



Quality Assurance Process

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Quality Assurance Process

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1. INTRODUCTION TO QUALITY ASSURANCE PROCESS

Purpose and Scope of the Quality Assurance Process

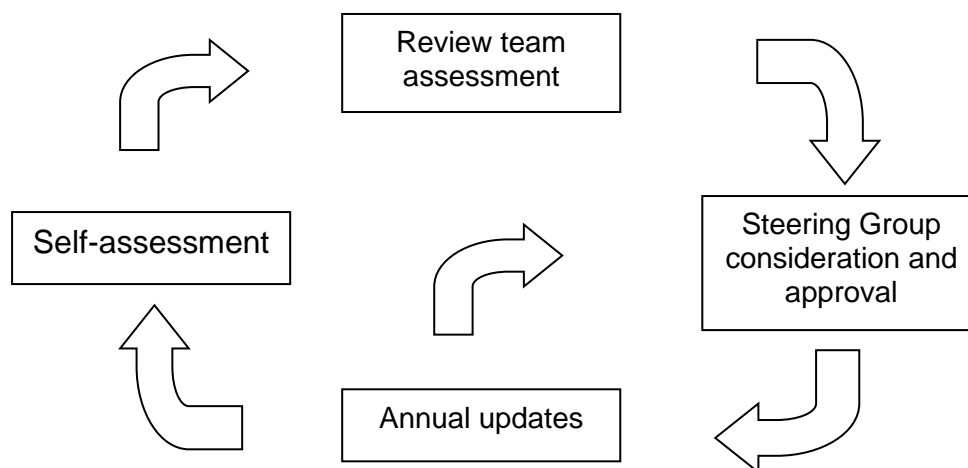
1. The objective of the Quality Assurance Process is to determine whether an Institute's qualification substantially complies with the in the PAEE Competency Framework and the PAEE Qualification requirements.
2. The requirements in the Qualification Requirements document and the Competency Framework document are collectively termed "PAEE qualification requirements". This document should be read in conjunction with those two documents. All documentation is available on the PAEE website: www.pa2e.eu
3. There are PAEE requirements that participating Institutes fulfil that are not qualification requirements: these are called "general requirements".
4. The same Quality Assurance process applies to member institutes and institutes that are applicants for membership with the exception that subsequent reviews can focus on changes to the qualification since the previous review was carried out. The Quality Assurance process applies to the entire qualification program for a particular qualification, whether or not an Institute has direct responsibility for parts of that program. Consequently, the process applies to Institutes that have, and those that have not, the responsibility and authority to grant professional entry-level qualifications and to determine the curricula for those qualifications. When an Institute outsources part of the qualification process, or when an Institute does not have direct responsibility for part of the process, the Quality Assurance process recognises this and assesses whether the Institute, or the third party providing that section of the qualification, has appropriate quality control policies and procedures in place to determine whether PAEE requirements are met.
5. The self-assessment and review conclusions should be given on qualification programs in operation measured against the PAEE requirements currently in effect.
6. Self-assessments and reviews should be carried out on the basis of the latest PAEE Competency Framework and Qualifications requirements. Future compliance with the PAEE requirements will be affected by changes in those requirements and changes in qualification programs. With an effective annual update process and reiteration of continued compliance with the PAEE requirements the Steering Group will be kept up to date on significant changes to member body qualifications and the self-assessment process should identify and evaluate these changes to determine whether they will lead to any change in compliance. The review team will verify this evaluation. This evaluation may affect Steering Group decisions on acceptance and continuance of membership.
7. To maintain the confidentiality of information obtained and review results, access to information is restricted as follows:
 - Unless otherwise indicated by the Institute whose self-assessment is being reviewed, the self-assessment, including its supporting documentation, is restricted to the Institute, review team, and any independent members of the Oversight Committee choosing to attend the review visit

Self-Assessment

- The review documentation is restricted to the review team, those designated by the Steering Group as responsible for archiving the review documentation, and any independent members of the Oversight Committee choosing to attend the review visit
 - The conclusions drawn from the self-assessment by the Institute, the review report, and any comments by the Institute on the review report are restricted to the Institute, the review team, the Steering Group and the members of the Oversight Committee.
8. The review team, the Steering Group, members of the Oversight Committee, and those responsible for archiving the review documentation are responsible for maintaining the confidentiality of any documents arising from the Quality Assurance process to which these parties have access.

