

**ASOCIACION INTERAMERICANA DE CONTABILIDAD  
INTERAMERICAN ACCOUNTING ASSOCIATION  
ASSOCIAÇÃO INTERAMERICANA DE CONTABILIDADE**

San Juan, Puerto Rico, March 1<sup>st</sup>, 2019

Members of the Board

**International Accounting Education Standards Board™ (IAESB™).**

529 5th Avenue, 6th Floor  
New York, New York 10017

**REF: Proposed Revisions to IESs 2, 3, 4, and 8 – Information and  
Communications Technologies and Professional Skepticism**

Dear Members of the Board,

The Inter-American Accounting Association (IAA) (AIC – in Spanish), welcomes the opportunity to comment on the Exposure Draft **Proposed Revisions to IESs 2, 3, 4, and 8 – Information and Communications Technologies and Professional Skepticism.**

This reply summarizes the views of different member countries of the IAA, according to the following due process:

**Due process:**

The Draft was submitted to the different IAA member, the Inter-American Technical Commissions (ITC) and the Sponsor Organizations (SO), hence all members had the opportunity to participate in the discussion of the Draft.

All comments received from the ITC and SO, were compared and discussed, before preparing a reply which has been approved upon by all members

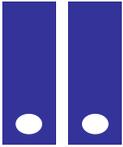
**General comments:**

We decisively support the IAESB initiative on this important issue, considering the educational issue as fundamental in the formation and exercise of the accounting and auditing professional.

If you have any questions about our comments, please do not hesitate to contact us.

Sincerely,

Cornelio Porrás Cuellar  
**PRESIDENT**



# ASOCIACION INTERAMERICANA DE CONTABILIDAD INTERAMERICAN ACCOUNTING ASSOCIATION ASSOCIAÇÃO INTERAMERICANA DE CONTABILIDADE

**Comment Letter of the Interamerican Accounting Association- IAA on the document for public discussion referred to; “Proposed Revisions to IESs 2, 3, 4, and 8 – Information and Communications Technologies and Professional Skepticism)”.**

We have answered the questions of the document in accordance with the provided instructions. Please see our answers and related comments below.

## Overall Questions

*What are the project's outcomes?*

Comments: The project's outcome should be broadened to include capacity to be on the lookout for signs of emerging trends, and anticipate the future. It is Not an easy task, but must be included among the expected competencies of accounting professionals that are expected to be on the lookout for signs that herald some kind of disruption and forthcoming innovation. Several distinguished scholars have identified these disruptions: Joseph Schumpeter who coined the term creative destruction, while Harvard Business School professor Clayton Christensen, disruptive innovation.

Learning Outcomes should also provide for inspiring the attitude in professionals accountants of being open to learning, unlearning, and relearning. To instill in professionals the quest for unending intellectual curiosity is just as important as requiring an attitude of skepticism.

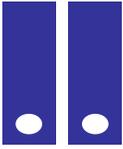
Question 1. *Do you support the proposed revisions to learning outcomes related to the areas of Information Communications & Technologies (“ICT”) and Professional Skepticism provided in Appendices A, B, C, and D? If not, what changes would you suggest?*

Answer: **We recommend that in the identification of professional skills expected from professional accountants, the theme of artificial intelligence (AI) be included.** The rules of engagement in the business world are being driven by technology. Machine learning, a subdivision of AI will be an essential skill expected from accountants at all levels. The use of this machine learning to give data mining objectives and expected outcomes must not be left out of the draft. Post-secondary education must be advised to include in the curriculum for accountants, hands-on experience or workshops with themes such as data analytics, machine learning, among other emerging topics.

**Hard skills such as these must be accompanied by soft skills such as unending intellectual curiosity, the capacity to live beyond the comfort zone, the desire to get involved in academic and professional research focused in these areas is essential.**

From experience in the field of education we can give testimony that **emerging professionals from schools need to hone their skills at decision-making and risk-taking.** Much show a questionable attitude of risk aversion that can seriously dampen the possibilities of success as a professional in times like these where change is the only constant, the accountant must be ready to face uncertainty and be able to work with it.

We also **suggest that the definition of professional skills include the ability to recognize areas of creative destruction,** as coined by Joseph Schumpeter, so that investment of efforts in emerging opportunities is a constant in the agenda of the



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professional. **Perhaps this can be described as the ability to be a visionary**, to be able to evolve with change and disruption.

Finally, **we suggest that the definition of professional skills, recognize the need for an interdisciplinary focus in education efforts**. Today the trend is for schools to promote an emphasis in interdisciplinary formation of the student. There is a blurring of boundaries between what in the past were clearly areas of competency. NO doubt, the traditional fields of accounting still have relevance in today's world. However, today success is defined by the ability to have a holistic view of the various fields that today are relevant to accountants.

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

Answer: We find that this skepticism has always been an inherent characteristic expected of accountants. This adds nothing new, only the possibility of awareness which perhaps has suffered through the years of a diminished role in auditing. Cases like ENRON exemplify the attitude. After all, the auditing function can only be successful if it is accompanied by the same attitude that has characterized detective Sherlock Holmes. This is the pure and truthful skepticism that must encompass any audit job performed by an accountant.

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

Answer: We recommend that the definition of professional judgment include the "gut feeling", call it instinct, call it intuition, that is difficult to define or measure, but permeates every decision made by an accountant. It is the accumulation of personal experiences that are unique, combined with professional expertise accumulated from many years of experience. That intuition is priceless. It is the intellectual property asset that resides in the mind of the accountant that is an intangible asset that comes as a package with the professional: incomparable, impossible to replicate.

Question 4. *Are there any terms within 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?*

We suggest that the definition of intellectual agility be linked to the risk-taking capacity of the professional. It requires the professional to step aside and look at the information without prejudice, thinking like thinkers, offering reasons for reasons. These ideas may sound redundant but they are not. When analyzing a problem, do not jump to conclusions.

**Information and Communications Technologies.** - We suggest the definition of ICT be broadened to include, the use of algorithms to construct new rules for predictive analysis.