To:	International Panel on Accountancy Education
From:	IES 8 Working Group
Action Requested:	For discussion
Subject:	IES 8 Project Proposal

IES 8 Standards Development Project Proposal

OBJECTIVE OF PAPER

1. This paper provides the International Panel on Accountancy Education (the Panel) with a proposal for a Standards Development Project (SDP) focused on International Education Standard 8 – *Professional Competence for Engagement Partners Responsible for Audits of Financial Statements* (IES 8) which may, based upon the evidence gathered, become an IES revision project.

2. Standards Development is the lifecycle from identification of macro trends impacting accountancy education to the revision of international education standards (IESs). Based on evidence obtained during the process, Standards Development may or may not result in revised IESs. The IES 8 Standards Development Project (IES 8 Project'):

    (a) is an extension of the standards revisions to IES 2, *Technical Competence* (IES 2)*; IES 3, *Professional Skills* (IES 3)*; and IES 4, *Professional Values, Ethics and Attitudes* (IES 4) related to sustainability, and

    (b) will respond to the change in the international quality management standards (ISQM 1) and ISA 220(R) that may impact the extant IES 8, specifically as it relates to engagement performance.

    The IES 8 Project does not contemplate any changes to an engagement partner's responsibilities.

3. The Panel is asked to review and advise the IES 8 Working Group on the IES 8 Project. The IES 8 Working Group requests the Panel to be prepared to provide their feedback on the following questions:

    > *Does the Panel agree with the project scope?*
    >
    > *Does the Panel agree with the initial planned information gathering activities? Are these sufficient?*
    >
    > *Does the IES 8 Working Group have the necessary skills and qualifications? If not, what skills are missing?*
    >
    > *Does the Panel agree with the planned project milestones and timeline?*

BACKGROUND

4. IES 8 prescribes the professional competence that professional accountants performing the role of an audit engagement partner must develop and maintain. 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.

5.   Two recent developments are the impetus for the IES 8 Project:

- **IES 2, 3 and 4 (Revised):** The professional competence requirements for aspiring professional accountants will be changing from July 1, 2026 to embed sustainability-related concepts in the learning outcomes. These changes need to be evaluated in the context of professional competence for audit engagement partners.

- **Updates to international quality management standards:** As part of the IES 6 Revision Project, 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 IES 8 would be performed after the issuance of IES 2, 3 and 4 (Revised).

   International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (ISQM 1) and ISA 220 (Revised), *Quality Management for an Audit of Financial Statements* (ISA 220 (Revised)) need to be evaluated in the context of professional competence for audit engagement partners. As International Standard on Quality Management 2, *Engagement Quality Reviews* (ISQM 2) does not cover engagement partner competence, the IES 8 Working Group has not included ISQM 2 in the scope of the IES 8 Project.

6.   In May 2024, the Panel discussed these developments and agreed to form an IES 8 Working Group. They undertook initial discussions and engaged with the Accountancy Education Directors Forum in September 2024. Based upon these discussions, in October 2024, the Panel determined there was sufficient demand for an IES 8 Project.

PROJECT OBJECTIVE

7.   The objective of the IES 8 Project will be 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.

8.   This project aligns with the Panel's public interest remit to provide high quality education standards that support the professional competence of audit engagement partners.

PROJECT SCOPE

9.   The IES 8 Revision project will include consideration of the following four areas in its scope:

   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 impact the professional competence expected 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 impact the professional competence expected of audit engagement partners. This will include review of both the learning outcomes and the explanatory material for potential updates.

Fit-for-purpose considerations: The project will explore emerging issues identified by the Panel's Innovation Groups (e.g., related to AI) that could influence the professional competence expected of engagement partners responsible for audits of financial statements. The IES 8 Working Group will consider these issues and evaluate their relevance to the existing project scope, seeking guidance from the IPAE as necessary.

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.

10.   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 outputs from the IES 8 Working Group related to competences for a sustainability-related assurance role will be limited to non-authoritative guidance. 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.

INFORMATION GATHERING ACTIVITIES

11.   A variety of information gathering activities will be undertaken to enable a decision on whether sufficient evidence exists to revise IES 8. The following information activities will be conducted by the IES 8 Working Group, IFAC staff, and Panel members:

- **Literature review:** a review and analysis of previously published articles and papers identified by the members of the IES 8 Working Group will be undertaken. We will consider whether we should and can engage an academic to conduct this work. A separate ChatGPT deep research paper with direction and review by a human will also be performed.