Quality Assurance Process

9. The Quality Assurance process consists of a series of activities that are managed by the Steering Group as a cyclical process following on from the initial review for membership of PAEE:



10. This Quality Assurance document explains the self-assessment, review and Steering Group decision-making processes in relation to Quality Assurance, and the management of the Quality Assurance process. This document sets forth the requirements for the performance of self-assessments by institutes, the performance of reviews by review teams, and the decision-making process in relation to the self-assessment and review processes. The document further sets out the regular update process and how these updates support the review process.
11. When an Institute offers more than one professional accountancy qualification, the Institute will need to decide which of those qualifications it seeks to have recognized as PAEE compliant. If more than one qualification is chosen for recognition as PAEE compliant, then the self-assessment and review must cover each qualification. Consequently, self-assessment and review conclusions may vary by qualification. A qualification that has previously been reviewed is subject to the requirements for subsequent reviews, rather than those for initial reviews. A qualification that has not previously been reviewed for a participating Institute with a qualification that has previously been reviewed is subject to the requirements for initial reviews.

Roles and responsibilities relating to the Assessment process.

12. A number of groups will be involved in the review process. The different roles and responsibilities of each are set out below:

The Institute under review:

13. It is the responsibility of the Institute being reviewed to:
- communicate with the Steering Group on a timely basis in relation to the self-assessment and review processes for major issues;
 - perform a complete self-assessment in accordance with the requirements of this document comparing its qualification to PAEE Competency Framework and Qualifications requirements;
 - exercise judgment when determining how much evidence to gather to support the self-assessment conclusions and in determining whether the PAEE Competency Framework requirements and Qualification requirements have been fulfilled (this does not extend to interpreting particular PAEE requirements as not applicable or not significant);
 - prepare the documentation of the self-assessment that enables a review team to perform a review;
 - report to the Steering Group or review team on their conclusions in relation to the self-assessment;
 - retain the self-assessment documentation in line with their retention policies, until the earlier of when the next Quality Assurance Process is completed, or the Institute ceases to be a member of PAEE.
 - during the review process, provide the review team with:
 - access to information that is relevant to the preparation of the self-assessment, such as records and documentation and other matters;
 - additional information that the review team may request from the Institute for the purposes of the review;
 - access to persons within the Institute from whom the review team determines it necessary to obtain review evidence; and
 - to the extent reasonable and possible, access to information and persons from outside the Institute relevant to the self-assessment or review;
 - agree on reasonable deadlines with the review team for access to information or persons and to meet those deadlines sufficiently in advance of the contemplated completion of the relevant review phase
 - agree on reasonable deadlines with the review team and the Steering Group on the completion of the review

Review Team:

14. A review team appointed by the Steering Group is responsible for the review of the self-assessment and the report on that review to the Steering Group in accordance with the requirements of this Quality Assurance Process Document. The review team for initial reviews should be made up of members from different member institutes of the PAEE. The review team for subsequent reviews can be taken from a single member body unless the Steering Group believe it would be more beneficial to appoint a mixed team. The Steering Group reserves the right to determine the composition of the review team on a case-by-case basis.

15. The review of an Institute's self-assessment is the responsibility of the review team, which plans and carries out the review in accordance with PAEE review requirements. In particular, the review team is responsible for:
- the objective, efficient and effective conduct of the review using a risk-based approach to focus review procedures (the team leader is responsible for the effective and efficient use of review team resources and review timing)
 - exercising judgment when determining how much evidence to gather to support the review conclusions and in determining whether the self-assessment is reliable (this does not extend to interpreting particular PAEE requirements as not applicable or not material)
 - communicating with the Institute and the Steering Group on a timely basis in relation to the self-assessment and review processes for major issues
 - documenting the review process and provision of such documentation to the Steering Group after the review for archiving
 - preparing a review report that is issued to both the Institute and the Steering Group
 - responding to queries from the Steering Group after the review
 - maintaining the confidentiality of information obtained and review results
 - agreeing reasonable deadlines with the reviewed Institute for the provision of access to information or persons and to meet those deadlines
 - agreeing reasonable deadlines with the reviewed Institute and the Steering Group for the completion of the review

Compliance Group

16. The Compliance Group provide support and advice to the Review Team in carrying out the review process and formulating the review report. The Compliance Group will be formed by the Steering Group. The Review Team should liaise with the Compliance Group where any queries regarding the review are raised. The Compliance Group can advise the review team on the review process and wording in the report in order to facilitate the decision-making process for the Steering Group.

