Proposed International Education Standard (IES) 8

Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)

October 2013
Comments due: [TBC]
### Proposed Conforming Amendments

**IAESB Glossary of Terms**

**Add:**

<table>
<thead>
<tr>
<th><strong>Aspiring professional accountant</strong></th>
<th>An individual who has commenced a professional accounting education program as part of IPD.</th>
</tr>
</thead>
</table>

**Professional skills**

The intellectual, personal, interpersonal, communication, and organizational skills that a professional integrates with technical competence and professional values, ethics, and attitudes to demonstrate professional competence.

**Professional competence**

The ability to perform a role to a defined standard.

**Competence area**

A category for which a set of related learning outcomes can be specified.

**Assessment activity**

Those activities designed to assess elements of professional competence.

**Technical competence**

Ability to apply professional knowledge to perform a role to a defined standard.
**PROPOSED INTERNATIONAL EDUCATION STANDARD 8**

**PROFESSIONAL COMPETENCE FOR ENGAGEMENT PARTNERS RESPONSIBLE FOR AUDITS OF FINANCIAL STATEMENTS (REVISED)**

## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Paragraph</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1–11</td>
</tr>
<tr>
<td>Scope of this Standard (Ref: Para A1 to A14)</td>
<td>1–10</td>
</tr>
<tr>
<td>Effective Date</td>
<td>11</td>
</tr>
<tr>
<td>Objective (Ref: Para A15)</td>
<td>12</td>
</tr>
<tr>
<td>Requirements</td>
<td>13–19</td>
</tr>
<tr>
<td>Explanatory Material</td>
<td>A1–A44</td>
</tr>
<tr>
<td>Appendix 1: Classification of Proficiency Levels for Learning Outcomes</td>
<td></td>
</tr>
</tbody>
</table>
# CONTENT

## Introduction

<table>
<thead>
<tr>
<th>Topic</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope of this Standard</td>
<td>1-7</td>
</tr>
<tr>
<td>Effective Date</td>
<td>8</td>
</tr>
<tr>
<td>Objective</td>
<td>9</td>
</tr>
</tbody>
</table>

## Requirements

<table>
<thead>
<tr>
<th>Topic</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Competence</td>
<td>10</td>
</tr>
<tr>
<td>Maintain and Continue to Develop CPD</td>
<td>11</td>
</tr>
</tbody>
</table>

## Explanatory Material

<table>
<thead>
<tr>
<th>Topic</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>References to Definitions Contained within IFAC Pronouncements</td>
<td>A1–A2</td>
</tr>
<tr>
<td>Scope of this Standard</td>
<td>A3-A5</td>
</tr>
<tr>
<td>Focus on Engagement Partner</td>
<td>A6</td>
</tr>
<tr>
<td>Shared Responsibility</td>
<td>A7-A13</td>
</tr>
<tr>
<td>Appointment to the Role of Engagement Partner</td>
<td>A14</td>
</tr>
<tr>
<td>Progressive Nature of Professional Competence</td>
<td>A15</td>
</tr>
<tr>
<td>Audit of Financial Statements and Other Assurance Engagements</td>
<td>A16</td>
</tr>
<tr>
<td>Sole Practitioners and Small and Medium Practitioners</td>
<td>A17</td>
</tr>
<tr>
<td>Objective</td>
<td>A18</td>
</tr>
<tr>
<td>Professional Competence</td>
<td>A19-A22</td>
</tr>
<tr>
<td>Maintain and Continue to Develop CPD</td>
<td>A23-A29</td>
</tr>
<tr>
<td>Professional Judgment and Professional Skepticism</td>
<td>A30-A32</td>
</tr>
<tr>
<td>Size and Complexity of Audit Firm and Audited Entity</td>
<td>A33-A34</td>
</tr>
</tbody>
</table>
Introduction

Scope of this Standard (Ref: Para A1 to A14A17)

1. This International Education Standard (IES) prescribes the professional development requirements for aspiring engagement partners and serving engagement partners who provide assurance services for audits of financial statements. This IES does not specify obtained through continuing professional development (CPD) for other roles that a professional accountant plays in relation to other assurance and related services.

2. This IES is addressed to International Federation of Accountants (IFAC) member bodies. IFAC member bodies have responsibility for the professional development necessary to become an engagement partner. Other stakeholders may have responsibility for the appointment, or for licensing, of newly appointed engagement partners. As a consequence, this IES may also be helpful to firms, regulators, government authorities, educational organizations, those responsible for licensing regimes, and any other stakeholders who support the professional development of aspiring and serving engagement partners.

1. This IES specifies the learning outcomes that demonstrate the professional competence required to become an engagement partner. Licensing regimes, as well as the internal policies of firms, may set additional partner authorization criteria. These criteria are outside the scope of this IES. Each professional accountant who has demonstrated the professional competence prescribed in this IES may be subject to these additional criteria before assuming the role of an engagement partner (whether newly appointed or not) for audits of financial statements.

3. This IES also specifies professional development requirements for those individuals who are already serving as engagement partners.

4. This IES is based on four assumptions:

2. For those professional accountants who become engagement partners, the professional competence that is developed and assessed during Initial Professional Development (IPD) will be further developed as part of This IES is intended to be read in conjunction with Statement of Member Obligations (SMO) 1, International Standard on Auditing (ISA) 220 – Quality Control for an Audit of Financial Statements, and International Standard on Quality Control (ISQC) 1 – Quality Control for Firms that Provide Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements. Together, these pronouncements place shared responsibility on the IFAC member body, engagement partner and the audit firm, for the quality control review process for firms performing audits of financial statements. This process includes the review of the capabilities and competence of the audit team and those performing the audit – including the role of engagement partner.

(a) Under IES 7: Continuing Professional Development (CPD) to become newly appointed engagement partners and, after this appointment, during their career;

2.3. The minimum, IFAC member bodies require all professional accountants to undertake CPD to contribute to the development and maintenance of professional competence requirements for newly appointed engagement partners are those considered necessary to address less complex audits. This IES applies this requirement of IES 7 to the role of the
engagement partner. IFAC member bodies may consider additional local legal and regulatory requirements, when applying this IES.

(b) The minimum professional competence requirements to become a newly appointed engagement partner have been framed in the context that aspiring engagement partners operate within an engagement team; and

(c) Irrespective of the size or nature of the audited entity and the firm of the engagement partner providing the audit, engagement partners progressively develop their professional competence by undertaking CPD appropriate to the complexity of the audit entities that they serve.

5. Schedule 1 below outlines the relationship between (a) development through experience, (b) applicable IESs, and (c) role progression from aspiring to serving engagement partner. This schedule is for illustrative purposes only and is not a substitute for reading this IES.

