

1 March 2019

Mr. David McPeak
Senior Technical Manager
International Accounting Education Standards Board
277 Wellington Street West, 4th Floor
Toronto, Ontario
Dear Mr. McPeak:

Proposed Revisions to IESs 2, 3, 4 and 8 - Information Communications Technologies and Professional Skepticism

Ernst & Young Global Limited welcomes the opportunity to offer its views on Proposed Revisions to the exposure draft on IESs 2, 3, 4 and 8 - Information Communications Technologies and Professional Skepticism, issued by the Board. Overall, we support the International Accounting Education Standards Boards (IAESB) continuing effort to improve its standards, including the proposed revisions of IES 2, 3, 4 and 8. We believe the revisions and additions to the learning outcomes in IES 2, 3, 4 and 8 enhance the extant IES in the areas of Information Communications & Technologies and professional skepticism.

Below are our responses to the specific questions asked in the consultation paper.

Specific questions

Question 1: Do you support the proposed revisions to learning outcomes related to the areas of Information Communications & Technologies ("ICT") and Professional Skepticism provided in Appendices A, B, C, and D? If not, what changes would you suggest?

We have the following suggestions on the proposed revisions to the learning outcomes:

- IES 2 Table A (f) (vi), Assess the adequacy of systems, processes and controls for capturing, transmitting, reporting and safeguarding data and information - This learning outcome is very similar to IES 2 (h) (i), Analyze the adequacy of processes and controls, and feels more appropriate to the Information and communications technologies competence area than the Governance, risk management and internal control competence area. As a result, we suggest that the Board review both learning outcomes for similarity and determine the best combination to reside in the Information and communications technologies competence area in IES 2.
- IES 3 Table A (a) (ii), Apply critical thinking skills to solve problems - This learning outcome is very limiting as critical thinking skills are also used to make judgements, make decisions, and make assessments, as well as to solve problems. As a result, we suggest that the Board expand this learning outcome to recognize additional circumstances in which critical thinking can be applied.
- IES 3 Table A (c) (vi), Demonstrate an awareness of personal and organizational bias - We believe awareness of bias is an intellectual skill rather than a personal skill. Therefore, we believe the Board should reclassify IES 3 (c) (vi) from the personal competency area to the intellectual competency area.
- IES 4 Table A (a) (iv), Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action - This learning outcome is similar to IES 3 (a)

(ii), Apply critical thinking skills to solve problems. Therefore, we believe the Board should challenge whether both learning outcomes are necessary.

- IES 8 Table A (f) (i), Evaluate the ICT environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy - This learning outcome only references controls. We believe that reference to risks and processes would also be appropriate in this learning outcome.
- IES 8, Table A m (iii), Evaluate the potential impact of bias on conclusions - Refers to bias, but is unclear as to whether it's referencing bias of others, bias of the individual, or both. We suggest the learning outcome be revised to Evaluate the potential impact of individual and organizational bias on conclusions.

Question 2: Are there additional ICT and professional skepticism learning outcomes that you would expect from aspiring and professional accountants (see Appendix E)?

No, there are no additional learning outcomes that we would expect from aspiring and professional accountants related to ICT or professional skepticism.

Question 3: Do you support the new definitions of Information and Communications Technologies, Intellectual Agility, and Professional Judgement added to the IAESB Glossary of Terms? If not, what changes would you suggest?

We support the addition of the definitions of information and communications technologies, intellectual agility and professional judgement to the IAESB Glossary of Terms. However, we believe the definition of professional judgment needs amendment. We believe that the definition of professional judgement should indicate what an aspiring or professional accountant would do with the judgement skills. As a result, we suggest the following amendment:

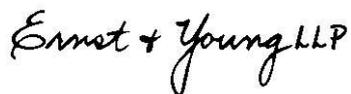
Professional judgement involves the application of relevant training, professional knowledge, skill and experience commensurate with the facts and circumstances, including the nature and scope of the particular professional activities, and the interests and relationships involved, to develop an opinion or decision about specific facts or circumstances.

Question 4: Are there any terms with the new and revised learning outcomes of IESs 2, 3, 4 and 8, which require further clarification (See Appendix E)? If so, please explain the nature of the changes?

No, there are no additional terms with the new or revised learning outcomes which required clarification.

We would be pleased to discuss our comments with members of the International Accounting Education Standards Board or its staff. If you wish to do so, please contact Don Zimmerman (+ 44 20 7980 0686).

Yours sincerely,



Ernst & Young Global Limited