To: International Panel on Accountancy Education

From: IES 8 Working Group

Action Requested: For discussion

Subject: IES 8 Project Update

Update on information gathering and next steps

OBJECTIVE OF PAPER

1. This paper provides the International Panel on Accountancy Education (the Panel) with an update on the 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, result in IES revisions.

2. 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:

3. What have Panel Members heard in feedback in their regions? Is it consistent with the emerging messages noted in this paper or are new areas identified that should be considered by the IES 8 Working Group?

4. What are the Panel Members' reflections on the emerging feedback?

5. What is your view on the direction of the IES 8 SDP?

PROJECT UPDATE SINCE JUNE 2025

6. The Panel reviewed and advised on the IES 8 Project Proposal in June 2025. The Working Group updated the project proposal based on the feedback provided. The proposal and other project documents are posted on the project website. Appendix A provides additional details on the indicative timelines. The Working Group is undertaking the information gathering stage. The objective of this stage is to undertake relevant stakeholder engagement and gather evidence to conclude whether sufficient evidence exists to revise IES 8. Since June 2025, the following information gathering activities have commenced:

   - **International stakeholder engagements:** The IES 8 Working Group is arranging stakeholder engagements in line with the indicative stakeholder outreach plan set out in Appendix B). At the date of the Panel meeting (October 30, 2025), four of the seven indicative international stakeholder engagements will have taken place, with an aim to arrange the remainder in 2025 depending on stakeholder availability and willingness to participate.

   - **Jurisdictional engagements:** As agreed at the June 2025 Panel meeting, Panel Members, Observers, Technical Advisors and IFAC staff will undertake regional and local jurisdiction engagements. At the drafting date of this paper (October 11, 2025), three (Australia, Lebanon and Ireland) jurisdictional engagements had been undertaken. A further two jurisdictional engagements are being planned for the UK and South Africa. Panel members are requested to continue undertaking these engagements and providing this feedback to Michelle Cardwell. Your outreach efforts are critical to the success of the IES 8 Project.

- **Literature review:** Adriana Tiron-Tudor and Jan Taylor will be undertaking a review and analysis of previously published articles and papers. This work is underway, and an update will be provided to the Panel once completed.

EMERGING MESSAGES FROM STAKEHOLDER ENGAGEMENT

7. The views below may change as stakeholder engagement continues. Key emerging messages include:

   - **Sustainability revisions more likely to be limited in scope:** Many stakeholders noted that the IESs are principles based, and therefore, capture the need for audit engagement partners to learn sustainability-related reporting and audit requirements as relevant to their jurisdiction. Wholesale updates therefore were not viewed as necessary by these stakeholders.

     A few specific areas where competencies may be impacted as well as exploring minor updates to the IES, for example, with regards to working with specialists/experts, controls over data, impacts of risks and opportunities, enhanced behavioral competences (curiosity and adaptability, multidisciplinary collaboration, and communication) and connectivity of information, particularly where it may give rise to financial statement specific impacts and/or disclosures.

   - **Regulatory challenges:** Some stakeholders noted that in some jurisdictions, IES 8 is used as a compliance checklist. They noted that adding additional details may perpetuate this behavior and result in unintended consequences.

   - **Overlap between IES 8 and ISQM 1 and ISA 220 (Revised):** Some stakeholders noted that ISQM 1 and ISA 220 (Revised) provide a robust, comprehensive set of requirements for engagement partners to ensure high-quality audit engagements. While ISA 220 (Revised) sets forth responsibilities and requirements for engagement partners, it does not extend to expected competencies. IES 8 overlaps with some of the stated requirements. This raises questions about whether this duplication is necessary in IES 8 and what additional value IES 8 provides beyond ISQM 1 and ISA 220 (Revised).

   - **Behaviors vs. audit tasks in learning outcomes:** Some stakeholders noted that the learning outcomes are often focused on tasks, rather than competencies. IES 8 should focus on the educational elements – for example, do audit partners need updated competence in leading or coordinating teams (linked also with sustainability reporting requirements). Some stakeholders highlighted the significant mindset shift of ISQM 1 and ISA 220 (Revised) and noted focusing on the behaviors could be helpful.

   - **Quality management competence area**: Some stakeholders noted the learning outcomes focusing on audit engagement quality management were extremely limited and highlighted it may be appropriate to create a new quality management focused competence area.

