

IES 8 – Professional Competence for Engagement Partners

Standards Development Project

IFAC and the International Education Standards

1. The International Education Standards (IESs) are a central part of IFAC's approach to accountancy education. IFAC member organizations use the IESs to develop ethical and competent accountants who serve the public interest. By working together, IFAC and its members shape the future of the profession through learning, innovation, and a collective commitment to excellence.
2. The IESs establish requirements for (a) entry to professional accounting education programs, (b) initial professional development of aspiring professional accountants, and (c) continuing professional development of professional accountants. These IESs establish a global baseline for high quality education standards.
3. The IESs are periodically revised to remain responsive to evolving global trends that affect accountancy education.
4. Guided by a structured process and strong governance, IFAC collaborates with the International Panel on Accountancy Education and accountancy education directors from IFAC member organizations and the Forum of Firms to develop proposed revisions. These revisions undergo a public consultation process, allowing for broad stakeholder input.
5. As accounting education specialists, the Panel reviews and endorses the technical content of all revised IESs. The IFAC Board approves the final standards.

Impetus for the IES 8 Standards Development Project

6. International Education Standard 8 – *Professional Competence for Engagement Partners Responsible for Audits of Financial Statements* (IES 8) prescribes the professional competence that professional accountants performing the role of an audit engagement partner must develop and maintain.
7. Professional competence is demonstrated through the achievement of learning outcomes, including, but not limited to, those prescribed in IES 8. IES 8 also provides Explanatory Materials to provide guidance on how professional competence interacts with Continuing Professional Development (CPD) and international standards on quality management.
8. Two recent developments are the impetus for the IES 8 Standards Development Project (IES 8 Project):
 - **IES 2, 3 and 4 (Revised):** The professional competence requirements for aspiring professional accountants have been updated and will become effective from July 1, 2026 to embed sustainability-related concepts in the learning outcomes. These revisions need to be evaluated in relation to the required professional competence for audit engagement partners.
 - **Updates to international quality management standards:** Limited conforming amendments were made to IES 8 to remove and update out-of-date references to International Standard on



Quality Control 1 (ISQC 1) and International Standard on Auditing 220 (ISA 220). The Panel concluded that further evaluation and analysis of the impact of the new international standards on quality management would be performed after the issuance of IES 2, 3 and 4 (Revised).

Project Objective and Scope

9. The objective of the IES 8 Project is to consider through evidence gathering whether IES 8 remains fit-for-purpose in the context of the updates to IES 2, 3 and 4 and the international quality management standards, or whether revisions and/or non-authoritative guidance may be required.
10. The IES 8 Revision project scope will include these four areas:
 - **Sustainability-related impacts:** The project will consider whether growing demand for sustainability-related reporting and assurance, as well as IES 2, 3, and 4 (Revised) for sustainability may affect the required professional competence of engagement partners responsible for audits of financial statements. This may necessitate modifications to the IES 8 learning outcomes and the explanatory material.
 - **International standards on quality management impacts:** The project will consider how ISQM 1 and ISA 220 (Revised) may affect the required professional competence of engagement partners responsible for audits of financial statements. This will include review of both the learning outcomes and the explanatory material for potential updates.
 - **Fit-for-purpose considerations:** The project will consider emerging issues identified by the Panel's Innovation Groups (e.g., related to AI) that could influence the required professional competence of engagement partners responsible for audits of financial statements. The IES 8 Working Group will evaluate the emerging issues relevance to the existing project scope, seeking guidance from the IPAE.
 - **Language modernization and simplification:** The project will consider whether language can be simplified and clarified to improve effective adoption. Language modernization is a secondary element of the scope and may not be taken forward if a decision is made to retain the extant IES 8.
11. The IES 8 Project scope excludes the role of an engagement partner responsible for (limited or reasonable) assurance for sustainability-related general-purpose reports. Any output from the IES 8 Working Group related to competences for a sustainability-related assurance role will be limited to non-authoritative guidance.
12. As a result of information gathering activities, the IES 8 Working Group may recommend commencing another project focused on the competence of sustainability-related assurance partners. The IES 8 Project may also consider the need for non-authoritative guidance to support the application of IES 8 in a sustainability reporting context.



Questions from the IES 8 Working Group

13. The IES 8 Working Group invites feedback on the following questions that are guided by each of the four focus areas:

1. How do developments such as the rise of sustainability reporting influence the knowledge, skills, and behaviors required of an **engagement partner in conducting financial statement audits**?
2. Has the introduction of ISQM 1 and ISA 220 (Revised) resulted in a need to update the **technical competence requirements for audit engagement partners** in IES 8? If so, what do you believe should change?
3. Has the introduction of ISQM 1 and ISA 220 (Revised) resulted in new or enhanced **professional skills and professional values, ethics and attitudes** for audit engagement partners in IES 8? If so, what do you believe should change?
4. Are there other focus areas that you think should be considered?