Schedule 1: Relationship between experience, IESs, and the role of an Engagement Partner

6. The responsibilities of individual professional accountants, employers, business entities, and regulators in enabling, assuming, or assigning the role of an engagement partner, are not within the
4. This IES sets professional development requirements for engagement partners providing assurance services for audits of financial statements. This IES can also assist IFAC member bodies to develop guidelines for CPD for engagement partners, which is required under SMO 1.

3-5. IFAC member bodies or other stakeholders may choose to also apply the requirements of this IES to non-audit types of engagements (such as other assurance and related services) that (a) may require similar professional competence, and (b) might be subject to the scope of other pronouncements such as those issued by the International Auditing and Assurance Standards Board (IAASB)- engagements.

4-6. This IES specifies the professional development of aspiring engagement partners, while CPD for engagement partners, while IES 7, specifies the requirements for CPD for professional accountants. The requirements to be met by aspiring professional accountants at the end of Initial Professional Development (IPD) are set out in IESs 2, 3, 4, 5 and 6:

- **IES 2: Initial Professional Development—Technical Competence; IES 3: Initial Professional Development—Professional Skills and IES 4; Initial Professional Development—Professional Values, Ethics, and Attitudes**, specify the learning outcomes that demonstrate technical competence, professional skills, and professional values, ethics, and attitudes of aspiring professional accountants by the end of IPD;
- **IES 5: Initial Professional Development—Practical Experience**, specifies the requirements for practical experience during IPD;
- **IES 6: Initial Professional Development—Assessment of Professional Competence**, specifies the requirements for assessing professional competence by the end of IPD. And;
- **IES 7: Continuing Professional Development**, specifies CPD for professional accountants.

5-7. Definitions and explanations of the key terms used in the IESs and the Framework for International Education Standards for Professional Accountants are set out in the International Accounting Education Standards Board (IAESB) Glossary of Terms. Additional terms obtained from the International Auditing and Assurance Standards Board (IAASB) pronouncements have also been included in the Explanatory Material.

**Effective Date**

6.8. This IES is effective from (a date to be agreed by IAESB, not before January 1, 2015 TBC).

**Objective** (Ref: Para A15-A18)

7-9. The objective of an IFAC member body this IES is to provide engagement partners withestablish the professional competence that professional accountants need to maintain and continue to develop through continuing professional development required, including practical experience, in order to perform the role of an engagement partner.
**Requirements (Ref: Para A19 to A34)**

**Professional Accountants who are aspiring to be, or are newly appointed to the role of, Engagement Partner (Ref: Para A16 to A35)**

**Expected Professional Competence (Ref: Para A16 to A22)**

8.10. IFAC member bodies shall prescribe the learning outcomes that demonstrate the professional competence needed by those individuals newly appointed to professional accountants who perform the role of engagement partner. These learning outcomes shall, at a minimum, include those listed in Table A: Learning Outcomes for the Professional Competence of Engagement Partners.

<table>
<thead>
<tr>
<th>Competence Area</th>
<th>Learning Outcomes</th>
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</table>
| Technical Competence | (a) Audit of financial statements | (i) Evaluate the risk of audited entity and engagement acceptance and continuance or acceptance.  
(ii) Evaluate the audit risk profile of an engagement in respect of components of audit risk.  
(iii) Approve or recommend an appropriate audit strategy and plan in relation to the audit objective.  
(iv) Lead the process of planning, performing, and completing the audit of financial statements.  
(v) Develop an understanding of the control environment and evaluate the design and implementation of controls, to:  
(a) identify risks of material misstatement in the financial statements, including and  
(b) evaluate the tests performed on the operating effectiveness of the controls.  
(vi) Assess the risks of material misstatement in the financial statements, due to fraud or error, and customize the audit strategy and plan accordingly.  
(vii) Evaluate the sufficiency and appropriateness of audit evidence obtained.  
(viii) Evaluate significant deficiencies or material weaknesses in internal control and other matters to be communicated to those charged with governance of the entity.  
(ix) Determine the appropriate audit report to provide on the financial statements. |

*Table A— Learning Outcomes for a Newly Appointed Engagement Partner*
<table>
<thead>
<tr>
<th>Competence Area</th>
<th>Learning Outcomes</th>
</tr>
</thead>
</table>
| *(b)* Financial accounting and reporting | **Analyze** (i) **Review** the presentation and disclosures of financial statements in the context of the relevant financial reporting framework.  
(ii) **Evaluate** accounting policies to determine whether an entity has adopted, *applied* and presented them *accounting policies* as required by the relevant financial reporting framework.  
(iii) Assess the reasonableness of financial statements when compared to the *engagement partner’s* understanding of the business, the operating environment, and the financial situation of an entity.  
(iv) Evaluate the accounting treatment and disclosure of transactions, including *accounting identifying and documenting indicators or possible management bias in management’s estimates and the use other areas of fair values judgment.* |
| *(c)* Governance and risk management | (i) **Manage** communication with those charged with governance of an entity.  
(ii) **Evaluate** corporate governance structure, tools, and risk assessment processes to identify risks of material misstatement affecting an entity.  
Consider (iii) **Evaluate** an entity’s risk management process and the way it is monitored as part of the assessment of risks of material misstatements. |
| *(a)* Internal control | (i) **Develop an understanding of the control environment and evaluate the design and implementation of controls, to identify risks of material misstatement.**  
(ii) **Evaluate tests of operating effectiveness performed.**  
(iii) **Evaluate effects of deficiencies in internal control and communicate deficiencies to those charged with governance of an entity.**  
**Advanced** |
| *(d)* Business and organizational environment; Economics; Business management | **Analyze** (i) **Formulate auditor expectations using** relevant information on industry, regulatory, and other external factors (e.g., market, competition, product technology, environmental requirements) that are used to form auditor expectations.  
Apply (ii) **Assess the risks of material misstatement in the financial statements, using** knowledge of the entity (e.g., group, parent, or components) in order to identify and assess the risks of material misstatement. |
| *(e)* Taxation | **Determine** (i) **Review** the procedures to be performed in the audit of taxation balances with, if appropriate, the assistance of a tax professional. |
**(f) Information technology**

1. Evaluate the information technology (IT) environment to identify controls that relate to the financial statements. With, if appropriate, the assistance of an IT professional.

2. Assess the effect of IT controls on the audit strategy, and on the potential risks of material misstatements.

   Determine which of the identified control deficiencies need to be communicated.

**(g) Business laws and regulations**

1. Evaluate the impact on the audit of a potential breach of laws and regulations.

2. Evaluate security and stock exchange regulations as they apply to the risks of material misstatements and their impact on presentation and disclosure requirements of audit engagements for the financial statements.