- **Stakeholder outreach:** The IES 8 Working Group will conduct targeted stakeholder engagement through roundtables and interviews. These will involve relevant IPAE Innovation Teams, IFAC Advisory Groups (such as the Accountancy Education Directors Forum, consulted in September 2024 and March 2025), the Forum of Firms, independent standard-setting boards, practitioners, regulators, and other relevant stakeholders. A stakeholder outreach plan will be developed, with regular updates provided to the Panel. An indicative stakeholder outreach plan has been included in Appendix B. This will be updated based upon feedback from the Panel, as well as in response to information gathering activities as necessary.

- **ISQM 1 and ISA 220 (Revised) basis for conclusion analysis**: An analysis of the standards' basis for conclusions will be conducted to identify whether there are embedded competencies that should be considered in the IES 8 Project.

12.   The IES 8 Working Group and IFAC staff will use analytical tools and Generative AI to generate and evaluate evidence.

IES 8 WORKING GROUP

13.   The working group will be referred to as the IES 8 Working Group (IES 8 WG). The IES 8 WG consists of the following members (see Appendix A for the IES 8 WG skills matrix):

	Name	IPAE capacity	Roles	Category	Country
1.	Manil Jayesinghe Chair of IES 8 Working Group	Member	Independent Director, various public listed companies Governing Board Member, Central Bank of Sri Lanka Chair, Accounting Standards Committee of Sri Lanka and the South Asian Federation of Accountants Former President, Institute of Chartered Accountants Sri Lanka Former Member, IAESB Former Country Managing Partner, Ernst & Young Sri Lanka and Maldives	PAO	Sri Lanka
2.	Anne-Marie Vitale	Chair	Former Partner, PwC Former Chair, IAESB	Firm	United States
3.	Jan Taylor	Member	Senior Director – Academic in Residence, AICPA-CIMA	PAO, Academic	United States
4.	Jennifer Eberman	Member	Director and Assurance and Reporting Lead for Audit & Assurance, Deloitte Former Associate Director – CPA Ontario Former provincial reviewer for CPA Canada CFE	Firm	Canada
5.	Nadine Kater (Supported by technical assistant Sipho Khumalo, Audit Development Programme	Observer	Education and Transformation Director, Independent Regulatory Board for Auditors (IRBA)	Regulator	South Africa

	Name	IPAE capacity	Roles	Category	Country
	Professional Manager)				
6.	Adriana Tiron Tudor	Observer	Chair, Professional Accountancy Education Europe Full Professor, Babes-Bolyai University (Romania)	PAO, Academic	Romania
7.	Michelle Cardwell	Staff	Principal, Education, Thought Leadership, and International Standards, IFAC	IFAC Staff	International

14. Additional members may be added to the IES 8 Working Group based upon skills and knowledge needs in consultation with the Panel Chair and the IES 8 WG Chair.

15. The IES 8 WG will meet regularly throughout the project life cycle, via virtual or hybrid means.

PROPOSED MILESTONES AND TIMELINES

16. The proposed milestones and expected completion dates are presented below and are based on the IFAC Board approved process for standards revision projects (see Appendix C).

	Milestone	Involved parties	Status
Project identification			
1	Evidence gathered by IFAC staff, IPAE, and Accountancy Education (AE) Directors	IFAC staff, IPAE, AE Directors	Completed - discussion held with IPAE in May 2024 AED Forum September 2024 and March 2025
2	Evidence-based discussion between IFAC Staff and IPAE to determine if sufficient demand exists to pursue the identified project.	IFAC staff, IPAE	Completed - Panel discussed and agreed the need for a formal project – October 2024
Project proposal			
3	Prepare project proposal	IFAC staff	In progress – April – June 2025
4	Review and advise on project proposal	IPAE	TBC – June 2025
5	Update on identified project(s) and consultation process	AE Directors, IFAC Board	TBC – September 2025
Information gathering			
6	Design and develop materials for stakeholder outreach[1]	IFAC staff, Working Group, IPAE	June – August 2025
7	Execute information gathering activities – stakeholder outreach (e.g., roundtables, surveys)	IFAC staff, Working Group,	Sept – Nov 2025

---

[1] The IFAC Board Revision Criteria includes reference to the involvement of AE Directors during this phase. However, to maintain independence of the AE Directors as a consultative group, the Panel and Working Group developed these materials independently.

