11 March 2016

Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
529 5th Avenue
New York
New York 10017
USA

Dear Sir,

Consultation Paper: Meeting future expectations of professional competence: A consultation on the IAESB’s future strategy and priorities.

CPA Australia welcomes the opportunity to comment on Consultation Paper: Meeting future expectations of professional competence: A consultation on the IAESB’s future strategy and priorities. CPA Australia is one of the world’s largest professional accounting bodies, with a membership of more than 155,000 finance, accounting and business professionals and leaders in 118 countries. Our vision is for CPA Australia to be the global professional accountancy designation for strategic business leaders. We welcome the opportunity to contribute to the future direction of the IAESB.

Responses to Specific Questions

Question 1: What enhancements, if any, do you feel should be made to the existing International Education Standards (IESs)?

CPA Australia believes that the existing standards provide a sound basis for the design, development and assessment of professional accounting education programs. As the breadth of roles undertaken by professional accountants continues to expand CPA Australia believes that the clarity of the standards would be enhanced through the provision of guidance documents to demonstrate the applicability of the standards across contemporary areas of practice.

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)?

CPA Australia does not believe it is appropriate to apply a prescriptive learning outcomes approach to the scope of IES 7, Continuing Professional Development. The increased broadening of the scope of practice of professional accountants has created an environment where professional development needs have expanded beyond the traditional areas of accounting and now incorporate diverse areas both within, and outside of, the areas of business in which they traditionally sat.
In order to assist members in planning and undertaking their professional development CPA Australia provides a self-assessment tool which assists members to identify their level of competence against prescribed areas of practice. This assists members in identifying appropriate professional development activities to achieve their desired career goals.

We are also aware that different jurisdictions have very different requirements, and as such an extension of IES 7 would make responsiveness to such recommendations difficult for a number of member bodies.

**Question 3: What action, if any, should the IAESB take to improve professional competence related to the appropriate exercise of professional scepticism and professional judgement?**

CPA Australia acknowledges the critical role that professional scepticism and professional judgement play in the accounting profession. It is recommended that the IAESB could utilise case-based examples to provide guidance to member bodies and to illustrate best practice in these areas. A series of case studies would provide an opportunity to show some of the diverse situations in which these skills are applied and would assist members in evaluating their individual approach to relevant professional issues.

**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?**

CPA Australia does not believe there is a current need for the development of any additional IESs. It is acknowledged that the accounting profession has significantly increased the scope of practice in recent years and would benefit from guidance from the IAESB as to how new areas of practice align within the existing standards. It is recommended that guidance documents be provided to ensure member bodies are able to identify how to incorporate content related to emerging issues in accounting through sound implementation of the existing IESs.

**Question 5: What other activities, if any, do you suggest the IAESB prioritise for the period 2017-2021 (for example, implementation support; guidance; communications; thought leadership publications)?**

CPA Australia recognises a need for the IAESB to ensure ongoing communication with member bodies to allow monitoring of the implementation and use of the existing IESs. The ongoing provision of implementation guidance would add value for member bodies in emerging nations and allow for enhanced education for aspiring professional accountants and professional accountants. As noted in Question 4, CPA Australia also recommends that guidance documents are provided to assist with incorporation of new areas of practice into accounting education programs.

CPA Australia recognises the role of academic institutions in the provision of quality accounting education programs. In order to enhance opportunities for academic institutions to ensure that accounting education programs align to the content and spirit of the IESs it is recommended that the IAESB commit to providing education resources to all academic institutions delivering accounting qualifications to inform all academics about the role, purpose, and operation of the IESs.

Yours sincerely

Jeff Hughes, FCPA
Chief Operating Officer, Member Services