Steering Group

17. The management of the Quality Assurance process is the responsibility of the Steering Group. Please see Section 4 for comprehensive details of the responsibility of the Steering Group. Overall, the Steering Group appoints the review team and liaises with the Institute and review team during the self-assessment and review processes and procedures. As part of its decision-making process, the Steering Group considers the final report of the review team and the comments thereon by the Institute and is responsible for the final decision on whether an Institute's qualification complies with PAEE requirements and may in exceptional cases determine whether any remedial action is necessary or would be of benefit.

Oversight Committee

18. The Oversight Committee has the responsibility for making sure the review process has operated effectively and that the recognition of a new PAEE member body, or continuation of recognition has been awarded correctly. This may necessitate attendance at the review visits and review meetings and other actions that enable the Oversight Committee to determine that the processes have been followed effectively.

2.SELF-ASSESSMENT

Overall Self-Assessment Requirements

19. The Institute whose qualification is to be reviewed is responsible for the self-assessment in accordance with the requirements of this Quality Assurance document. It may be helpful for a potential new member Institute to consult with an existing member institute in preparing its self-assessment. The Steering Group may recommend PAEE experts from existing member institutes to assist in the process, but an Institute may choose from among the experts recommended and is not required to accept such consultation. The costs of such consultation, if any, are borne by the Institute being reviewed.
20. The Institute being reviewed prepares the self-assessment comparing its entry level professional qualification with PAEE qualification requirements and Skills requirements and reports on their conclusions resulting from the self-assessment.
21. The self-assessment process consists of six parts, the outcomes of each of which must be supported by appropriate documentation:



22. The self-assessment is documented in electronic form (preferably in Microsoft Word or Excel).). Underlying documentation should be in electronic form to the extent possible. The self-assessment documentation, but not necessarily the underlying support, will be prepared in the English language.

Self-Assessments Subsequent to Reviewed Self Assessments

23. When a self-assessment is carried out subsequently to a reviewed self-assessment, to the extent practical the subsequent self-assessment will draw on the reviewed self-assessment and focuses on the changes in the specified qualification(s) and in PAEE requirements since the reviewed self-assessment. Institutes will be asked to update the Steering Group annually on any significant changes that have been made to their qualification and issue a self-declaration that they continue to meet the PAEE requirements. This will enable the Steering Group to decide if any change is substantial enough to warrant a review and will ensure review teams will be aware of the changes they are likely to need to consider. Irrespective of the annual update and self-declaration, all full member bodies will be fully reviewed at the end of each six year period as a matter of course.

Part A: General Description of Qualification Program

24. The first part of the self-assessment consists of a general description of the Institute's qualification program together with a conclusion on whether the Institute's qualification meets PAEE general requirements. This general description is also prepared for the orientation of the review team.
25. The general description must cover the following aspects of the qualification program:
- The professional and regulatory environment
 - qualifications to be subject to self-assessment and review
 - legal and regulatory foundations of the profession
 - identification of bodies that regulate the profession or its education and their respective responsibilities and oversight mechanisms
 - regulated services performed by the profession
 - competitive environment in relation to other professions and qualifications in relation to regulated and unregulated services
 - a description of how the Institute or qualification meets PAEE Qualification requirements.
 - An outline of the qualification program including:
 - program entry requirements
 - education requirements, including the contributions of universities, other academic institutions, other educational institutions, government and their agencies and professional accountancy and audit firms as well as the Institute itself
 - practical experience requirements
 - assessment
 - membership admission requirements
 - known future developments
26. At this stage the Institute may also provide copies of publicly available information that support the description.

