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October 7, 2009

Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, New York 10017 USA

Re: Exposure Draft – *Proposed IAESB 2010-2012 Strategy and Work Plan*

Dear Sirs,

We are pleased to have the opportunity to comment on the Exposure Draft, *Proposed IAESB 2010-2012 Strategy and Work Plan*, issued by the International Accounting Education Standards Board (IAESB).

We support the *Proposed IAESB 2010-2012 Strategy and Work Plan* and agree that this plan will continue to assist the IAESB in its vision to work in the public interest to develop high quality International Education Standards (IESs) that are adopted and applied internationally.

We are especially interested in the revision and redrafting of IES 8, *Competence Requirements for Audit Professionals*. We have significant concerns with IES 8 in that it is not clear how it is intended to interrelate with *International Standards on Auditing (ISA) 220, Quality Control for Audit Work* and in fact, it appears as currently written, would go beyond ISA 220. IES 8 focuses on the competencies of the individual audit professional, however it is not clear who on the team is intended to be an audit professional nor is it clear what is meant by “significant judgments” which is used in the definition of audit professional. ISA 220, on the other hand, requires the engagement partner to be satisfied that the engagement team, including experts who are not part of the team, collectively has the appropriate competence and capabilities to perform the audit in accordance with professional standards and to enable an appropriate auditors' report to be issued.



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Due to the concerns raised by many parties over this particular Standard, we suggest that the IAESB consider revising the proposed timeframe in the Strategy and Work Plan to accelerate the revision and related guidance. This is supported by our comment letter dated 30 April 2009 on the *Proposed Framework for International Education Standards for Professional Accountants* where we recommended and continue to recommend that the priority for revisions to the IESs be placed on IES 6 to 8 ahead of IESs 1 to 5.

Also, as noted in our comment letter dated 2 June 2009 on the *Explanatory Memorandum on IAESB Drafting Conventions*, we believe that the stated obligations imposed on Members in the Drafting Conventions Exposure Draft are not consistent with the obligations in IFAC's Statement of Member Obligations (SMO). We believe that this is a very important issue that needs to be addressed before the Explanatory Memorandum on IAESB Drafting Conventions is finalized. Accordingly, we recommend that the IAESB add a project to its Work Plan to work with IFAC to consider the overall objective of the IESs and whether and how this overall objective needs to be aligned with the obligations on member bodies imposed by the SMO.

Otherwise, overall, we agree that the proposed areas of the Strategy and Work Plan as developed by the IAESB are appropriate topics to review.

We welcome the opportunity to comment on the Exposure Draft and have solicited input from the KPMG Global Audit Training Steering Committee in drafting our letter. Please contact Walt Conn at +1 (201) 505 2615 if you wish to discuss any of the issues raised in this letter.

Very truly yours,

KPMG LLP