This could, for example, focus on the competencies needed for an audit quality mindset and responsibilities for maintaining a firm-level quality system (including evaluating the appropriateness of tools and outsourced solutions). Suggested areas include: identifying and responding engagement quality risks, use of the work of others, adaptability, delegation of tasks, communication, leadership, critical thinking, professional skepticism, judgment and ethical courage, governance and accountability, documentation, and consideration of human and technology resources.

- **Audience and purpose of IES 8:** Several stakeholders asked the IES 8 Working Group to assess whether IES 8 remains necessary—and, if so, whether it should be reshaped. While some participants affirmed that IES 8 still has an important role, others urged the Working Group to reflect on its purpose, scope, and intended audience, and to reconsider what content the standard should now include.
- **Small- and medium-sized practitioner issues:** Stakeholders noted additional SMP challenges with sustainability (especially with relation to working with experts) and implementing the quality management standards. Particular reflection needs to be given to scalability and impact on SMPs.
- **Artificial intelligence:** Stakeholders generally agreed that AI and other emerging technologies are evolving too quickly to address through immediate revisions to IES 8. They emphasized the standards' principles-based nature and noted that existing continuing professional development requirements may already encompass these developments. One stakeholder suggested enhancing learning outcomes related to data analytics and cybersecurity within the IES. **ICT learning outcome limitation:** Learning outcomes currently only cover the use of technology by an audited entity, rather than the audit firm. Competence in the audit firm's internal technology also needs to be considered.

8. The IES 8 Working Group will update these key messages as information gathering progresses.

APPENDICES

Appendix A: Indicative Project Milestones and Timelines

Appendix B: Indicative Stakeholder Outreach Plan

APPENDIX A: INDICATIVE PROJECT MILESTONES AND TIMELINES

The proposed milestones and expected completion dates are presented below and are based on the IES Standards Development Framework, approved by the IFAC Board in September 2025.

	Milestone	Involved parties	Status
Project identification			
1	Evidence gathered by IFAC staff and the IPAE, including consultation with the Accountancy Education (AE)[1] Directors	IFAC staff, IPAE, AE Directors	Completed - discussion held with IPAE in May 2024 AE Directors 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. If demand exists, the IPAE will establish a working group.	IFAC staff, IPAE	Completed - Panel discussed and agreed the need for a formal project – October 2024. Working group set up to prepare a project proposal.
Project proposal			
3	Prepare project proposal	IFAC staff	Completed – provided to IPAE in June 2025
4	Review and advise on project proposal	IPAE	Completed – feedback used to update published project proposal in August 2025
5	Update on identified project(s) and proposed process provided to IFAC Board and the AE Directors	AE Directors, IFAC Board	Ongoing – IFAC Board was provided an update at its September 2025 meet. AE Directors will receive an update at their next meeting.
Information gathering			
6	Design and develop materials for stakeholder outreach	IFAC staff, Working Group	Completed – June – August 2025 Stakeholder outreach pre-read published
7	Execute information gathering activities – stakeholder outreach[2] (e.g., roundtables, surveys)	IFAC staff, Working Group, IPAE	Ongoing – Sept – Dec 2025
8	Execute information gathering activities – review of existing materials (e.g., literature reviews)	IFAC staff, Working Group, IPAE	Ongoing –Sept – Dec 2025

[1] Accountancy Education Directors refers to the accountancy education leaders at IFAC member organizations and the Forum of Firms. IFAC regularly convenes this group at the Accountancy Education Directors Forum, which is typically held twice annually. To facilitate timely Standards Development, engagement may also take place outside of this Forum, through correspondence with those on IFAC's list of Accountancy Education Directors.

[2] The specific stakeholders will depend on the nature of the Standards Development Project, however, are likely to include (but are not limited to): accountancy education directors at IFAC member organizations and the Forum of Firms, accounting academics, other training providers, and regulators. The Project Proposal will provide an indicative list of stakeholders to be targeted for stakeholder outreach.

