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Proposed International Education Standard (IES) 8

**Professional Development for Engagement Partners Responsible for Audits of
Financial Statements (Revised)**

December 11, 2012

I'm Denise Juvenal this is pleased to have the opportunity to comment on this consultation of the International Education Standard IES 8 Professional Development for Engagement Partners Responsible for Audits of Financial Statements (Revised), this is my individual commentary.

Guide for Respondents

Request for General Comments

The IAESB welcomes comments on all matters addressed in this proposed IES 8 (Revised) (See APPENDIX 1). Comments are most helpful when they refer to specific paragraphs, include the reason for the comments and, where appropriate, make specific suggestions for any proposed changes to wording to enable the IAESB to fully appreciate the respondent's position. Where a respondent agrees with proposals in the exposure draft (especially those calling for a change in current practice), it will be helpful for the IAESB to be made aware of this view.

Request for Specific Comments

The IAESB is particularly interested in comments on the matters set out below:

During the 2010 Public Consultation on the extant IES 8 many respondents identified the need to focus the revised IES on eliminating confusion surrounding the subject of the IES -the ‘audit professional’ (those individuals ‘who have responsibility or have been delegated responsibility for significant judgments in an audit’). In order to resolve this issue, the IAESB is proposing that the revised IES 8 focuses the requirements on the widely understood and identifiable role of an Engagement partner. The audit professional definition will be removed from the proposed IES 8 (Revised).

Question 1: Does the proposed change to focus on the engagement partner provide greater clarity, improve the effectiveness and implementation of the proposed IES 8 (Revised)? If not, explain the nature of any deficiencies?

During the revision process of the proposed IES 8 (Revised), the IAESB has developed a table of learning outcomes (Table A) for a newly appointed engagement partner. These learning outcomes build, where appropriate, on the proposed learning outcomes identified in revised IESs 2, 3 and 4.

Yes, the proposed change to focus on the engagement partner provide greater clarity, improve the effectiveness and implementation of the proposed IES 8, and I consider that the table “A” initially integrated a process that development the in the account profession.

In this moment the great projects have been elaborated in the regulators for attend this decade of research in the account profession, I think that is very important observed the relationship with responsibility, transparency, competence, clearly and objectivity.

Question 2: Does Table A of the proposed IES 8 (Revised) on learning outcomes provide clarity with respect to the competence areas and levels of proficiency you would expect to see of a newly appointed engagement partner? Are there any learning outcomes you would expect to see included or eliminated?

Appendix 1 of the proposed IES 8 (Revised) Exposure Draft provides a description for each of the four classifications of proficiency to help IFAC member bodies set learning outcomes for professional development programs. Examples of indicative verbs under each level of proficiency are also included to assist those who wish to develop additional learning outcomes. Appendix 1 is

common to the proposed IESs 2, 3, and 4, which also focus on learning outcomes relating to all aspects of professional competence.

I think that the Table A of the proposed IES 8 (Revised) on learning outcomes provides the competence areas and levels of proficiency, but in relation appointed engagement partner, I observed that the regulators need to elaborated in this moment papers for publication about what's internal control, risk management, integrated reporting, management process, audit services, risk audit, for help to take decisions with clearly, objectivity and knowledge.

Actually, there is much information, but only in this moment with evolution of this research in the regulators the organizations are beginning observed this process with new focus, principally for internal control with your importance, for example.

I think that the integration of the organizations, big firms, regulators, governments can be elaborated a form for constructed a model of internal control international that can be used with effectiveness and your informations are high quality.

For this moment, I think that there aren't some learning outcomes, but in the future, more or less 5 years after results of discussion paper elaborated for EFRAG¹ about impact for development of financial standards, could be that need to included or eliminated something, I don't know.

I agree with the proposal described in the Appendix 1, considering the description in the page 30 about "The classification includes descriptors of four levels of proficiency for learning outcomes. These descriptors will help to set learning outcomes to demonstrate technical competence, professional skills, and professional values, ethics, and attitudes in a variety of professional accounting roles and specializations".

Questions 3: Does Appendix 1 of the proposed IES 8 (Revised) Exposure Draft provide adequate clarification to assist in the interpretation of the learning outcomes that are listed in Paragraph 13 of the proposed IES 8 (Revised)? If not, what changes do you suggest?

