transactions
- Absence of tangible trails due to digital processing
- Time and cost constraints

The solution they find is to use tools, checklist, SOPs and soft-wares, which sometimes lead them to compromise on using professional skepticism and professional judgment and at times they end up box ticking.

In view of the above, we suggest that IAESB may engage other stakeholder and initiate deliberation to find out (a) the root causes of the problem, (b) stakeholder who could be the part of solution and finally (c) a unified solution supported by all stakeholders.

Question 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?

Response of Question 4:

Considering the existing set of IESs, we do not suggest any additional IESs.

Question 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)?

Response of Question 5:

We suggest only two areas to be focused, namely, (a) Implementation support, and (b) guidance.