	Milestone	Involved parties	Status
9	Evaluate sufficiency and results of information gathering activities to conclude sufficient evidence exists to revise or issue new standards	IFAC staff, Working Group, IPAE	TBC – likely Q4 2025 / Q1 2026
Proposed revised / new IES – if applicable			
10	Prepare exposure draft on proposed IES revisions	IFAC staff, Working Group	TBC – if applicable, H1 2026
11	Identify conforming amendments to the IESs	IFAC staff, Working Group	TBC – if applicable, H1 2026
12	Evaluate and confirm drafting conventions are followed	IFAC staff, Working Group, IPAE Drafting Working Group	TBC – if applicable, H1 2026
13	Review and advise on exposure draft, including the consultation period length	IPAE, AE Directors	TBC – if applicable, H1 2026
Consultation – if applicable			
14	Draft explanatory memorandum highlighting objectives including process timeline and key activities	IFAC staff	TBC – if applicable, H1 2026
15	Issue exposure draft with a consultation period to be determined	IFAC staff	TBC –If applicable – publish H1 2026.
16	Evaluate responses to public consultation and provide a summary of significant matters and proposed revisions to the IPAE	IFAC staff, Working Group	TBC –If applicable – H2 2026
17	Review of, and advice on, revisions and disposal of consultation comments	IPAE	TBC –If applicable – H2 2026 The IES 8 WG will keep the Panel updated via correspondence on progress throughout.
Final revised / new IES – if applicable			
18	Finalize revisions, including conforming amendments	IFAC staff, Working Group	TBC –If applicable – H2 2026
19	Evaluate and confirm drafting conventions are followed	IFAC staff, Working Group, IPAE Drafting Working Group	TBC –If applicable – H2 2026
19	Review and advise on final IES	Working Group, IPAE	TBC –If applicable – H2 2026
Approval – if applicable			
20	Technical content and due process endorsed by IPAE members	IPAE	TBC –If applicable – H2 2026
21	Evaluate whether re-exposure of the IPAE endorsed revised or new standard(s) is necessary	IPAE	TBC –If applicable – H2 2026 / Q1 2027

	Milestone	Involved parties	Status
22	Approval of the revised or new standard(s)	IFAC Board	TBC –If applicable – H2 2026 / Q1 2027
23	New standard published	IFAC staff	TBC –If applicable – H2 2026 / Q1 2027

APPENDIX B: INDICATIVE STAKEHOLDER OUTREACH PLAN

This plan is indicative and subject to change over time. The IES 8 Working Group will endeavor to hold outreach engagements with these stakeholders, subject to their availability and willingness to participate. The IES 8 Working Group requests the Panel to conduct outreach activities.

Stakeholder	Responsibility	Nature of Engagement	Timing	Status
International stakeholders				
Forum of Firms (FoF)*	Manil Jayesinghe, Anne-Marie Vitale Michelle Cardwell	Online meeting	Sept 24, 2025	Completed
International Forum of Independent Audit Regulators (IFIAR)*	Nadine Kater Anne-Marie Vitale	Online meeting	Likely November 2025	Planning
IFAC Small and Medium-sized Practices Advisory Group*	Roger Loutfi, Simon Sfeir	Hybrid meeting	Oct 30, 2025	Scheduled
International Auditing & Assurance Standards Board (IAASB)*	Michelle Cardwell	Online meeting	Oct 6, 2025	Completed
International Ethics Standards Board for Accountants (IESBA)	Jan Taylor Michelle Cardwell	Online meeting	Oct 17, 2025	Scheduled
International Organization of Supreme Audit Institutes (INTOSAI)	Bruce Vivian	TBC	TBC	Have reached out
Global Accounting Alliance (GAA)	Bruce Vivian	TBC	TBC	Have reached out
IPAE members are requested to conduct targeted outreach to stakeholders in their jurisdiction and/or region. These include (but are not limited to) local stakeholders such as: • IFAC Regional Network Partners; • IFAC Member Organization(s); • Audit firms, including those that are part of international networks; and • Jurisdictional audit regulators and standard setters				
Various Lebanon stakeholders	Roger Loutfi, Simon Sfeir	Discussion with stakeholders	Sept 2025	Completed
CAANZ	Simon Hann	Written feedback	Sept 2025	Completed

Stakeholder	Responsibility	Nature of Engagement	Timing	Status
IAASA	Michelle Cardwell, Bruce Vivian	Meeting	Sept 2025	Completed
Various South African stakeholders	Nadine Kater, Sipho Khumalo	Roundtable	TBC	In planning
Various UK stakeholders	Michelle Cardwell	Discussion calls	TBC	In planning