**(h) Finance and financial management**

1. Analyze the various sources of funding available to an audited entity to be able to understand the effect on the entity's corresponding audit strategy and plan appropriate testing and review procedures.

2. Analyze an audited entity's cash flow, budgets, and forecasts, as well as working capital requirements to assess the going concern.

3. Analyze the components of the cost of capital to determine their appropriateness in the areas of interest.

4. Analyze the various types of financial instruments used by the audited entity to design the corresponding audit strategy.

**(i) Management accounting**

1. Analyze the most common types of cost and entity's approach to management control concepts and tools and determine their effect on an entity.

2. Evaluate accounting to identify and assess the risk that performance management systems will incentivize employees to override controls or risks of material misstatement.

**Professional Skills**

**(j) Intellectual**

1. Evaluate the assertions of judgments made by entity management on a range of audit and accounting matters.

2. Resolve audit issues using (a) inquiry, abstract, and logical thought, and (b) critical analysis to consider alternatives and analyze outcomes during an audit.

**(k) Personal**

1. Promote and undertake lifelong learning to safeguard audit quality and, ultimately, the public interest.
(ii) Act as a mentor or coach to aspiring engagement partners in respect of developing professional competence.
(iii) Act as a role model to the engagement team.

(l) Interpersonal and communication

(i) Present, discuss, and defend/support views effectively, with the entity and those charged with governance.
(ii) Resolve conflict through formal, informal, written, and spoken appropriate forms of communication.
(iii) Resolve audit issues, consulting when appropriate.
(iv) Manage negotiations effectively, with the entity.

(m) Organizational

(i) Manage audit engagements by providing leadership of audit engagement teams and project management.

Professional Values, Ethics, and Attitudes

(n) Commitment to the public interest

(i) Assess audit quality and the effect on the public interest, the profession, and wider society of a specific course of action in respect of an entity.

(o) Professional skepticism and professional judgment

Adopt

(i) Maintain a skeptical mindset in light of the nature of evaluating an entity, its management, and the evidence obtained during the audit.
(ii) Exercise professional judgment in planning and performing an audit of financial statements, including (a) determining and assessing risks of material misstatement, (b) designing and executing audit procedures, and (c) reaching conclusions on which to base an auditor’s opinion.
(iii) Exercise professional judgment in respect of engagement acceptance and continuance, assessment of independence, and
(iv) Exercise professional judgment when using the work of an auditor’s expert

Act as a role model to aspiring engagement partners.

(p) Ethical Principles

(i) Apply the ethical principles of integrity, objectivity, professional competence, and due care, confidentiality and professional behavior, to ethical dilemmas in the context of an audit and determine an appropriate resolution.
(ii) Identify, consider and evaluate conflicts of interest/threats to objectivity and independence that can occur during an audit engagement.

Implement and maintain appropriate safeguards.

(iii) Protect, subject to ensure confidentiality/local legal requirements, the confidential information of the audited entity.

Review of Professional Development Programs
Maintain and Continue to Develop CPD (Ref: Para A27)

7. IFAC member bodies shall regularly review and update professional development programs that are designed to achieve the learning outcomes as set out in this IES.

Practical Experience (Ref: Para A28-A32)

IFAC member bodies shall prescribe the sufficiency of, and the environment within which, practical experience is to be obtained by an individual aspiring to the role of an engagement partner.

8. IFAC member bodies shall require that a significant proportion of the practical experience of an individual aspiring to professional accountants who perform the role of an engagement partner be related to the audit of financial statements.

Assessment (Ref: Para A33-A35)

9. IFAC member bodies shall establish appropriate assessment activities to assess the achievement of the technical competence—CPD that maintains and continues to develop the professional skills, and professional values, ethics, and attitudes of aspiring engagement partners.

CPD competence needed for Those Serving as Engagement Partners (Ref: Para A36-A41)

10. IFAC member bodies shall require that engagement partners undertake CPD appropriate to their responsibilities.

11. IFAC member bodies shall require that engagement partners serving on audits involving more complex (a) industries, (b) operations (including international ones), or (c) reporting requirements undertake CPD in these relevant areas.
Explanatory Material

Scope of this Standard (Ref: Para. 1-10)

References to Definitions Contained within IFAC Pronouncements

A.1 This IES builds on requirements for the development of professional competence of a professional accountant as outlined in IESs 2 through 5, and focuses on the professional competence required for one particular role of a professional accountant: an engagement partner responsible for audits of financial statements. As a consequence, in prescribing the requirements, this IES uses the following terms already defined within the IAASB Glossary of Terms and IAASB pronouncements. Table B shows these terms and the current definitions in the IAASB Glossary of Terms and IAASB pronouncements.

Table B — IAASB definitions adopted in this IES

<table>
<thead>
<tr>
<th>Defined Term</th>
<th>Source of Term</th>
<th>Definition in Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Partner*</td>
<td>ISA 220** *Quality Control for an Audit of Financial Statements, Paragraph 7 (e)</td>
<td>The partner or other person in the firm who is responsible for the audit engagement and its performance, and for the auditor’s report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal, or regulatory body.</td>
</tr>
<tr>
<td>Financial Statements</td>
<td>ISA 200 *Overall Objectives of the independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing Paragraphs 4 and 13 (f)IAASB Glossary of Terms</td>
<td>A structured representation of historical financial information, including related notes, intended to communicate an entity’s economic resources or obligations at a point in time and/or of the changes therein for a period of time in accordance with a financial reporting framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The term “financial statements” ordinarily refers to a complete set of financial statements as determined by the requirements of the applicable financial framework, but can also refer to a single financial statement. The financial statements subject to audit are those of the entity, prepared by management of the entity with oversight from those charged with governance.</td>
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</table>

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<thead>
<tr>
<th><strong>Firm</strong>*</th>
<th>ISA 220, Paragraph 7 (e)</th>
<th>A sole practitioner, partnership or corporation or other entity of professional accountants.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Team²</td>
<td>ISA 200 Paragraph 7 (d)</td>
<td>All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform audit procedures on the engagement. This excludes an auditor’s external expert engaged by the firm or a network firm.</td>
</tr>
<tr>
<td>Professional Judgment</td>
<td>ISA 200 Paragraph 13 (k)</td>
<td>The application of relevant training, knowledge and experience, within the context provided by auditing, accounting and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances of the audit engagement.</td>
</tr>
<tr>
<td>Professional Skepticism</td>
<td>IAASB Glossary of Terms ³</td>
<td>An attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of evidence.</td>
</tr>
<tr>
<td>Auditor’s Expert</td>
<td>ISA 620 Paragraph 6 (a)</td>
<td>An individual or organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the auditor to assist the auditor in obtaining sufficient appropriate audit evidence. An auditor’s expert may be either an auditor’s internal expert (who is a partner or staff, including temporary staff, of the auditor’s firm or a network firm), or an auditor’s external expert.</td>
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³ * where relevant; *‘Partner’ and ‘firm’ should be read as also referring to their public sector equivalents.