	Milestone	Involved parties	Status
		IPAE, AE Directors[2]	
8	Execute information gathering activities – review of existing materials (e.g., literature reviews)	IFAC staff, Working Group	Sept – Nov 2025
9	Evaluate sufficiency and results of information gathering activities to conclude sufficient evidence exists to revise or issue new standards	IFAC staff, Working Group	Nov – Dec 2025
Proposed revised / new IES – if applicable			
10	Draft exposure draft on proposed IES revisions	IFAC staff, Working Group	Nov – Dec 2025
11	Evaluate and confirm drafting conventions are followed	IFAC staff, Working Group	Feb 2026
12	Identify conforming amendments to IES	IFAC staff, Working Group	Dec – Feb 2026
13	Review and advise on exposure draft	IPAE, AE Directors	Jan / Feb 2026
Consultation – if applicable			
14	Draft explanatory memorandum highlighting objectives including process timeline and key activities	IFAC staff	If applicable – Dec – Feb 2026
15	Issue exposure draft with a 60-day consultation period	IFAC staff	If applicable – publish March/April 2026. Public consultation period to be agreed, likely 90 days – June/July 2026 close
16	Evaluate responses to public consultation and provide a summary of significant matters and proposed revisions	IFAC staff, Working Group	If applicable – July – October 2026
17	Review of, and advice on, revisions and disposal of consultation comments	IPAE	If applicable – July – October 2026 The IES 8 WG will keep the Panel updated via correspondence on progress throughout.
Final revised / new IES – if applicable			
18	Finalize revisions	IFAC staff, Working Group	If applicable – July – October 2026
19	Review and advise on final IES	Working Group, IPAE	If applicable – November 2026
Approval			
20	Content and consultation process endorsed by IPAE members	IPAE	If applicable – November 2026
21	Confirmation of consultation process followed	IFAC Board	If applicable – February 2027

---

[2] The AE Directors were engaged as a stakeholder as part of the execution of information gathering activities.

	Milestone	Involved parties	Status
22	Approval of the revised or new standard (after IPAE endorsement and confirmation of consultation process)	IFAC Board	If applicable – February 2027
23	New standard published on e-Tool/e-IS	IFAC staff	If applicable – H2 2027

PROJECT TRANSPARENCY AND DUE PROCESS

17.   Relevant project documents, including this project proposal, will be published on a dedicated project page on the IFAC website.

18.   The Panel Chair, together with IFAC staff, will share IES 8 Project updates and relevant project documents at quarterly IFAC Board meetings. The updates will either be written, or written and oral, depending on the extent of the updates.

19.   Updates to the IFAC Board, and if applicable, final request for approval of revisions to IES 8 (and any associated conforming amendments), will include documentation to demonstrate alignment with the due process agreed with the IFAC Board (see Appendix C for the March 2023 version; please note, the agreed process is likely to be updated following presentation of a paper on lessons learned from the SRP and IES 6 Projects to IFAC Board later in 2025. IFAC staff will work to ensure all due process is aligned to any updated framework).

20.   Please prepare to debate perspectives and answer the following questions:

> *Does the Panel agree with the project scope?*
>
> *Does the Panel agree with the initial planned information gathering activities? Are these sufficient?*
>
> *Does the IES 8 Working Group have the necessary skills and qualifications? If not, what skills are missing?*
>
> *Does the Panel agree with the planned project milestones and timeline?*

APPENDICES

Appendix A: IES 8 Working Group skills matrix

Appendix B: Indicative Stakeholder Outreach Plan

Appendix C: IFAC Board Standards Revision Criteria

APPENDIX A: IES 8 WORKING GROUP SKILLS MATRIX

	Name	IPAE capacity	Roles	Category	IES Experience	Standard Setting Experience	Audit Engagement Partner Experience	Regulator Experience	Accountancy Education Experience
1.	Manil Jayesinghe Chair of IES 8 Working Group	Member	Independent Director, various public listed companies Governing Board Member, Central Bank of Sri Lanka Chair, Accounting Standards Committee of Sri Lanka and the South Asian Federation of Accountants Former President, Institute of Chartered Accountants Sri Lanka Former Member, IAESB Former Country Managing Partner, Ernst & Young Sri Lanka and Maldives	Retired audit partner	X	X	X		X

