



**The Japanese Institute of
Certified Public Accountants**

4-4-1 Kudan-Minami, Chiyoda-ku, Tokyo 102-8264, Japan
Phone: 81-3-3515-1130 Fax: 81-3-5226-3355
Email: international@sec.jicpa.or.jp

June 15, 2010

Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West
Toronto, Ontario, Canada M5V 3H2

**JICPA Comments on the Consultation Paper on the Revision of International Education
Standard 8: Competence Requirements for Audit Professionals**

The Japanese Institute of Certified Public Accountants (JICPA) is pleased to comment on the above-captioned Consultation Paper.

1. Clarification of IES 8 target audience

Question A

Do you consider that the IAESB has identified the critical issues in respect of “whom” the IES 8 requirements are aimed at?

We consider that the IAESB has for the most part identified the critical issues related to above.

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?

We agree that the IAESB considers expanding the definition of the “Audit Professional.” However, since this approach would make the definition of the “Audit Professional” unclear, we believe that the Standard should clearly define the appropriate level of

competence required according to each member’s role and position in audit engagement team.

Question C

Do you agree that any revision of IES 8 necessitates consideration of the use of the term “significant judgment”? If so, what advice would you give the IAESB on this matter?

We agree that the IAESB considers the use of the term “Significant Judgment” in IES 8.

Question D

Are there any additional considerations that you would like the IAESB to consider when clarifying guidance on shared responsibilities among the stakeholders identified above?

There are no additional matters we would like the IAESB to consider at this time.

2. Clarification of the knowledge and skills required to work as a competent audit professional, and clarification of advanced level competences required by the identified target audience.

Question E

In considering the question of “advanced level” competences, do you believe that the IAESB has identified an area that requires further clarification? If so, how would you advise the IAESB to approach this matter?

With regards to the clarification of “advanced level” competences in IES 8, this consultation paper does not adequately describe the subject areas that require further clarification. We would like the IAESB to clearly state the potential subject areas which the IAESB has planned to clarify.

Question F

How would you guide the IAESB during its consideration of appropriate types and levels of competences?

Current IES 8 does not indicate the degree of “advanced level.” It is difficult to understand the degree of the competence that is required for the “advanced level,” and to what extent the audit professionals are expected to enhance their competences. We

believe that the degree of competence required for each member of the audit engagement team, such as audit staffs, audit managers and audit partners, should be stated in the Standard, with due consideration for the consistency with the ISAs.

Question G

Do you believe that the IAESB should address competences for different types of audit engagements? If so, what types of audit engagement should the IAESB consider? Should these examples be limited to transnational and specialized engagements?

The IAESB should carefully consider whether IES should deal with the competences for different types of engagements, since there are many national and regional variations in audit engagements. We believe that it is difficult to completely identify the types of key audit engagements, and that the IES should only define competences for the general types of audit engagements. In this case, we are of the view that it is not necessary to create a separate section on this as it is in the current IES 8, since it can be inclusive of other sections of IES 8.

3. Consistency of IES 8 with IESs 1–7 and other relevant IFAC pronouncements.

Question H

Are there any other definitional inconsistencies that you would like the IAESB to consider?

We would like the IAESB to ascertain that the definitions and terms used in IES 8 are consistent with those in ISAs since IES 8 is the standard for professional accountants in audit engagements.

Question I

Do you agree with the IAESB's approach to eliminating inconsistencies?

In addition to carefully considering the need for eliminating inconsistencies, the IAESB should also consider whether additional revisions may be necessary.

Question J

Are there any other areas you consider to be specific issues that you would like the IAESB to consider as part of its revision of IES 8?

There is nothing else in particular that we would like the IAESB to consider with respect to this revision.

Question K

Finally, do you foresee any impact on your organization or the wider profession of the IAESB's proposed changes to IES 8?

We believe that the impact of the revision of the IES 8 will be immense regardless of how it will be revised, as there are great many professional accountants in audit engagements worldwide and, in particular, registration as a certified public accountant automatically leads to a license to engage in audits in Japan.

Sincerely yours,

Chikami Tsubaki
Executive Board Member - CPE
The Japanese Institute of Certified Public Accountants