

International Accountancy Education Standards Board
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Dear Sirs,

Proposed Revisions to IES 2, 3 and 4 – Sustainability

Baker Tilly International is a network of independent accountancy and business advisory firms. Member firms of Baker Tilly International provide assurance, tax, consulting, and advisory services. Our 43,000 people in over 650 offices across 141 territories serve clients of all sizes across all sectors, including listed entities and public interest entities (PIEs).

We welcome the opportunity to comment on the IAESB's proposal to revise IES 2,3, and 4. The insights from our member firms inform our comments below as well as our detailed responses to the Exposure Draft questions which can be found in Appendix 1.

Our main comments are:

- There is support for the inclusion of sustainability at its current level in the IESs
- The split of assurance and audit is generally supported, however there are some concerns about its effect on the talent pool, and the level of education being assessed as foundation.

If I can clarify any of the comments in this letter, then please contact me using the details below.

Yours faithfully,

Abigail Bruce

Director of People Strategy

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APPENDIX

- 1) Do you support the proposed revisions to IES 2, 3, and 4 for sustainability? If not, please explain your reasons and indicate what changes you would suggest.

Yes. It was noted that in many jurisdictions sustainability is already included in accountancy education and its inclusion in the IESs would therefore not cause any challenges.

- 2) Are the sustainability learning outcomes sufficient and appropriate expectations for aspiring professional accountants? If not, please explain your reasons and indicate what changes you would suggest.

Yes. There are no further comments and, in line with our response to question 1, many jurisdictions already include the learning outcomes in accountancy education.

- 3) Do you support the proposal to create a new competence area for assurance? Is the level of the proposed assurance competence area and learning outcomes at foundation level, appropriate for aspiring professional accountants? If not, please explain your reasons and indicate what changes you would suggest.

Our firms support a new area for assurance, as it demonstrates the expansion of the profession into different and emerging areas. A concern from some auditors is that the splitting of assurance may encourage people to seek a role in assurance rather than the traditional "audit and assurance", further exacerbating the current talent attraction and retention issues in the profession.

There is some concern that assurance is only at foundation level, whereas, previously, when it was "audit and assurance" it was at the intermediate level. This change suggests the skill level to carry out assurance is lower than that to carry out audit. It was also noted that assurance has no reference to quantitative methods and rely purely on qualitative methods which some felt was misleading in relation to carrying out assurance services. On balance, our firms would prefer assurance to be at the intermediate level.

- 4) Are there any terms within the new and revised learning outcomes of IES 2, 3, and 4 which require further clarification? If so, please explain which terms and how they could be better explained or revised.

The only term that caused some debate amongst our firms was the inclusion of "intellectual curiosity" and the removal of "an open-mind". The debate centred on the notion of pre-conceived ideas and whether either of the terms really stopped professional accountants entering conversations/work without relying on pre-conceived ideas. One suggestion is to use both terms in the IES.

- 5) Do you believe that the adoption and implementation, including the proposed effective date (1.1.26), of the proposed revised IES 2, 3, and 4 will present any challenges to your organization? If yes, what challenges do you foresee?"

No.