** International Standards on Auditing (ISAs)

The ISA definitions detailed above have been published by the International Auditing and Accounting Standards Board (IAASB)—2012 IAASB Handbook of International Quality Control,
A.2 There are many different ways to describe and categorize professional competence. Within the IESs, professional competence is the ability to perform a role to a defined standard. Professional competence goes beyond knowledge of principles, standards, concepts, facts, and procedures; it is the integration and application of (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes. Each area of professional competence is then further described by a set of learning outcomes in the relevant IES.
Scope of this Standard (Ref Para 1-7)

A.3 A competence area is a category for which a set of related learning outcomes can be specified. In Table A, competence areas within technical competence include audit of financial statements, taxation, and financial accounting and reporting; competence areas within professional skills include intellectual skills and organizational skills; and competence areas within professional values, ethics, and attitudes include commitment to the public interest, ethical principles, professional skepticism and professional judgment.

A.4 CPD is a continuation of the Initial Professional Development (IPD) process that led to qualification as a professional accountant. CPD is learning and development that takes place after IPD, and that maintains and develops capabilities to enable professional accountants to continue to perform their roles competently. In addition to education, practical experience and training, CPD also includes learning and development activities such as (a) coaching and mentoring, (b) networking, (c) observation, feedback, and reflection and (d) the self-directed and unstructured gaining of knowledge.

A.5 CPD provides continuous development of the (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes achieved during IPD, refined appropriately for the professional activities and responsibilities of the individual.

Focus on Engagement Partner

A.6 This IES focuses on the role of an engagement partner because it is the one common role within the across all engagement teams irrespective of the nature, complexity, size, or type of audit. Satisfactory attainment of the requirements of this IES demonstrates the professional competence required to first assume responsibility as an engagement partner, and to also meet other authoritative requirements to practice as an auditor, as described below. The role of engagement partner is (a) clearly defined by ISAs, (b) easily understandable by audit firms and IFAC member bodies, and (c) publicly visible.
**Shared Responsibility**

**Figure 1** Shared responsibility

The engagement partner diagram in Figure 1 is the person held responsible by the regulators and other designed to indicate generally, the relationships that exist among all stakeholders within the profession sharing responsibility for the quality of an audit professional competence of engagement partners. It may not be completely indicative of all jurisdictions.

**Progressive Nature of Professional Competence**

A.8 Professional competence. This IES is the ability addressed to perform a IFAC member bodies, whose role is to a defined standard. It consists of technical competence:

(a) Foster a commitment to lifelong learning among professional skills, accountants;
(b) Facilitate access to CPD opportunities and resources for their members; and
(c) Adopt good practice standards to help their members to maintain and continue to develop the professional values, ethics and attitudes competence necessary to protect the
public interest, including the development of appropriate measurement, monitoring, and compliance procedures.

A.9 The aspiring ISA 220, identifies the engagement partner demonstrates professional as the individual responsible for the capabilities and competence of the engagement team, and ISA 220, allows the engagement partner to rely on the firm’s system of quality control in relation to the competence of personnel through the integration of technical their [10] recruitment and formal training.

A.10 ISQC 1, requires the firm to establish policies and procedures designed to provide it with reasonable assurance that it has sufficient personnel with the competence with, capabilities and commitment to ethical principles necessary to (a) perform engagements in accordance with professional standards and applicable legal and regulatory frameworks, and (b) enable the firm or engagement partners to issue reports that are appropriate in the circumstances. In many jurisdictions, regulators may provide oversight for this system of quality control.

A.11 By complying with the requirements of this IES and fulfilling their obligations under SMO 1 and SMO 2, IFAC member bodies define the competence and capabilities necessary to achieve and maintain the professional skills, and competence required to perform the role of an engagement partner. This enables firms to comply with the requirements imposed on them by ISQC 1 and engagement partners to comply with the requirements imposed on them by ISA 220, with the ultimate aim of enhancing audit quality.

A.12 In accordance with IES, IFAC member bodies require professional accountants to undertake CPD to contribute to the development and maintenance of professional competence that is appropriate to their work and professional responsibilities. IES further requires an IFAC member body to establish a systematic process to (a) monitor whether professional accountants meet the IFAC member body’s CPD requirements, and (b) provide appropriate sanctions for failure to meet those requirements.

Appointment to the Role of Engagement Partner

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4 See ISA 220, Para 14
5 See ISA 220, Para A2
6 See ISQC 1, Para 29
7 Statement of Membership Obligation 1 – Quality Assurance sets out the requirements of an IFAC member body with respect to quality assurance review systems for its members who perform audits, review, other assurance and related services engagements of financial statements. The SMO specifically addresses the situation where an IFAC member body has no or shared responsibility for setting the rules and operating the quality assurance review system.
8 Statement of Membership Obligation 2 – International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB sets out the requirements of an IFAC member body with respect to international standards and other pronouncements issued by the IAESB. The SMO specifically addresses the situation where an IFAC member body has no or shared responsibility for adopting and implementing professional accountancy education standards and guidance.
9 See IES 7, Para 12
10 See IES 7, Para 17
This IES is focused on the professional competence needed by a professional accountant already established in the role of engagement partner. It is assumed that a professional accountant appointed to the role of engagement partner already demonstrates the learning outcomes described in Table A, however, the appointment to the role of engagement partner is outside the scope of this IES and will differ depending on the structure of the firm and diversity in local licensing regimes:

**Diversity of licensing regimes**

In many jurisdictions, the components of legislation, regulation, or a regulator (referred to collectively as a “licensing regime”) sets or enforces the requirements as to who may perform the role of an engagement partner. Licensing regimes vary widely in their requirements. Licensing is often not within the authority of the IFAC member body, but IFAC member bodies may use their best endeavors as described in SMO 2 to influence the licensing regime so that it can meet the professional competence requirements set out in this IES.

**Structure of firms**

The firm, which by definition includes sole practitioners, determines who can sign an audit opinion as a legal representative of the firm. Most firms operate in a partnership structure, and the partners in the partnership decide who in that firm, subject to the requirements of the licensing regime, can perform the role of engagement partner.