Part B: Description of Quality Control Over Qualification Program

27. The Institute is required to prepare a description of the quality control processes (including, where necessary, third party quality control measures) over the qualification program and a conclusion, supported by documentation of adequate self-assessment evidence, whether the quality control process has applied the PAEE quality control principles as described in the Qualifications Requirements Document.
28. Since education delivery systems are different among qualification programs, no detailed list of requirements for quality control over such programs is possible. Consequently, PAEE qualification requirements include a list of principles of good quality control over qualification programs that Institutes should employ in designing, implementing and operating their quality control systems over education. Guidance on the application and meaning of these principles is also provided.
29. PAEE quality control principles recognise that some participating Institutes control the delivery of most of their qualification programs directly, whereas others rely more on third parties. The description of quality control and a conclusion about whether the quality control process has applied the PAEE quality control principles are required irrespective of whether participating Institutes control or do not control their qualification program.
30. The guidance supporting this PAEE quality control principle notes that in the first case, quality control would need to focus on the delivery of education by the Institute. In the second case, quality control would need to focus on the quality of the education provided by third parties. In either case, quality control needs to be applied to both education delivered by the participating Institute and third parties. In cases in which third parties provide education, these may also apply quality control over the delivery of that education. In this case, quality control may also be external to the participating Institute. Such external quality control may include accreditation systems. When external quality control is relied upon, internal quality controls would need to determine the operating effectiveness of those external quality controls. Where this assessment is not possible as part of a review process it will be sufficient for a review to show that external providers meet the local legislative requirements for their academic programmes.
31. The Institute describes its quality control over its professional qualification at a general level. The general description covers the conclusion on whether the Institute applies the PAEE quality control principles and refers to the sources of evidence supporting this conclusion. A more detailed description of quality control over specific areas (with national and international education standards, academic level, learning outcomes, and skills) may be provided in the self-assessment of these areas. Based upon the PAEE quality control principles, the description of quality control should cover:
 - the application of a risk-based approach to quality control (e.g., risk assessment, risk response, implementation of responses, monitoring, documentation)
 - qualification program (e.g., student recruitment and entry requirements, program content, program administration, qualification procedures)
 - practical experience (e.g., approach, content, supervision and monitoring)
 - assessment (e.g., design, preparation, confidentiality, administration and delivery, scoring, result determination, recording and publication, dealing with malpractice, and monitoring)
 - admission to membership

Part C: International Requirements

- 32. PAEE Qualification Requirements call for participating Institutes to:
 - meet or exceed international requirements for professional accountants (IAESB Education Standards – IES 1 to 7)
 - meet or exceed examination requirements for statutory auditors at European level and assessment requirements at international level for auditors (EU requirements for the qualification of statutory auditors in the Statutory Auditor Directive and the assessment requirements in IES 8)

- 33. The self-assessment report must provide a conclusion, supported by documentation, whether the Institute’s entry-level professional qualification:
 - complies with the relevant international standards noted above for professional accountants; and whether it
 - complies with the additional examination and assessment requirements for auditor qualifications.

- 34. Specific requirements on qualification, education, training, CPD are prescribed in the IAESB Education Standards IES 1 – 8:

IES 1	Entry Requirements to Professional Accounting Education Programs (Revised)
IES 2	Initial Professional Development – Technical Competence (Revised)
IES 3	Initial Professional Development - Professional Skills (Revised)
IES 4	Initial Professional Development – Professional Values, Ethics and Attitudes (Revised)
IES 5	Initial Professional Development–Practical Experience (Revised)
IES 6	Initial Professional Development–Assessment of Professional Competence (Revised)
IES 7	Continuing Professional Development (Redrafted)
IES 8	Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)

IES 8 above applies only to individuals responsible for audits of financial statements, including where holders of the professional entry-level qualification are empowered or licensed to act as engagement partners or as sole practitioners responsible for audits of financial statements.

- 35. Institutes must document the compliance of the qualification program with the noted IAESB and EU qualification requirements by mapping or tracking these requirements to the curricula or learning materials in their education program. Mapping documents containing the noted international requirements are provided for assistance in this Quality Assurance Process Document in the Appendix. Institutes need not track or map compliance at this stage (prior to any requests by the review team) beyond the curricula or learning materials and the general description.

Part D: Academic Level

- 36. The Institute is required to confirm that the assessment for the qualification program is at first degree level, that is at least equivalent to a three-year university degree of

professional competence and skills and that the assessment of key parts of the knowledge, including but not limited to financial reporting and assurance, are at second degree level. This must be supported and confirmed by evidence as set out below.