A lack of clarity in respect of the requirements for audit professionals involved in complex or transnational audits led the IAESB to rework the requirements in this area focusing on CPD requirements for those Engagement partners serving on audits involving more complex (a) industries, (b) operations (including international ones) or (c) reporting requirements.

¹ <http://www.efrag.org/Front/p217-2-272/Proactive---Considering-the-Effects-of-Accounting-Standards.aspx>

Yes, the Appendix 1 of the proposed IES 8 provides adequate clarification to assist in the interpretation of the learning of the learning outcomes that are listed in Paragraph 13 of the proposed IES 8.

I agree with Advanced for: Audit of financial statements, Financial accounting and reporting, Governance and risk management and Internal control Intermediate: Business and organizational environment; Economics; Business management, Taxation, Information technology, Business laws and regulations, Finance and Financial management, Management accounting.

In relation the study Advanced for: Professional Skills – Intellectual; Personal; Interpersonal and communication; Organizational and Professional Values, Ethics, and Attitudes - Commitment to the public interest; Professional skepticism and professional judgment; Ethical Principles.

I consider that these studies describe in this paragraph are complex and important for development of accountant profession, for this some regulators and organizations elaborated great projects and published your papers that are important in this process as: IFAC about effective governance², Risk Assessment elaborated for COSO³, ESMA for development financial instruments⁴ and IASB with your comments about SEC staff report⁵.

Question 4: Do the revised requirements in respect of more complex audits provide greater clarity and assist with implementation of the proposed IES 8 (Revised)?

I think that in this moment revised requirements in respect of more complex audits provide greater clarity and assist with implementation is related with study about financial instruments and valuation, study of risk on diversity areas, research of audit in relation how's the process of analysis, objective and transparency for to take attention the possible problems that can be occur in relation international standards, what's modifying and increasing the study and work in this process, for example, I don't know.

Question 5: Does the inclusion of a number of references to Small and Medium Practitioner ('SMP') engagement partners and their context provide appropriate coverage of their professional development needs? Do you have any further

² <http://www.ifac.org/publications-resources/effective-governance-risk-management-and-internal-control>

³ http://www.coso.org/documents/COSOAnnncsOnlineSurvey2GainInpt4Updt2IntrnlCntrlIntgratdFrmwrk%20-%20for%20merge_files/COSO-ERM%20Risk%20Assessment%20inPractice%20Thought%20Paper%20October%202012.pdf

⁴ <http://www.esma.europa.eu/news/ESMA-announces-enforcement-priorities-2012-financial-statements?t=326&o=home>

⁵ <http://www.ifrs.org/Features/Pages/IFRS-Foundation-Staff-Analysis-of-SEC-Final-Staff-Report.aspx>

recommendations in respect of how the proposed IES 8 (Revised) could be more aligned toward the needs of SMPs?

I think that professional development for Small and Medium Practitioner is important since the consideration and inclusion of activities for use of international standards in each country.

I suggest, if the board agree that for SMPs need to observed with more detailed and need to be more integration with local regulators, principally in relation cultures, study, learn, knowledge, objective, activity and transparency.

I think that the functions of SMPs cannot be the same of big organizations, local jurisdictions have specific laws for to be observed in this case.

Question 6: Do you anticipate any impact or implications for your organization, or organizations with which you are familiar, in implementing the new requirements included in this proposed IES 8 (Revised)?

The impact or implications for organization I think that has relation with training and knowledge, what's more important for the company or organization, has professional specialization general functions or have professional specific function with observations of others areas that results new professional big knowledge and important function.

For this, I think that has costs and investment that has impact with study elaborated for EFRAG about impacts of international standards as <http://www.efrag.org/Front/p217-2-272/Proactive---Considering-the-Effects-of-Accounting-Standards.aspx>.

Question 7: If the IAESB was to issue implementation guidance together with this IES (Revised), what would you envisage the guidance look like?