**Progressive Nature of Professional Competence**

Only those professional accountants with a wide range of technical competence and professional skills who demonstrate the learning outcomes outlined within Table A will be able to deal with the complex situations that engagement partners may face during their careers. A professional accountant aspiring to be an engagement partner will usually serve for several years on engagement teams, and may progress through supervisory and managerial roles under the supervision of a serving engagement partner. These roles may be performed before, during, or after meeting requirements in paragraphs 13–17 of this IES. This progression through increasing levels of responsibility is the usual path by which a professional accountant prepares to assume the role of an engagement partner. Those serving as engagement partners maintain and continue to develop and enhance their professional competence through leading or serving on audit engagements, and through other professional development as part of their CPD.

This IES does, however, recognize that there may be situations in which engagement partners operate within small- or medium-sized practices (SMPs), and may not progress through increasing levels of responsibility. In jurisdictions where SMPs are more common, the IFAC member body may consider how to set the professional competence requirements for newly appointed and serving engagement partners.
Partner Authorization Criteria

A2. Appropriate professional development is critical for assuming the role of engagement partner, but the following factors, independent of professional development, also determine whether the role of engagement partner can be or has been assumed:

Diversity of licensing regimes

In many jurisdictions, legislation, regulation, or a regulator (referred to collectively as a “licensing regime”) sets or enforces the requirements as to who may assume the role of an engagement partner. Licensing regimes vary widely in their requirements. Licensing is often not within the authority of the IFAC member body, but IFAC member bodies, and other stakeholders involved, may use their best endeavors to influence the licensing regime so that it can meet the professional competence requirements set out in this IES.

Role of firms

The firm, which by definition includes sole practitioners, determines who can sign an audit opinion as a legal representative of the firm. Most firms operate in a partnership structure, and the partners in the partnership decide who in that firm can assume the role of engagement partner. A professional accountant who has satisfied the requirements of this IES, and who has met the requirements of the applicable licensing regime may, however, not be selected as an engagement partner in a firm. Further, individuals who meet the requirements of this IES may establish their own practice, which might include audit engagements, subject to the requirements of the applicable licensing regime. In such cases, individuals assume the role of engagement partner of their own volition by choosing to practice as sole practitioners. These matters are usually not within the control or authority of an IFAC member body.

Accordingly, a professional accountant may meet the requirements of this IES, possibly for several years, before assuming the role of an engagement partner. Most professional accountants may never serve as engagement partners, depending on a range of factors, which may include: Audit of Financial Statements and Other Assurance Engagements

A.15 This IES is applicable to audits of financial statements. Although this IES applies to audits of financial statements, the prescribed learning outcomes may also be helpful when performing audits of other historical financial information in compliance with the ISAs or other types of assurance and related services. Similarly, many of the learning outcomes required for an audit of financial statements may be relevant to those engagement partners responsible for assurance engagements relating to non-financial statement information, such as environmental or social measures.

A.16

- The prevailing legislative or regulatory environment; or
- Their career choices and progression.

A3. As explained in paragraph 5(d), a newly appointed engagement partner may have already developed the appropriate professional competence and corresponding levels of proficiency in order to lead more complex audits. Factors that may indicate this include:

- The rate of development of an individual’s professional competence within audit engagement teams;
Undertaking appropriate CPD; and

Practical experience gained on more complex audits.

Engagement Partners, Audit Teams, and Sole Practitioners and Small or Medium Practitioners

A4. This IES assumes that an engagement partner most commonly works with an engagement team that he or she oversees as required by ISAs. This engagement team can comprise individuals who perform less complex tasks, as well as specialists who will address some specific areas of the audit that require particular expertise (internal technical departments, valuation specialists, actuaries, IT professionals, etc.). The expected minimum learning outcomes described in paragraph 13, Table A have been defined in this context.

A7A. 17 There are situations in which the engagement partner operates as a sole practitioner or small or medium practitioner. In these situations, this may mean that the engagement partner may be operating without the support of an engagement team, including those engagement team members with specialist skills. As a consequence, the engagement partner may undertake a much wider range of tasks in performing the audit than would otherwise be the case. Irrespective of the size or nature of the audited entity, and the firm of the engagement partner providing the audit, this IES indicates has been developed on the assumption that engagement partners continue to undertake CPD appropriate to the complexity of the audits in which they serve as engagement partners.

Responsibilities of IFAC Member bodies

A5. Determining who is an engagement partner involves many factors. The responsibility of the IFAC member body is primarily focused on:

The prescription of the learning outcomes, in accordance with the requirements in paragraph 13;

Appropriate CPD to help aspiring and newly appointed engagement partners maintain and, if necessary, further develop their Objective (Ref: Para 9)

Establishing the professional competence; and

The assessment activities required in paragraph 17.

A6. IFAC Member bodies may find that the detailed articulation of some learning outcomes to be developed by and assessed in aspiring engagement partners involves choosing a notional practice environment, for example, an audit firm environment with reliance on audit engagement team members and access to experts. IFAC member bodies should consider the best approach in light of:

The prevalent practice environments of their members;

The potential inefficiency of trying to over-engineer processes; and

Consideration of how to best serve and protect the public interest.

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11 See ISA 220, Quality Control for an Audit of Financial Statements, paragraph 15
Audit of Financial Statements and Other Assurance Engagements

A7. This IES is applicable to audits of financial statements. The term “financial statements” ordinarily refers to a complete set of financial statements as determined by the requirements of the applicable financial reporting framework, but can also refer to a single financial statement. Although this IES applies to audits of financial statements, the prescribed learning outcomes may also be helpful when performing audits on other historical financial information in compliance with the ISAs or other types of assurance and related services. Similarly, many of the learning outcomes required for an audit of financial statements may be relevant to those engagement partners responsible for assurance engagements relating to nonfinancial statement information, such as environmental or social measures.

Objective (Ref: Para 12)

A.8A.18 Requiring that aspiring and serving engagement partners achieve professional development through appropriate learning outcomes needed to perform the role of an engagement partner and requiring engagement partners to demonstrate that professional competence through CPD, serves several purposes. First, it protects the public interest is protected, enhances audit quality and protects the credibility of the audit profession is enhanced when only those who meet the audit profession’s learning outcomes become engagement partners. Second, IFAC member bodies and regulatory authorities have a responsibility to ensure that engagement partners have the learning outcomes expected of them by the public, employers, and clients. Third, engagement partners have a continuing duty to maintain professional competence to ensure that clients, employers, and relevant stakeholders, receive competent professional service.¹²

Requirements (Ref Para 10-11)

Professional Accountants Aspiring, or Newly Appointed, to the role of Engagement Partner (Ref: Para A16-A35)

Developing Learning Outcomes

A.9A.19 There are many different ways to describe and categorize professional competence. Within IES 2: Initial Professional Development—Technical Competence, IES 3: Initial Professional Development—Professional Skills; and IES 4: Initial Professional Development—Professional Values, Ethics, and Attitudes, professional competence is the ability to perform a role of a professional accountant to a defined standard. Professional competence consists of technical competence, professional skills, and professional values, ethics, and attitudes. Each area of professional competence is then further described by a set of learning outcomes in the relevant IES.

