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Technical Manager  
International Accounting Education Standards Board  
International Federation of Accountants  
545 Fifth Avenue, 14th Floor  
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29 May 2009

Dear Sir/Madam

### **Exposure Draft – *Explanatory Memorandum on IAESB Drafting Conventions***

On behalf of RSM International Limited, a global network of independent accounting and consulting firms, we are pleased to have the opportunity to respond to your request for specific comments on the aforementioned Exposure Draft issued by the IAESB in March 2009.

Our responses to the specific matters on which the IAESB is seeking feedback are set out below.

#### **1. Do you agree with the proposed structure for the Standards (*Introduction, Objectives, Requirements and Explanatory Materials*)? If you do not agree, what changes would you suggest and why?**

We are confident that the IAASB's Clarity Project will improve the understanding and application of auditing standards around the world and believe that similar results will be likely if the International Education Standards (IESs) were structured in a similar manner. Accordingly, we agree with the proposed structure for the IESs (*Introduction, Objectives, Requirements and Explanatory Materials*).

#### **2. Do you agree with the proposed categories of *requirements* and *presumptive requirements*, and the related obligations they would impose on member bodies? Please state the reasons that support your response.**

We believe that the distinction between a *requirement* and a *presumptive requirement*, and the related use of the words "shall" and "should", is unnecessary and potentially confusing. We would prefer the IAESB to take the approach whereby the word "shall" is used in both circumstances but accompanied, in the case of a presumptive requirement, by a clear description of all qualifying circumstances.

#### **3. The following terms have been proposed in the explanatory memorandum:**

- "shall"
- "should"
- "consider"
- "evaluate" and
- "determine."

**Do you agree that these terms (as explained) are understandable? If you disagree, please indicate what alternatives you would propose and why?**

We agree that these terms are understandable. However, as indicated in our response to Item 2 above, we question the need to differentiate between “requirements” and “presumptive requirements” by using the words “shall” and “should,” respectively. We do however; expect that consistent interpretation and application of these terms worldwide will be enhanced as users become increasingly familiar with the new clarified International Standards on Auditing and the proposed clarity revisions to the Code of Ethics for Professional Accountants, both of which of course contain similar terminology.

**4. Do you agree with the proposed implementation approach? If you disagree please indicate what changes you would make and why?**

We have no reason to disagree with the proposed implementation approach.

**5. Do you agree that these proposals will help the IAESB to achieve its objective of improving clarity in its pronouncements? If you disagree, please indicate what changes you would make and why?**

We agree that these proposals will help the IAESB improve clarity in its pronouncements.

**6. Are there any additional steps or actions that the IAESB could take to make their pronouncements easier to (i) translate into other languages, (ii) understand, or (iii) implement?**

We believe that the approach currently being taken by the IAESB is both appropriate and proportionate, and so currently see no need for additional steps or actions to be taken.

We would be pleased to discuss our comments further with members of the IAESB or its staff. If you wish to do so, please contact Robert Dohrer (tel: +1 919 645 6819; email: [robert.dohrer@rsmi.com](mailto:robert.dohrer@rsmi.com)).

Yours sincerely



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