

Institute of Certified Public Accountants of Kenya
CPA Centre, Ruaraka, Thika Road.
P. O. Box 59963 – 00200 Nairobi, Kenya
Tel: (020) 2304226/7; 8068570/1
Mobile: (+254) 727531006 / 733856262 / 721469796
Fax: (020) 8562206
Drop in box no. 164 Revlon Professional Plaza



Our Ref: PSC/TS/CP01/2016

Friday, 4 March 2016

Mr. David McPeak
Technical Manager
International Accounting Education
Standards Board
529 Fifth Avenue, 6th Floor
New York NY 10017, USA

Dear Mr McPeak,

RE: Consultation Paper (CP) - Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to share our views on the Consultation Paper Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities, issued by the International Accounting Education Standards Board (IAESB).

We support the IAESB's decision seek input in their quest to align its vision and strategic priorities to the expectations of professional competency. This forward looking approach is critical for the continued relevance of the accountancy profession globally. We note that this consultant comes following the completion of the IESs revision project and we thank the IAESB for the outstanding work on this challenging task.

It is important for the Board to first provide sufficient time for IFAC member bodies to implement fully the (recently) revised IESs, before assessing whether the aims of the revised IESs are being achieved. We suggest that rather than focus on developing new and amending existing IESs, the Board should prioritise implementation monitoring exercise to establish difficulties, IFAC member bodies face in complying with or understanding the standards, as it would provide a basis for the identification of the need, if any, for enhancements in specific areas in the longer future, and specifically inform the Board as to how it could best consider aligning IES 7 to its other standards.

If the Board decide to proceed with the proposals, our comments and detailed responses to the questions set out in the request for views are detailed hereafter.

If you would like to discuss these comments further, please contact the undersigned via mail to icpak@icpak.com or nixon.omindi@icpak.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nixon Oindi'.

Nixon Oindi
Technical Services

Questions

1. What enhancements, if any, do you feel should be made to the existing International Education Standards (IESs)?

The development and revision of IESs 1-8 has resulted in principles-based standards, which do not require frequent amendments, because the principles would rather remain valid even if the environment should change. We also note that the revised IESs only came into effect in the course of 2014/2015 with IES 8 effective date yet to come. It would be premature to consider amendments since we are yet to fully implement these standards thus be able to identify gaps that need to be addressed.

Rather than asking this question specifically within its consultation on future strategy and priorities, we suggest the IAESB conduct a thorough implementation monitoring exercise to establish where those who have experience in applying its standards (i.e., IFAC member bodies responsible for professional education and CPD, and others) have faced difficulties in complying with or understanding the standards.

2. How can the IAESB align the requirements of IES 7, *Continuing Professional Development* (2014) to support the learning outcomes approach of the other IESs, including IES 8, *Professional Competence for Engagement Partners Responsible for Audits of Financial Statements* (Revised)?

We take note of the IAESB views on IES 7 which was redrafted noting that it refers to an output-based approach, which is a key element of the learning outcomes approach. We posit that IES, being a CPD standard sufficiently supplements IES 7 and there is no need to further revisions before the IAESB monitors implementation of the same.

Regarding the need for other IESs, we opine that it would be impossible for the IAESB to define sets of learning outcomes for the countless of roles accountants perform throughout the world. Any other set of learning outcomes identified can be issued in the form of guidance to support IFAC member bodies and the individual members in setting up specific CPD needs and thereafter the relevant trainings and development.

3. What action, if any, should the IAESB take to improve professional competence related to the appropriate exercise of professional scepticism and professional judgment?

We believe that the IAESB should limit its activities to implementation monitoring. We recognize that professional scepticism and professional judgment are areas that the other standard setters are currently looking to address in their respective standards and believe that the IAESB can participate in this in the same manner that the IAASB contributes to the IESBA projects and vice versa.

ICPAK Submissions on the Consultation Paper (CP) - Meeting Future Expectations of Professional Competence: A Consultation on the IAESB's Future Strategy and Priorities

4. What new IESs, if any, do you suggest be developed to address emerging matters related to the education of aspiring professional accountants and professional accountants?

We do not have any at the moment and believe the focus should be on monitoring the implementation.

5. What other activities, if any, do you suggest the IAESB prioritize for the period 2017-2021 (for example, implementation support; guidance; communications; thought leadership publications)?

As mentioned in (1) and (4) above, we believe that the IAESB should prioritise activities to monitor the implementation of the new and revised IESs and provide support to IFAC member bodies in the implementation of the same.