I observed that IAESB could be look for possible problems and impacts about internal controls. I think that if organizations want to make implementation of Integrated Reporting, Global Reporting in the future, need to be having internal control with high quality informations for don't have problems in this process, considering the complexity of study, this moment is related with internal control, for example risk analysis has direct impact in this structure and need to be integrated in the organization, internal control and audit services.

Question 8: In respect of your jurisdiction, in which areas of the proposed IES 8 (Revised) would you consider it useful to have implementation guidance to help you meet the requirements of this IES?

I think that in this case will be difficult for implementation, principally because the organizations need to be have the importance of this study elaborated for IFAC, for example.

Question 9: Would you consider examples of current practice in developing competency models useful in helping you meet the requirements of the proposed IES 8 (Revised)? The proposed IES 8 (Revised) has also been redrafted according to the guidelines provided in the IAESB Drafting Conventions.

I observed that in this case examples in developing competency has relation with work external audit Big 4 FIRMS, makes in relation your structure, this is more adequate, for me, investment, training, study and knowledge, four specific points are important for development professional. I suggest if board agrees, that contact these firms or organizations for related your experience of practice competency.

Question 10: Is the objective to be achieved by a member body, stated in the proposed revised IES 8, appropriate?

I think that the objective to be achieved by a member body is appropriate, could be that in the future need to be increase others functions, I don't know.

Question 11: Have the criteria identified by the IAESB for determining whether a requirement should be specified been applied appropriately and consistently, such that the resulting requirements promote consistency in implementation by member bodies?⁶ The criteria, which are intended only to assist the IAESB in appropriately and consistently determining requirements, may be refined as further experience is gained.

The criteria for determining whether a requirement should be specified been applied appropriately and consistently such that the resulting requirements promote consistency in implementation by member bodies depends for me of experience in others activities around of profession, knowledge, investment in training.

Question 12: Are there any terms within the proposed IES 8 (Revised) which require further clarification? If so, please explain the nature of the deficiencies.

Comments on Other Matters

⁶ The IAESB has identified the following criteria for determining the requirements of a Standard:

- The requirement is necessary to achieve the objective stated in the Standard;
- The requirement is expected to be applicable in virtually all situations to which the Standard is relevant; and
- The objective stated in the Standard is unlikely to have been met by the requirements of other Standards.

In determining the requirements of a Standard, the IAESB will consider whether the requirements are proportionate to the importance of the subject matter of the Standard in relation to its objective.

None. In this moment I think that isn't need require further clarification, but I suggest if board agrees that observed some discussion about other matters could be have impact in this process, for example: IOSCO about future regulations⁷ and framework⁸.

Translations—Recognizing that many respondents intend to translate the final IESs for adoption in their own environments, the IAESB welcomes comment on potential translation issues noted in reviewing the proposed IES 8 (Revised).

Yes, I think that is very important translate the final IES for adoption in their own environments.

Developing Nations—Recognizing that many developing nations have adopted or are in the process of adopting the IESs, the IAESB invites respondents from these nations to comment, in particular, on any foreseeable difficulties in applying the proposed IES 8 (Revised) in a developing nation environment.

Yes, I think that this proposal developing nations in relation adopting the IESs.

Effective Date—Recognizing that proposed IES 8 (Revised) is a revision of extant IES 8, the IAESB believes that an appropriate effective date for the IES would be 15-18 months after approval of the final revised IES. The IAESB welcomes comment on whether this would provide a sufficient period to support effective implementation of the final IES 8.

Yes, I think that effective date recognizing that proposed IES 8 is a revision of extant IES 8 is appropriate effective date for the IES 15-18 months after approval of the final revised IES.

Supplement to the Exposure Draft

To assist respondents in tracking changes, IAESB staff has mapped the material of the extant IES 8 to the proposed IES 8 (Revised).

This staff-prepared mapping document is available on the IAESB website at <http://www.ifac.org/Education/ExposureDrafts.php>. It is for information purposes only and does not form part of the exposure draft.

Thank you for opportunity for comments this proposal, if you have questions don't hesitate contact to me, rio1042370@terra.com.br.

⁷ <http://www.iosco.org/library/speeches/pdf/20121210-Wright-David.pdf>

⁸ <http://www.iosco.org/news/pdf/IOSCONEWS260.pdf>

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