Relevant resources

14. The resources below provide additional context for the work of the IES 8 Working Group. We encourage stakeholders to familiarize themselves with these documents prior to participating in our stakeholder outreach events.

- i. [IES 8 – current version](#)
- ii. [Revisions to IES 2, 3 and 4 for Sustainability](#)
- iii. [IFAC Knowledge Gateway Resources on International Quality Management Standards](#)
- iv. [International Quality Management Standards – SMPAG Discussion on Planning for Change](#)

15. The IES 8 extant learning outcomes are provided below.

Competence Areas (IES 8)	Learning Outcomes
(a) Audit	(i) Lead the audit through active involvement during all phases of the audit engagement.
	(ii) Lead the identification and assessment of the risks of material misstatement.
	(iii) Develop an audit plan that responds to the risks of material misstatement identified.
	(iv) Evaluate responses to the risks of material misstatement.
	(v) Conclude on the appropriateness and sufficiency of all relevant audit evidence, including contradictory evidence, to support the audit opinion.
	(vi) Evaluate whether the audit was performed in accordance with International Standards on Auditing or other relevant auditing standards, laws, and regulations applicable to an audit of the financial statements.
	(vii) Develop an appropriate audit opinion and related auditor's report, including a description of key audit matters as applicable.
(b) Financial accounting and reporting	(i) Evaluate whether an entity has prepared, in all material respects, financial statements in accordance with the applicable financial reporting framework and regulatory requirements.
	(ii) Evaluate the recognition, measurement, presentation, and disclosure of transactions and events within the financial statements in accordance with the applicable financial reporting framework and regulatory requirements.
	(iii) Evaluate accounting judgments and estimates, including fair value estimates, made by management.



Competence Areas (IES 8)	Learning Outcomes
	(iv) Evaluate the fair presentation of financial statements relative to the nature of the business, the operating environment, and the entity's ability to continue as a going concern.
(c) Governance and risk management	(i) Evaluate corporate governance structures and risk assessment processes affecting the financial statements of an entity as part of the overall audit strategy.
(d) Business environment	(i) Analyze relevant industry, regulatory, and other external factors that are used to inform audit risk assessments including, but not limited to, market, competition, product technology, and environmental requirements.
(e) Taxation	(i) Evaluate procedures performed to address the risks of material misstatement in the financial statements in respect of taxation, and the effect of the results of these procedures on the overall audit strategy.
(f) Information and communications technologies	(i) Evaluate the information and communications technologies (ICT) environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy.
(g) Business laws and regulations	(i) Evaluate identified or suspected non-compliance with laws and regulations to determine the effect on the overall audit strategy and audit opinion.
(h) Finance and financial management	(i) Evaluate the various sources of financing available to, and financial instruments used by, an entity to determine the impact on the overall audit strategy.
	(ii) Evaluate an entity's cash flow, budgets, and forecasts, as well as working capital requirements to determine the impact on the overall audit strategy.
(i) Interpersonal and communication	(i) Communicate effectively and appropriately with the engagement team, management, and those charged with governance of the entity.
	(ii) Evaluate the potential impact of cultural and language differences on the performance of the audit.
	(iii) Resolve audit issues through effective consultation when necessary.
(j) Personal	(i) Promote lifelong learning.
	(ii) Act as a role model to the engagement team.

Competence Areas (IES 8)	Learning Outcomes
	(iii) Act in a mentoring or coaching capacity to the engagement team.
	(iv) Promote reflective activity.
(k) Organizational	(i) Evaluate whether the engagement team, including auditor's experts, collectively has the appropriate objectivity and competence to perform the audit.
	(ii) Manage audit engagements by providing leadership and project management of engagement teams.
(l) Commitment to the public interest	(i) Promote audit quality and compliance with professional standards and regulatory requirements with a focus on protecting the public interest.
(m) Professional skepticism and professional judgment	(i) Apply professional judgment in planning and performing an audit and reaching conclusions on which to base an audit opinion.
	(ii) Promote the importance of the application of professional skepticism during all phases of the audit engagement.
	(iii) Apply professional skepticism to critically assess audit evidence obtained during the course of an audit and reach well-reasoned conclusions.
	(iv) Evaluate the impact of individual and organizational bias on the ability to apply professional skepticism.
	(v) Apply professional judgment to evaluate management's assertions and representations.
	(vi) Resolve audit issues using critical thinking to consider alternatives and analyze outcomes.
(n) Ethical principles	(i) Promote the importance of compliance with the fundamental principles of ethics. ¹
	(ii) Evaluate and respond to threats to objectivity and independence that can occur during an audit.

¹ The Fundamental Principles, *IESBA Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)* – 2024 Edition, Section 110.