	Name	IPAE capacity	Roles	Category	IES Experience	Standard Setting Experience	Audit Engagement Partner Experience	Regulator Experience	Accountancy Education Experience
2.	Anne-Marie Vitale	Chair	Former Partner, PwC Former Chair, IAESB	Retired audit partner	X	X	X		X
3.	Jan Taylor	Member	Senior Director – Academic in Residence, AICPA-CIMA	PAO, Academic	X				X
4.	Jennifer Eberman	Member	Director and Assurance and Reporting Lead for Audit & Assurance, Deloitte	Firm	X				X
5.	Nadine Kater (Supported by technical assistant Sipho Khumalo, Audit Development Programme Professional Manager)	Observer	Education and Transformation Director, Independent Regulatory Board for Auditors (IRBA)	Regulator	X	X		X	X
6.	Adriana Tiron Tudor	Observer	Chair, Professional Accountancy Education Europe Full Professor, Babes-Bolyai University (Romania)	Academic					X

	Name	IPAE capacity	Roles	Category	IES Experience	Standard Setting Experience	Audit Engagement Partner Experience	Regulator Experience	Accountancy Education Experience
7.	Michelle Cardwell	Staff	Principal, Education, Thought Leadership, and International Standards, IFAC	IFAC Staff	X	X			X

APPENDIX B: INDICATIVE STAKEHOLDER OUTREACH PLAN

This plan is indicative and subject to change over time. The IES 8 WG requests the Panel to conduct outreach activities – further information will be provided to support the Panel in this effort. Key groups to be consulted are indicated with an asterisk.

Stakeholder	Responsibility	Nature of Engagement	Date	Status
IPAE Innovation Teams	Michelle Cardwell / Bruce Vivian	Online meetings with each team	TBC	IFAC staff to arrange
Audit engagement partners*	Working Group member - TBC			
Forum of Firms (FoF)*	Working Group member - TBC			IFAC staff liaising with FoF
International Forum of Independent Audit Regulators (IFIAR)*	Working Group member - TBC			
IFAC Small and Medium-sized Practices Advisory Group*	Michelle Cardwell	Hybrid meeting	TBC	Liaising with IFAC staff
International Auditing & Assurance Standards Board (IAASB)*	Working Group member – TBC / Michelle Cardwell	Online meeting	TBC	Liaising with IAASB staff
International Ethics Standards Board for Accountants (IESBA)	Working Group member – TBC / Michelle Cardwell	Online meeting	TBC	Liaising with IAASB staff
Accountancy Europe				
Arab Federation of Accountants (AFAA)				
ASEAN Federation of Accountants (AFA)				
Confederation of Asian and Pacific Accountants (CAPA)				
European Federation of Accountants and Auditors for SMEs (EFAA)				
Institute of Chartered Accountants of the Caribbean (ICAC)				

Stakeholder	Responsibility	Nature of Engagement	Date	Status
Pan African Federation of Accountants (PAFA)				
Jeju Group				
Professional Accountancy Education Europe (PAEE)				
Institute of Internal Auditors (IIA)				
International Organization of Supreme Audit Institutes (INTOSAI)				
International Organization of Securities Commission (IOSCO)				
Global Accounting Alliance (GAA)				
IPAE members are requested to conduct targeted outreach to stakeholders in their jurisdiction and/or regio				

APPENDIX C: IFAC BOARD STANDARDS REVISION CRITERIA

IES Revision Process and IFAC Board Standards Revision Criteria

Approved by the IFAC Board, March 2023

The International Education Standards (IESs) are periodically updated to ensure they remain responsive to evolving global trends that affect accountancy education. 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. After considering feedback and making any necessary refinements, the IFAC Board approves the final standards, ensuring they continue to support a high-quality, globally consistent foundation for professional accountants.

The process below details the standards development lifecycle from identification of macro trends impacting accountancy education to revision or issuance of new IESs. It was approved by the IFAC Board in March 2023.