A.8. A competence area is a category for which a set of related learning outcomes can be specified. Competence areas within technical competence include audit and assurance, taxation,

and financial accounting and reporting; competence areas within professional skills include intellectual skills and organizational skills; and competence areas within professional values, ethics, and attitudes include ethical principles, professional skepticism, and professional judgment.

**Competence areas** *(Ref: Para 10)*

**A.20** The learning outcomes identified in Table A demonstrate the professional competence needed for the role of an engagement partner. These learning outcomes are achieved, and therefore professional competence is maintained and further developed, through CPD.

**A.9** Table A identifies the learning outcomes and minimum levels of proficiency identified in Table A of this IES build on the professional competence components identified within IPD. As a result, the required learning outcomes may be achieved, in whole or in part, concurrently with the requirements of IPD or subsequently as part of CPD.

**A.10A.21** The requirements for technical competence, professional skills, and professional values, ethics, and attitudes are set out in the form of learning outcomes that establish the content and depth of knowledge, understanding, and application required for each specified competence area. The learning outcomes are likely to be demonstrated within the context of a work environment.

**A.10** The learning outcomes are the minimum to be achieved by an individual appointed to the role of an engagement partner. The minimum learning outcomes are those that provide the base to enable professional accountants to develop a specialization such as an audit engagement partner.

**A.11** Each learning outcome has been assigned a minimum level of proficiency that aspiring engagement partners are expected to demonstrate during professional development. There are many ways to classify and to describe proficiency levels of learning outcomes. The classification developed by the IAESB is described in Appendix 1.

**A.11A.22** IFAC member bodies may prescribe higher levels of proficiency than those required in Table A to better reflect practice requirements and expectations in their jurisdiction. As a consequence, an IFAC member body may choose to increase the minimum level of proficiency for some learning outcomes, and may develop additional competence areas and learning outcomes that are not specified in Table A. This may occur, for example, when these are demanded by the local licensing regimes. The relative depth and weighting of the learning outcomes specified for any competence area may depend on the needs of individual IFAC member bodies and, in particular, on any requirements placed on them engagement partners by regulatory authorities.

**A.23** Competence areas and learning outcomes identified in Table A of this IES build on the professional competence components identified as part of IPD within IESs 2, 3 and 4. As a result, the development of the learning outcomes required in this IES may be achieved, in whole or in part, concurrently with the requirements of IPD. Alternatively the learning outcomes may be achieved subsequent to IPD, as part of CPD. IESs 2-5 are focused on an end-point (the end of IPD), while IES 8 is similar to IES 7 and sets out requirements to be met on an ongoing basis during a professional accountant’s career. IFAC member bodies may establish a comprehensive and an integrated program of IPD and CPD that includes the prescribed learning outcomes that are likely designed to benefit aspiring professional accountants and professional accountants who also aspire later go on to become specialise as engagement partners.
The rapidly changing and complex environment within which engagement partners operate may prompt IFAC member bodies to regularly review and update the learning outcomes prescribed. IFAC member bodies may consider the guidance in SMO 1 and guidance that may be issued by the IAESB for this IES.

Maintain and Continue to Develop CPD (Ref: Para 11)

A.25 IFAC member bodies have responsibility under IES 7 to promote, provide access to, and establish their preferred approach to measuring the relevance and appropriateness of CPD. The preferred approaches include the input, output or combination approaches as identified under IES 7.

A.26 In choosing a measurement approach, the following characteristics should be considered:

(a) Validity – whether it measures what needs to be measured;

(b) Reliability – whether it consistently produces the same result, given the same set of circumstances; and

(c) Cost effectiveness – whether the benefits outweigh the costs of measurement.

A.27 Output measures, being directly focused on competence, are rated as highly valid. They can be challenging to implement without substantial investment in measurement systems, leading to concerns over their cost-effectiveness. Because of the inherent compromise between validity, reliability, and cost effectiveness, a mix of input, process, and output measures is often adopted. However, output measures are the measures most closely linked with the objective of this IES – the maintenance and continued development of professional competence.

A.28 In determining how best to measure the appropriateness of CPD, IFAC member bodies may consider the concepts of sufficiency and practical experience environment identified within IES 5: Initial Professional Development – Practical Experience.

A.29 IFAC member bodies may measure appropriateness by taking into account an individual engagement partner’s:

(a) Portfolio of audit engagements

(b) Prior practical auditing experience (whether obtained during IPD or CPD)

(c) Practical experience performing the role of engagement partner includes the full range of learning outcomes, as described in Table A.
Professional judgment and professional skepticism

A.33 Audit engagements frequently require engagement partners and their teams to exercise. IFAC member bodies may consider the guidance in SMO 1 when determining a review cycle for the measurement of the relevance and appropriateness of CPD being developed and maintained by engagement partners.

A.31 In order to assess the professional competence of engagement partners, IFAC member bodies may consider a range of assessment activities, which may include:

(a) Internal quality assurance programs performed by firms in respect of audit quality (under ISQC1) to establish whether any findings have indicated development areas in respect of professional judgment. Considering whether accounting standards are appropriately applied by an audit entity, as well as determining an appropriate audit strategy, requires a high level of competence;

(b) External quality assurance reviews to establish whether any findings have indicated development areas in respect of professional judgment to be exercised by an engagement partner;

(c) A review of CPD to assess the appropriateness of that CPD in relation to the engagements on which that engagement partner has served.

Professional Skepticism and Professional Judgment

A.32 A key aspect of any audit is determining the reliability and sufficiency of the audit evidence gathered to support the conclusions on which the auditor’s opinion is based. Applying the appropriate degree of professional skepticism to assess audit evidence gathered as evidence of management’s representations is a key professional competence of the engagement partner. Because all organizations are operating in an ever increasingly complex and uncertain globalized economy, developing and applying professional skepticism is an essential professional competence for engagement partners.

A.34 On its own, CPD does not provide assurance that all members will act with due professional care. Doing so involves more than maintaining professional competence; it involves an attitude that includes a questioning mind and a critical assessment of audit evidence. Audit engagements frequently require engagement partners and their teams to exercise professional judgment and to form their own judgment when providing an appropriate challenge to management assertions and assumptions contained within the financial statements. Considering whether accounting standards are appropriately applied by an audit entity, as well as determining an appropriate audit strategy, requires professional judgment to be exercised by an engagement partner and the wider team.

