

International Education Standards

Update on changes

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PULSAR EduCoP

December 4, 2024

IESs: Global Baseline for Accountancy Education

Authoritative for IFAC Member Organizations

ASPIRING
PROFESSIONAL
ACCOUNTANT



IES 1:
Entry to a
Program

INITIAL PROFESSIONAL DEVELOPMENT



IES 2:
Technical
Competence



IES 3:
Professional Skills



IES 4:
Professional Values,
Ethics & Attitudes

LEARNING OUTCOMES



IES 5:
Practical
Experience



IES 6:
Assessment

PROFESSIONAL
ACCOUNTANT



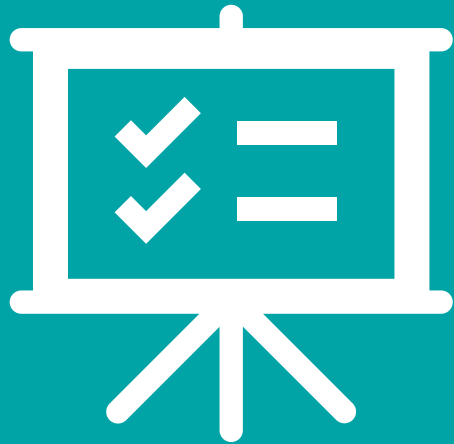
IES 7:
Continuing
Professional
Development



IES 8:
Audit Engagement
Partner

LEARNING
OUTCOMES

Current IES update projects



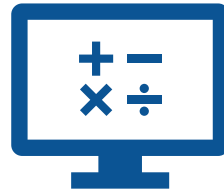
1. IES 6 – Assessments
2. Sustainability reporting project
3. IES 8 – Audit engagement partners

IES 6 – Formal Assessment of Professional Competence

IES 6 - Background



COVID-19 CREATED
NEW CHALLENGES



SHIFT TO ONLINE /
HYBRID ASSESSMENTS



NEED TO MODERNIZE
PRINCIPLES

Responses to the Exposure Draft



Region	Responses
Africa and Middle East	3
Asia	5
Australasia and Oceania	1
Europe	8
International	6
Latin America and Caribbean	2
North America	0
Total	25

Overview of responses



96% of responses supportive of the proposals



88% of responses found the Explanatory Materials helpful



88% of responses found the Glossary and Conforming Amendments to be helpful



44% anticipated challenges for implementation

Overview of enhancements



New principles of formal assessment: authenticity and integrity



Updated principle of formal assessment: equity – which includes accessibility and inclusivity



Re-ordering of principles to provide enhanced clarity



Updated examples to aid in implementation



Language clarification and modernization

Timeline and Next Steps



IPAE has reviewed and endorsed the content of, and the consultation process.



The IES 6 Working Group is making minor updates for the Panel's feedback – this will be completed by January 2025



IFAC Board to review, and if satisfied, approve the updates – February 2025 Meeting



Planned effective date set for July 1, 2026

Questions?



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Sustainability Reporting Project

What competence in sustainability reporting and assurance is needed by every professional accountant?

Integrating sustainability into...



BUSINESS
ACUMEN



BEHAVIORAL



DATA &
INFORMATION



REPORTING



ASSURANCE

Ethics as the foundation for all professional activities

Bias, communications, work of others and external experts

Responses to the SRP Exposure Draft



Region	Responses
Africa and Middle East	4
Asia	7
Australasia and Oceania	2
Europe	18
International	9
Latin America and Caribbean	2
North America	2
Total	44

95% of responses explicitly support including sustainability reporting considerations in the IES

Overview of responses



95% of responses explicitly support including sustainability reporting considerations in the IES



88% of responses supportive of the proposals



75% of responses felt the sustainability learning outcomes were sufficient and appropriate for IPD