37. The PAEE qualification requirements note that the meaning of the term academic level relates to degrees from schools at university level (e.g. a second degree level would involve a masters degree level and a first degree a bachelors degree level).
38. Self-assessment should include evidence of one or more of the following:
 - Comparison of level of assessment with the Dublin descriptors (including multidisciplinary integration)
 - European Credit Transfer System (ECTS) or comparison of input required for assessment therewith
 - National and international accreditation systems (e.g. European Quality Improvement System – EQUIS) or comparison of assessment therewith
 - European qualifications framework (EQF) or comparison of assessment therewith
 - Completion of an accredited relevant degree program
 - Professional examinations of a greater degree of difficulty than those required in the same subject matters for an academic degree
 - National benchmarks for first- and second-degree level

Part E: Enabling Competencies and Technical Skills

39. The Institute is required to provide a conclusion, supported by documentation of adequate self-assessment evidence, whether the qualification program achieves the common learning outcome requirements, which are set forth in the PAEE Enabling Competencies and Technical Skills.
40. Since both PAEE requirements and qualification programs are subject to continual change, full compliance in terms of a point in time may never be practically achieved. However, departures from PAEE requirements identified in the self-assessment should be adequately addressed as part of the self-assessment process, and discussed with the Review Team, on a 'comply or explain basis. The review team report should then incorporate this to enable the Steering Group to conclude if the institute could influence any change to the matter and if the departure is significant enough to impact the recognition of the Institute.
41. The Enabling and Technical Competencies, as set out in the Competency Framework are defined in terms of what students should be able to do using specified action verbs, and the knowledge that is necessary to achieve these capabilities. 'Substantial equivalence' means that students have achieved enough of the Competencies required in the PAEE Competency Framework to be able to work effectively in their role.
42. In achieving that objective an Institute can apply the principle of transferability in its qualification program. This means that capability in a given learning outcome may not necessarily be directly assessed provided that the required capability is covered in a closely related context or related area where the same capabilities are required.
43. The PAEE requirements are applicable to qualification programs that use either input or output-based approaches, or a combination of both. When determining the compliance of curricula with PAEE requirements, approaches that are more output-

based would tend to focus more on the Enabling Competencies in the PAEE Competency Framework, whereas for input-based approaches there may tend to be a greater focus on the Technical Skills. Nevertheless, the qualification program as a whole (i.e., including actual assessment etc.) forms the basis for determining compliance with the Competency Framework.

44. This overall approach makes it possible to have viable PAEE programs in each participating country that also reflect local circumstances.
45. There may be circumstances when a departure from a PAEE qualification requirement by a particular qualification program may be acceptable such as when the PAEE requirements relate to requirements confined to the EU or European Economic Area (EEA) and these requirements are not applicable for a qualification from a jurisdiction outside of the EU or EEA. The Steering Group must determine if any departure is within acceptable limits.
46. As a matter of principle, departures from PAEE qualification requirements other than from EU or EEA requirements as noted that have an impact on portability of qualifications would not represent an acceptable departure. As part of the self-assessment, any such departures must be identified, the reasons for the departures given, and the departures and their justification documented.
47. Self-assessment conclusions are given at the level of the main topics and provide adequate evidence that the education, practical experience and assessment of entry-level professional accountants enable them to operate effectively in the accountancy and audit profession.
48. Institutes must document their self-assessment of the qualification program with the noted PAEE qualification requirements in the learning outcome document by mapping or tracking these requirements to the curricula or learning materials in their education program.
49. The Institute provides a conclusion, supported by documentation of adequate self-assessment evidence, whether the qualification program achieves the Enabling Competencies and Technical Skills. As well as requiring entry-level accountants to have the appropriate level of higher skills in each of the separate subject areas (as defined by the verbs in the learning outcomes – e.g. “recommend”, “discuss”, “compare” – see above), to meet the requirements of the Competency Framework document, entry-level accountants also draw upon their practical experience to obtain multidisciplinary and other skills.
50. The requirements in the Competency Framework can be achieved through theoretical education and academic education, etc., or by means of practical experience. As far as applicable reference can be made to professional and academic accreditation that is already in place. Practical experience includes matters such as coaching and learning “on-the-job”.
51. When determining compliance with requirements in the Competency Framework document as part of a self-assessment or review process, both the satisfaction of the PAEE qualification requirements outside of the Competency Framework and the satisfaction of the practical experience requirements can be drawn upon to provide evidence of compliance with the Enabling Competencies and Technical Skills.