Based on evidence obtained during the process, standards development may or may not result in revised IESs. Standards development requires demonstrated outcomes to measure due process.

IFAC will consider how additional enhancements and improvements can be made to this process over time.

International Education Standards (IES) Revision Process

1. IFAC staff will lead the process, obtain advice and resources from the International Panel on Accountancy Education (IPAE, the Panel), and obtain IFAC Board oversight and approval of the IES.

2. The following chart is not a complete depiction of all phases or activities that may be needed to identify, develop, and conduct stakeholder consultation.

Phase	Activity	IFAC Staff (1)	Working Group (2)	IPAE	AE Directors	IFAC Board
Project Identification	Evidence gathered by IFAC staff, IPAE, and Accountancy Education Directors[1] (e.g., identifying and understanding macro trends, changing business models and anticipating competency expectations of accountants)	X		X	X	

	Evidence-based discussion between IFAC Staff and IPAE to determine if sufficient demand exists to pursue the identified project.	X		X		
Project Proposal	Prepare project proposal	X				
	Review and advise on project proposal			X		
	Update on identified project(s) and consultation process				X	X
Information Gathering Activities (3)	Design and develop materials for stakeholder outreach	X	X	X	X	
	Execute information gathering activities – stakeholder outreach (e.g., roundtables, surveys)	X	X	X	X	
	Execute information gathering activities – review of existing materials (e.g., literature reviews)	X	X			
	Evaluate sufficiency and results of information gathering activities to conclude sufficient evidence exists to revise or issue new standards	X	X			
Proposed Revised / New IES	Draft exposure draft on proposed IES revisions	X	X			
	Evaluate and confirm drafting conventions are followed	X	X			
	Identify conforming amendments to IES	X	X			
	Review and advise on exposure draft			X	X	
Consultation	Draft explanatory memorandum highlighting objectives including process timeline and key activities	X				
	Issue exposure draft with a 60-day consultation period	X				

	Evaluate responses to public consultation and provide a summary of significant matters and proposed revisions	X	X			
	Review of, and advice on, revisions and disposal of consultation comments			X		
Final Revised / New IES	Finalize revisions	X	X			
	Review and advise on final IES		X	X		
Approval	Content and consultation process endorsed by IPAE members			X		
	Confirmation of consultation process followed					**X**
	Approval of the revised or new standard (after IPAE endorsement and confirmation of consultation process)					**X**
	New standard published on e-Tool/e-IS	X				

Notes:

1. IFAC staff may engage a consultant working under its supervision.

2. A working Group will be determined based on the project's nature and extent. The working group will consist of members who are specialists in the field of accountancy education.

3. An overriding objective is to obtain sufficient evidence through information gathering activities to support any potential IES revisions or new standards. The nature of information gathering activities will vary depending on the project. Advice will be sought from IPAE with respect to the nature and extent of planned information gathering activities for each project.

IFAC Board Standards Revision Criteria

3. In considering whether to approve Standards Revision, the IFAC Board evaluates: (a) the project proposal that sets-forth the basis for exploring a Standards Revision, (b) qualifications of the working group members, (c) sufficiency and adequacy of information gathering activities, (d) public comment evaluation and (e) working practices.

Project Proposal Basis

a. Is there a sufficient basis to explore a Standards Revision?

b. Are there appropriate and adequate resources to effectively and timely complete the Standards Revision?

Working Group Members Qualifications

a. What are the skills and qualifications of working group members? For example, experience in working with the IES, standard setting, and subject matter expertise in the subject matter (e.g., sustainability)?

Sufficiency and Adequacy of Information Gathering Activities

a. Is the nature and extent of the information gathering activities commensurate with the extent and pervasiveness of the Standards Revision?

b. Have geographic and stakeholder input diversity been obtained (e.g., developing nations, education directors, academia, practitioners)?

c. What is the extent of input obtained from PAOs?

Public Comment Evaluation

a. Is the comment period reasonable considering the Standards Revision scope?

b. Does the summary and disposition of comments reflect due care?

c. Has the working group and IPAE appropriately considered the issues raised in the comments and sufficiency evaluated whether re-exposure is necessary?

Working Group and IPAE Working Practices

a. Has there been timely and sufficient communication between the working group and the IPAE?

b. Has the working group obtained input from and considered the IPAE's advice?