



# 中 国 注 册 会 计 师 协 会

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Mr. David Mc Peak

Technical Manager

International Accounting Education Standards Board

International Federation of Accountants

277 Wellington Street West

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June 13, 2010

Dear Mr. David Mc Peak,

The Chinese Institute of Certified Public Accountants (CICPA) is very pleased to see that IAESB has recently released the revised *Framework for International Education Standards for Professional Accountants (Framework)*, and started the revision of IES8: *Competence Requirements for Audit Professionals* according to the requirements of Framework and the *Drafting Conventions* attached after the Framework. After consideration about the current IES8 under the Framework, our suggestions are as follows:

**1. Clarification of IES8 target audience.** In the Framework (in Paragraph.5), there is a clarification about the aimed targets for all IESs, including member bodies, regulators, government authorities, stakeholders who design or deliver or assess the education for accountants, and so on, so it is necessary to increase the targets.

**2. The definition of “Audit Professionals”.** The term of “Audit Professionals” is not included in the ISA220, ISA600, ISQC1 or Code of Ethics, and nor is it widely used worldwide. So, we suggest that it should be consistent with the terms used in ISAs, or specify which levels in the engagement team should be included in the term “Audit Professionals”.

**3. The term of “significant judgment”.** If the term of “significant judgment” is still used in the revised IES8, it should be clarified to assist the target audiences to understand the definition of “Audit Professionals”. Both qualitative and quantitative factors should be considered in clarifying the definition of “significant judgment”. For example, a certain amount can be defined as a threshold, if the amount influenced by the judgment is above the threshold, then the judgment should be considered as significant.

**4.The additional considerations** for stakeholders should also include the designation and delivery of the development education program.

**5.The definition of “ Advanced level”.** It should also emphasize the communication skill. As an auditor, the communication with the clients, other members of the engagement team, external experts or other third parties, is vital.

**6.The types and levels of competences.** We suggest that the IAESB should classify different types and levels of competences in accordance with the positions in an engagement team. For example the requirements for the communication skill of an engagement partner are likely to be higher than other members of the team.

**7.The specialized engagement.** We suggest the IAESB should consider a group audit engagement as a specialized engagement, which needs to be addressed in the IES8.

**8.Eliminating inconsistencies.** We think it is very important and necessary to eliminate the definitional inconsistencies between IES8 and other IESs, as well as other IFAC pronouncements, publications from regulators. It benefits the consistent application and authority of all IFAC pronouncements for their aimed targets. We think the approach IAESB used to eliminate inconsistencies is effective.

**9.Other specific issues.** We suggest IAESB should issue some additional materials that would be useful to support the implementation of IESs.

**10.Impact on CICPA.** The CICPA can learn from the revised IES8.

We hope the above comments are useful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Yugu Chen', written in a cursive style.

Yugu Chen  
Secretary General  
CICPA