

## Guidance and checklist for audit engagement partners for compliance with IFAC International Education Standard (IES) 8

IFAC's International Education Standard (IES) 8, *Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)*, prescribes the professional competence that professional accountants are required to develop and maintain when performing the role of an Engagement Partner responsible for audits of financial statements.

If you are an Engagement Partner you will demonstrate developing and maintaining your professional competence by the achievement of the learning outcomes specified in Table A of IES 8 and replicated below in the checklist. You also need to ensure that you continue to maintain your competence in professional ethics, keep your business and finance knowledge up to date and maintain your competence in the specialist areas of your practice – obtaining an appropriate proportion of CPD units in those areas.

### WHAT AM I REQUIRED TO DO?

- 1 Consider the IES 8 learning outcomes when planning your CPD.
- 2 Identify which of the learning outcomes you will focus on during the year and build these into your wider CPD plan.
- 3 Select by checking the box these learning outcomes on the checklist below.
- 4 Undertake relevant learning activities which may include practical experience.
- 5 Complete a CPD record\* for each learning activity undertaken.
- 6 Cross reference the CPD record on the checklist below – remember that you may have worked towards or met more than one learning outcome through a learning activity.

\* Using the online evidence recording tool accessed via your myACCA account, a paper evidence record that you can download at [www.accaglobal.com/member/cpd/evidence.html](http://www.accaglobal.com/member/cpd/evidence.html) or a CPD record in your own or your employer's format. Record what you have done, why you selected that activity, what you have learned and how you have or will apply the learning.

You will be required to submit a completed checklist if you are selected for a CPD review. It will also be reviewed during a regulatory or Approved Employer monitoring visit to your firm.

ACCA has produced example CPD records to show how you can demonstrate meeting the learning outcomes through undertaking relevant learning activities. These can be downloaded at <http://www.accaglobal.com/gb/en/member/cpd/evidence.html>

**CHECKLIST – IES 8 TABLE A LEARNING OUTCOMES**



COMPETENCE AREA	LEARNING OUTCOME	SELECT (X)	CPD RECORD REFERENCE
Audit	Lead the identification and assessment of the risks of material misstatement as part of an overall audit strategy		
	Evaluate responses to the risks of material misstatement.		
	Evaluate whether the audit was performed and documented in accordance with applicable auditing standards (eg, ISAs) and relevant laws and regulations.		
	Develop an appropriate audit opinion and related audit report, including a description of key audit matters as applicable		
Finance accounting and reporting	Evaluate whether an entity has prepared, in all material respects, financial statements in accordance with the applicable financial reporting framework and regulatory requirements		
	Evaluate the recognition, measurement, presentation, and disclosure of transactions and events within the financial statements in accordance with the applicable financial reporting framework and regulatory requirements		
	Evaluate accounting judgments and estimates, including fair value estimates, made by management		
	Evaluate the fair presentation of financial statements relative to the nature of the business, the operating environment, and the entity's ability to continue as a going concern		
Governance risk and management	Evaluate corporate governance structures and risk assessment processes affecting the financial statements of an entity as part of the overall audit strategy		
Business environment	Analyze relevant industry, regulatory, and other external factors that are used to inform audit risk assessments including, but not limited to, market, competition, product technology, and environmental requirements		
Taxation	Evaluate procedures performed to address the risks of material misstatement in the financial statements in respect of taxation, and the effect of the results of these procedures on the overall audit strategy		
Information technology	Evaluate the information technology (IT) environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy		
Business laws and regulations	Evaluate identified or suspected non-compliance with laws and regulations to determine the effect on the overall audit strategy and audit opinion		
Finance and financial management	Evaluate the various sources of financing available to, and financial instruments used by, an entity to determine the impact on the overall audit strategy		
	Evaluate an entity's cash flow, budgets, and forecasts, as well as working capital requirements to determine the impact on the overall audit strategy		

ES		COMPETENCE AREA	LEARNING OUTCOME	SELECT (X)	CPD RECORD REFERENCE
		Intellectual	Resolve audit issues using inquiry, abstract and logical thought, and critical analysis to consider alternatives and analyze outcomes		
		Interpersonal and communication	Communicate effectively and appropriately with the engagement team, management, and those charged with governance of the entity		
			Resolve audit issues through effective consultation when necessary		
		Personal	Promote and undertake lifelong learning		
			Act as a role model to the engagement team		
			Act in a mentoring or coaching capacity to the engagement team		
		Organizational	Evaluate whether the engagement team, including auditor's experts, collectively has the appropriate objectivity and <b>competence</b> to perform the audit		
			Manage audit engagements by providing leadership and project management of engagement teams		

		COMPETENCE AREA	LEARNING OUTCOME	SELECT (X)	CPD RECORD REFERENCE
		Commitment to public interest	Promote audit quality in all activities with a focus on protecting the public interest		
		Professional scepticism and professional judgement	Apply a skeptical mindset and professional judgment in planning and performing an audit and reaching conclusions on which to base an audit opinion		
		Ethical principles	Apply the ethical principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in the context of an audit and determine an appropriate resolution to ethical dilemmas		
			Evaluate and respond to threats to objectivity and independence that can occur during an audit		
			Protect the confidential information of the entity <sup>in</sup> accordance with ethical responsibilities and relevant legal requirements		