



# IES 8 Revision Consultation

Submitted by AAT

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1. The AAT welcomes the opportunity to respond to the current IES 8 revision consultation. We fully support the revision exercise currently being undertaken across the suite of IESs and we are committed to providing as much useful input as possible. In relation to IES 8, however, we feel that we ought to leave detailed comment to the senior accountancy bodies because of AAT's lack of direct experience with IES 8 to date, owing to the fact that our members often work in audit teams but are not permitted to sign off audits. We therefore restrict our comments to those areas in which we have direct experience and can most effectively contribute. AAT members are not permitted to sign off an audit unless they have progressed to qualify and register with a senior accountancy body and we therefore have limited direct experience on which to draw, hence the brevity of our response and our reason for only making a few very specific comments. AAT members and other accounting technicians do, however, often work as part of an audit team, so we do have some comments to make.
  
2. Our comments do not relate directly to your questions, but might most closely fit with Question 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?**

*IES 8 recognises that “Audit engagements vary in complexity and size, requiring different experience and competence levels. An audit team could include the engagement partner, other audit professionals, other professional accountants, individuals working towards qualification as professional accountants, and other support staff who do not intend to qualify as professional accountants. The engagement partner is responsible for ensuring that the work of all individuals assigned to an audit engagement is appropriately reviewed by other members of the engagement team to provide reasonable assurance that the work meets appropriate standards of quality.”*

We believe that the way IES 8 is currently written does not make inappropriate demands on the skills and knowledge that are required of members working at technician level within an audit team. We therefore have no major issues to bring up here, but we would be concerned if the term “Audit Professional” was expanded to bring accounting technicians into scope, unless the skills and knowledge requirements related to such members of the audit team were appropriate to the level at which they are likely to be working, i.e. below that of sign off or engagement partner level. We see no problem with making specific requirements of accounting technicians working within an audit team, and we are confident that the high standards within the AAT qualification in relation to audit work would enable AAT members to meet any such standard; we would, however, like to have input if such a requirement were to be included within IES 8.

3. IES 8 also states that:

**“29. Member bodies should require individuals to:**

**(a) qualify as a professional accountant;**

**(b) hold an undergraduate degree, or its equivalent; and**

**(c) satisfy all other requirements prescribed in this section before these individuals take on the role of an audit professional.**

*30. The appropriate level of education and learning of the intellectual and personal skills necessary to become an audit professional is generally found in a combination of undergraduate degree and professional education programs. Where a member body does not require an undergraduate degree, the member body needs to be able to demonstrate that the intellectual and personal skills have been developed to the required level in other ways.*

*31. The requirements in paragraph 29 (c) may be met at the same time as the requirements in paragraph 29 (a) and (b), or after.”*

We are happy with the current wording as it allows for AAT members (non degree holders) who progress to become a member of a senior accountancy body to meet this requirement. This is because the senior bodies' qualifications are widely recognised as being equivalent to an undergraduate degree, thereby meeting this requirement. A number of AAT members have progressed to CCAB qualifications and become successful auditors, legitimately under the above requirements. We feel strongly that this flexibility should be retained so as not to exclude auditors who have not come through the more traditional degree to senior body training route as we have seen no evidence whatsoever that those without a degree make lower quality auditors than those with a degree. We strongly believe in maintaining standards whilst removing unnecessary barriers to entry to the accountancy profession, and any change to this requirement i.e. a change that necessitated auditors holding a degree would, we believe, be detrimental to this aim and would prevent competent and able people from working as auditors. We are happy with the requirement in its current form but would be concerned about any potential deviation as described above.