2 March, 2016

Dear IAESB CAG members,

Recently my domestic sponsoring organization (the Chinese Institute of Certified Public Accountants) forwarded the IAESB Consultation Paper on 2017-2021 IAESB Strategy and Priorities (hereafter “the Paper”) for comments. Generally I am very fine with the Paper, while only having one comment on Question #3 raised in it. Although I have returned my comment to my sponsoring organization, I would like to provide my feedback as below, for other CAG members’ reference.

Q3: What action, if any, should the IAESB take to improve professional competence related to the appropriate exercise of professional skepticism and professional judgment?

My comment:

There has been a large body of auditing literature on audit professional skepticism and professional judgment. The IAESB may benefit from considering establishing task forces to study and analyze relevant literature (particularly the syntheses of literature), thus sorting incrementally useful notions or practices for the standard setting. Below are some examples of prior literature on professional skepticism and professional judgment.

Selected literature regarding professional skepticism:


Selected literature regarding professional judgment:


Finally, my deep and sincere apologies for missing another CAG meeting approaching my end of two-year term (as a successor of Professor Dan YANG). I do appreciate all the CAG members’ expertise and kindness to me, and last but not the least the great help from Sonia.

Wish the CAG meeting in Johannesburg another great success!

Xi

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