Overview of responses



80% of responses supportive of creating a new competence area for assurance



68% of responses supported assurance being set at foundation level

Overview of responses



61% flagged new terms potentially needing clarification



50% expect challenges in implementing the changes

Key themes emerging

Balance of the
proposals

Assurance &
Audit

Connectivity

Clarity of
language and
terminology

Governance

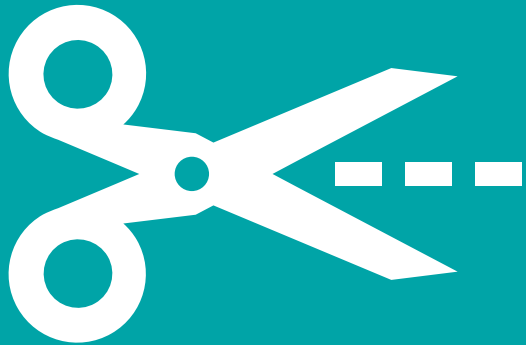
Proposed updates have not yet been approved/agreed by the IPAE and may be subject to further change

Balance of overall proposals



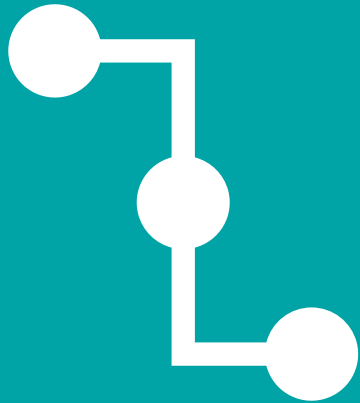
- Balance between:
 - Those calling for more explicit reference to sustainability; and
 - Those saying proposals go too far
- Proposed approach: keep principle-based approach, while augmenting Explanatory Materials

Assurance and Audit Competence Areas



- Relationship between assurance (foundation) and audit (intermediate)
- Differences between reasonable and limited assurance
- Ensure assurance is not limited to sustainability only
- Proposed approach: Update the ordering and learning outcomes

Connectivity



- Feedback on the need for aspiring professional accountants to be able to connect financial and sustainability-related reporting
- Proposed approach addresses for financial accounting and reporting, as well as assurance

Clarity of language and terminology



Frequently mentioned terms for clarification:

- Systems-thinking approach, value chains, and scenario analysis
- Also difference between reports vs disclosures
- Proposed approach:
 - IPAE to develop supporting guidance in future, while removing reference to systems-thinking approach.
 - Update references to ‘general purpose financial reports’

Governance



- Feedback on increasing transparency of process and understanding of Panel's role
- Proposed approach: IPAE to consider enhancements to transparency, including publication of process / governance documentation

Timeline and Next Steps



Finalize remaining updates for feedback.



Panel to review, and if satisfied, approve the full package – or decide to re-expose – January 2025 Meeting



If re-exposed – aim to publish in February 2025 – period to be confirmed.



If no re-exposure -IFAC Board to review, and if satisfied, approve the updates – February 2024 Meeting. If re-exposed, aim for June 2025.



If not re-exposed - effective date set for July 1, 2026. If re-exposed, Panel to assess impact.

Questions?

IES 8 – Professional Competence for Engagement Partners Responsible for Audits of Financial Statements

IES 8 – Audit engagement partners



Professional competence for engagement partners of:

- Financial audits
- Historic financial information
- Other assurance and related services