Planning effective CPD in the areas of professional judgment and professional skepticism usually requires due care and may need innovative learning methods in which mentoring, reflection, time, and experience within the context of a work environment often play a key role.
Review of learning outcomes

A12. The requirement to regularly review and update the prescribed learning outcomes is a reflection of the rapidly changing complex environment within which engagement partners operate.

Practical Experience

A13. By building on the practical experience obtained under the requirements of IES 5, the practical experience prescribed by IFAC member bodies may cover each of the following:

(a) Sufficiency: balancing depth and breadth, duration (e.g., the time and experience required to achieve learning outcomes such as professional skepticism and professional judgment); and,

(a) Environment: for example, the exposure to experiences under the guidance of an engagement partner to achieve learning outcomes, such as reviewing the impact on the public interest of a course of action.

A14. IES 5: Initial Professional Development—Practical Experience, specifies practical experience requirements during IPD. The principles of IES 5 provide useful guidance for IFAC member bodies and other stakeholders implementing this IES, including the content regarding the role of practical experience supervisors. Practical experience as an aspiring professional accountant obtained during IPD and, within the audit of financial statements, may also count, in whole or in part, as appropriate practical experience under the requirements of this IES.

A15. An IFAC member body choosing an input-based approach for its practical experience requirement might consider a period of at least three years to be sufficient to meet the requirements of this IES. The progressive development of professional competence required of a newly appointed engagement partner (as outlined in Table A) is such that practical experience of less than three years may not be sufficient to develop and demonstrate the professional competence required for the role of an engagement partner.

Appropriate Environments for obtaining Practical Experience

A16. Organizations providing suitable practical experience for opportunities for developing professional competence may include private firms, governmental and other audit organizations. Appropriate environments are ones that:

(b) Enable professional accountants to develop and demonstrate the prescribed professional competence; and

(c) Provide experience in aspects of auditing financial statements while under the supervision of a serving engagement partner.

Practical Experience: Small- and Medium-Sized Entities

A17. The professional competence required to serve as an engagement partner of small- and medium-sized entities may vary from those of an engagement partner for large entities. Audits for small- and

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IES 6: Initial Professional Development—Assessment of Professional Competence, defines sufficiency in the context of assessment; in IES 8, the concept of sufficiency is used but is not limited to assessment.
medium-sized entities are usually provided by smaller firms that may have fewer resources to organize formal professional development programs. However, smaller firms may compensate with strong mentoring support or other approaches to assist with professional development. IFAC member bodies may directly provide appropriate professional development opportunities and programs for smaller firms. Alternatively, IFAC member bodies may facilitate access to such opportunities and programs through collaboration with larger firms, other audit organizations, other IFAC member bodies, or networks among smaller firms or sole practitioners.

Assessment of Professional Competence

A18. IES 6: Initial Professional Development—Assessment of Professional Competence, provides useful guidance for the assessment of professional competence required in this IES. IFAC member bodies are encouraged to take a facilitative approach to assessment. For example, if assessment of an individual aspiring to be an engagement partner indicates that further professional development is necessary, then the IFAC member body may provide specific suggestions as to how, where, and when the aspiring engagement partner can access the professional development sufficient to address the shortfall. This facilitative approach might be most useful to professional accountants in smaller firms. A positive result from the assessment required means that a professional accountant has satisfied the professional development requirements of this IES. Actually assuming the role of an engagement partner, however, depends on many other factors.

A19. Various assessment activities can be used by IFAC member bodies and other stakeholders to assess the professional competence of aspiring engagement partners in relation to technical competence, professional skills, and professional values, ethics, and attitudes. This may include written examinations and workplace assessment.

A20. The monitoring of an engagement partner’s CPD may, in part, be integrated with an external quality assurance program. Such a program may include a review of an engagement partner’s CPD over a period of time, for example, a review of the last three years of CPD, to assess the appropriateness of that CPD in relation to the engagements on which that partner served as the engagement partner. In addition, a firm may integrate the monitoring of an engagement partner’s CPD into the firm’s internal inspection program, the results of which are usually made available to the IFAC member body or to those responsible for an external quality assurance program.

CPD for those Serving as Engagement Partners (Ref: Para A36-A41)

Audit Professional competence for More Complex Audits

A21. Although all professional accountants undertake CPD appropriate to their role as a professional accountant, the requirements outlined in paragraphs 18 and 19 specify that the CPD for serving engagement partners shall be appropriate to the role of an engagement partner. The requirements in paragraphs 13 through 17 only apply to professional accountants aspiring or newly appointed as engagement partners.

Size and Complexity of Audit Firm and Audited Entity

A.15 A.35 Audit engagements are not identical; they vary in the complexity of accounting and auditing matters, the size of the entity, and in the organizational and operational complexity of the entity whose financial statements are being audited. Engagement teams, which may include the specialist team members an auditor’s expert, may vary in composition, geographic dispersal, and
professional competence. It is critically important that engagement partners assuming responsibility for more complex audits of financial statements are required to undertake appropriate CPD, including the ability to integrate diverse professional competence and skills within the engagement team.

A22. Audits of entities within some specific industries or financial environments are ordinarily deemed to be more complex. The competence areas, learning outcomes, levels of proficiency and practical experience prescribed in paragraphs 13 to 17 will usually not be sufficient for serving engagement partners on more complex audits. Higher levels of proficiency, such as greater levels of professional judgment or professional skepticism, may also be more important learning outcomes for an engagement partner assuming responsibility for a more complex audit.

Achieving Learning Outcomes for More Complex Audits

A23. Appropriate CPD to achieve the learning outcomes required to assume the role of engagement partner for more complex audits may include the following types of activities:

- Participating in appropriate learning and development activities, including progressively assuming more responsible roles on engagement teams and mentoring by more experienced engagement partners;
- Consultation with specialists and reflecting on the advice received; and
- Acting on feedback from a firm’s system of quality control, or external quality assurance programs conducted by IFAC member bodies or regulators.

A24. IFAC member bodies are encouraged to develop guidance for engagement partners serving more complex audits to assist in planning appropriate CPD. Such guidance may direct serving engagement partners to consider aspects of their more complex engagements, including (a) the nature of the entity, (b) the complexity of managing the engagement, and (c) the accounting and auditing issues likely to be encountered. The following are examples of areas that may be relevant for a serving engagement partner to include in their CPD:

- Specific regulations in respect of the industry (e.g., natural resources or financial services entity audits);
- Corporate governance and listing requirements of public interest entities;
- Oversight of teams conducting audits of entities with international operations and component auditors in several jurisdictions; and
- More complex organizational structures and the interpersonal skills required to navigate them successfully.

