

August 24, 2018

Dr. Stavros Thomadakis,
Chair, International Ethics Standards Board for Accountants
International Federation of Accountants
529 Fifth Avenue
New York, NY 10017 USA

Re: Professional Skepticism – Meeting Public Expectations Consultation Paper

Dear Stavros,

The International Accounting Education Standards Board (IAESB) welcomes the opportunity to offer its views on the consultation paper, *Professional Skepticism – Meeting Public Expectations* (the Consultation Paper), issued by the International Ethics Standards Board for Accountants (IESBA). Overall, the IAESB strongly supports the efforts of IESBA to seek input from stakeholders to gain clarity on the longer-term professional skepticism issues that were articulated in the Joint Professional Skepticism Working Group publication, *Toward Enhanced Professional Skepticism*.

I have the following comments which are endorsed by IAESB members:

- The IAESB supports the mindset and behaviors expected of professional accountants as described in paragraph 10 of the Consultation Paper (i.e., as asked in question 2 of the Consultation Paper). The IAESB believes that the mindset and behaviors described in paragraph 10 should be expected of all professional accountants (i.e., as asked in question 3 of the Consultation Paper);
- The IAESB believes that it is important to have an *International Code of Ethics for Professional Accountants* (Code) that establishes and articulates the behaviors that are expected by all professional accountants. As a result, the IAESB believes the Code should be enhanced to establish the behaviors expected of all professional accountants. The IAESB believes the Code must remain principles-based to allow for global adoption of the Code (i.e., as asked in question 4 of the Consultation Paper); and
- Overall, it is less important to the IAESB what label (e.g., professional skepticism or skepticism or a new term) or definition (e.g., existing International Standards on Auditing definition or a new one) is used in the Code. What is important to the IAESB is that the Code articulates the behaviors expected to be exercised by all professional accountants (i.e., as asked in question 5 of the Consultation Paper).

The IAESB is committed to work with the IESBA and the International Auditing and Assurance Standard Board on matters to improve the use of skepticism by professional accountants. As a result, the IAESB will be reviewing the International Education Standards (IESs) to determine

whether or how to strengthen the learning outcomes and competencies to better support professional accountants' abilities to apply professional skepticism.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chris Austin', with a long horizontal flourish extending to the right.

Chris

Chris Austin,

Chair, International Accounting Education Standards Board