Must develop and maintain professional competence

IES 8 – Audit engagement partners



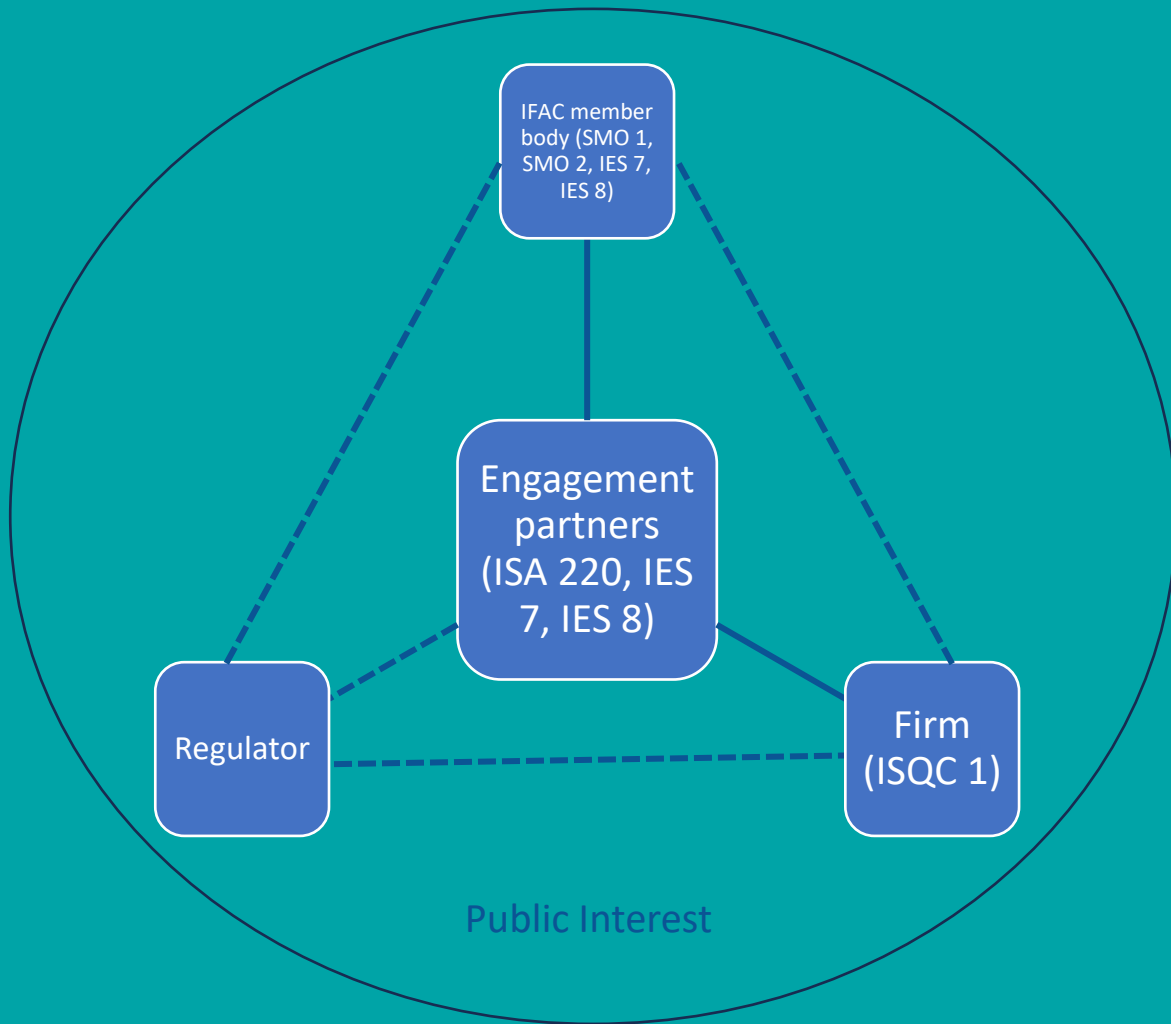
- Read in conjunction with quality management standards
- IFAC member bodies required to ensure engagement partners undertake CPD – which includes practical experience
- Licensing regimes may fall outside of the PAO

Learning outcome-based standard



Other additional factors to consider: portfolio of audit engagements, changes to auditing and financial report standards, changes to competence areas, etc

Interaction with stakeholders and quality management standards



- Jurisdictional differences
 - Regulators may have an oversight role
- Impacted by IAASB/IESBA/IFAC pronouncements

Progressive nature of professional competence



- Engagement partners are faced by complex situations
- They also operate in an environment of significant change
- Change requires maintaining and further developing professional competence throughout a career

A need for change



- Alignment with:
 - Outputs of the Sustainability Reporting Project
 - Updates to quality management standards
- Conceptual questions
 - Competence – has this changed since issued?
 - Purpose and use of the Standard – who would change impact?
 - How to think about sustainability assurance and the role of the engagement partner

Questions for PULSAR Members



- How do you think the skills of an engagement partner are changing?
- How is IES 8 being used in your jurisdiction?
- Does your local regulator enforce against it?
- Who are the primary stakeholders?
- How would changes to IES 8 impact your jurisdiction?

Next steps



1. Develop project proposal, including scope
2. Panel to review and advise on project scope
3. Information gathering activities, including stakeholder outreach and literature review

Questions?

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