A25. If engagement partners do not undertake appropriate CPD in respect of their more complex audit engagements, the IFAC member body may refer the Requirements for the monitoring of CPD as set out in IES 7 Continuing Professional Development.

14 “Component auditors” as defined in ISA 600, Special Considerations—Audits Of Group Financial Statements (Including The Work Of Component Auditors)
Classification of Proficiency Levels for Learning Outcomes

The Classification of Proficiency Levels supports the IAESB’s use of learning outcomes in its publications such as, International Education Standards (IESs) 2, 3, 4, and 8. The classification includes descriptors of four levels of proficiency for learning outcomes. These descriptors will help to set learning outcomes to demonstrate technical competence, professional skills, and professional values, ethics, and attitudes in a variety of professional accounting roles and specializations. Examples of indicative verbs are also included to assist those who wish to develop additional learning outcomes.

In the present suite of IESs none of the learning outcomes are classified at Mastery level, however, this level has been included in the Classification in order to demonstrate the relative positioning of the Foundation through Advanced levels.

<table>
<thead>
<tr>
<th>Level of Proficiency</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Foundation</strong></td>
<td>Learning outcomes focus on:</td>
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<tr>
<td></td>
<td>• Defining, explaining, summarizing, and interpreting the underlying principles and theories of relevant areas of technical competence to complete tasks while working under appropriate supervision;</td>
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<td></td>
<td>• Performing assigned tasks by using the appropriate professional skills;</td>
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<td></td>
<td>• Recognizing the importance of professional values, ethics, and attitudes in performing assigned tasks;</td>
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<td></td>
<td>• Solving problems, and referring complex tasks or problems to supervisors or those with specialized expertise; and</td>
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<tr>
<td></td>
<td>• Providing information and explaining ideas in a clear manner, using oral and written communications.</td>
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<td></td>
<td>Learning outcomes relate to work situations that are characterized by low levels of ambiguity, complexity and uncertainty.</td>
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<td></td>
<td>Indicative verbs used to construct learning outcomes typically include: define, describe, distinguish, explain, identify, illustrate, interpret, list, perform, recognize, solve, state, summarize.</td>
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<tr>
<td><strong>Intermediate</strong></td>
<td>Learning outcomes focus on:</td>
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<td></td>
<td>• Independently applying, comparing and analyzing underlying principles and theories from relevant areas of technical competence to complete work assignments and make decisions;</td>
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<tr>
<td></td>
<td>• Combining technical competence and professional skills to complete work assignments;</td>
</tr>
<tr>
<td></td>
<td>• Applying professional values, ethics, and attitudes to work assignments;</td>
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<tr>
<td></td>
<td>• Assessing, researching, and resolving complex problems with limited supervision; and</td>
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<tr>
<td>Level of Proficiency</td>
<td>Description</td>
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<tr>
<td><strong>Presenting information and explaining ideas in a clear manner, using oral and written communications, to accounting and non-accounting stakeholders.</strong></td>
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<tr>
<td>Learning outcomes relate to work situations that are characterized by moderate levels of ambiguity, complexity and uncertainty.</td>
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<tr>
<td>In addition to those verbs used at the Foundation level, indicative verbs used to construct learning outcomes typically include: analyze, apply, calculate, classify, compare, consider, prepare, prioritize, produce, select.</td>
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<tr>
<td><strong>Advanced</strong></td>
<td>Learning outcomes focus on:</td>
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<tr>
<td>- Selecting and integrating principles and theories from different areas of technical competence to manage and lead projects and work assignments and to make recommendations appropriate to stakeholder needs;</td>
<td></td>
</tr>
<tr>
<td>- Integrating technical competence and professional skills to manage and lead projects and work assignments;</td>
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<tr>
<td>- Making judgments on appropriate courses of action drawing on professional values, ethics, and attitudes;</td>
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<tr>
<td>- Anticipating, consulting appropriately and developing solutions to complex problems and issues; and</td>
<td></td>
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<tr>
<td>- Consistently presenting and explaining relevant information in a persuasive manner to a wide-range of stakeholders</td>
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<tr>
<td>Learning outcomes at the advanced level relate to work situations that are characterized by high levels of ambiguity, complexity and uncertainty.</td>
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<tr>
<td>In addition to those verbs used at the Foundation and Intermediate levels, indicative verbs used to construct learning outcomes typically include: act, advise, anticipate, appraise, construct, design, develop, evaluate, integrate, lead, manage, negotiate, plan, recommend.</td>
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<tr>
<td><strong>Mastery</strong></td>
<td>Learning outcomes focus on:</td>
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<tr>
<td>- Integrating technical competence, professional skills, and professional values, ethics and attitudes to lead complex projects, resolve complex problems and advise internal and external stakeholders;</td>
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<tr>
<td>- Acting as a role model within the accounting profession by behaving in accordance with required professional values, ethics and attitude;</td>
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<td>- Providing thought leadership in areas requiring experience and expertise; and</td>
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<tr>
<td>- Communicating with impact to guide and convince internal and external stakeholders at a senior level on vision and strategy of the organization or business.</td>
<td></td>
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<tr>
<td>Learning outcomes at the mastery level relate to situations that are characterized by high levels of ambiguity, complexity and uncertainty.</td>
<td></td>
</tr>
<tr>
<td>Indicative verbs include all those listed for Foundation, Intermediate and Advanced levels.</td>
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</table>
Similarly, appropriate CPD for an engagement partner auditing more specialized industries, events or transactions, may require more enhanced competence areas and learning outcomes than those of those prescribed in Table A.

IAESB Glossary of Terms

Add:

Aspiring engagement partner: An aspiring professional accountant or professional accountant who is developing their competence consistent with the requirements and expectations of IES 8.

Aspiring professional accountant: An aspiring professional accountant is an individual who has commenced a professional accounting education program as part of IPD.

Partner authorization criteria: All those factors, including but not limited to the requirements or auditor licensing regimes and audit firm promotion or appointment processes, which are preconditions for an individual to assume the role of engagement partner on an audit.

Professional skills: The intellectual, personal, interpersonal, communication, and organizational skills that a professional integrates with technical competence and professional values, ethics, and attitudes to demonstrate professional competence.

Professional competence: The ability to perform a role to a defined standard.

Competence area: A competence area is a category for which a set of related learning outcomes can be specified.

Assessment activity: Assessment activities are defined as those activities designed to assess elements of professional competence.

Technical competence: Technical competence is the ability to apply professional knowledge to perform a role to a defined standard.