52. Institutes must document compliance of the qualification program with the requirements in the Competency Framework document. Documentation of academic level, such as documentation of academic accreditation, may also be used to document compliance with multidisciplinary and other skills required by the Enabling Competencies and Technical Skills. Documentation of the nature and content of practical experience may be used to document compliance with the requirements of the Enabling Competencies and Technical Skills. Institutes may choose to provide a mapping document for individual skills described in the Enabling Competencies and Technical Skills. To document that the program of assessment integrates knowledge from across the range of all subject areas, Institutes may provide documentation of compliance through curricula for the examination or through the examination papers.

Part G: Overall Self Assessment Conclusion

53. Based upon the conclusions reached in previous sections of the self-assessment, the Institute forms an overall conclusion on whether the qualification meets PAEE qualification and general requirements and whether any remedial action is necessary. The Institute summarises the reasons for its conclusion in a final statement.
54. The final statement includes an overall conclusion stating one of the following:
- the qualification of the Institute complies with the PAEE requirements;
 - or
 - the qualification of the Institute does not comply with the PAEE requirements and provide a basis for this conclusion);
 - or
 - the qualification of the Institute would comply with the PAEE requirements subject to achievable remedial action;
 - or
 - the review team is unable to reach a conclusion on whether the qualification of the Institute complies with PAEE requirements and provide a basis for this conclusion.

Where appropriate, the statement may suggest actions to be taken to address instances of non-compliance with PAEE requirements.

3. REVIEW

Overall Review Requirements

55. The review team strives to make decisions and reach its conclusions on the basis of consensus. In the unlikely event that consensus cannot be achieved, the review team consults with the Steering Group for further guidance.
56. Initial reviews and subsequent reviews are defined as follows:
- Initial review – a review performed when an Institute applies for full membership or when a self-assessment of a qualification of an Institute with full membership was not previously reviewed.

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- Subsequent review – when the self-assessment of a qualification of a full member is reviewed subsequent to a previous review.

Review Approach

57. Initial and Subsequent reviews should incorporate the following phases divided into the following phases:
 - review of the self-assessment, desk review
 - review visit/meeting - if required
 - review reporting
58. For new applicants for membership a preliminary review of sections A-C of the self assessment may be required by the Steering Group if there is any reason to believe the body under review may not meet the requirements and that a full review would be unwarranted.
59. The review team adopts a risk-based and test-based approach to the review to obtain adequate evidence that the self-assessment is reliable. As a rule, a self-assessment should provide most of the evidence required for a review. However, the review team may request additional evidence in relation to PAEE requirements beyond that included in the self-assessment as necessary.
60. The review risk represents the risk that the review team reaches the conclusion that the self assessment is reliable when it is not (i.e., the self assessment concludes that the qualification meets PAEE requirements when it does not). A risk-based approach to a review involves the review team undertaking a risk assessment of the self assessment and then responding to those risks through further review procedures.
61. As part of the risk assessment of the self-assessment, the review team obtains an understanding of the qualification and the quality control over that qualification to enable the review team to identify and assess risks. Some of this understanding would be obtained as part of the preliminary review (see below) or a previous review (if a subsequent review). The review team assesses the risks identified to determine which of those risks are significant and therefore require further review procedures to respond to those risks. The review team documents its understanding of the qualification and the quality control over that qualification and its assessment of risks.
62. The review team exercises judgment in determining the nature and extent of further review procedures required to obtain adequate evidence to support the review conclusion. The review team performs the further review procedures on a test basis. The extent of testing can be reduced if the review team has adequate evidence that the quality control system over the qualification for particular risks is operating effectively. The review team documents the performance and results of the further review procedures.

Desk Review and Review Visit

63. For both an initial review and as subsequent review, the review team performs the review of all parts of the self-assessment.
64. The review team reviews the self-assessment and secures adequate evidence to support the self-assessment conclusions on whether the Institute under review's

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qualification(s) achieve the PAEE Qualifications requirements. During the review process, the Institute is responsible for providing the review team with access to information that is relevant to the self-assessment. The review team informs the Institute of the reasons for requests for additional documentation beyond the completed self-assessment documentation.

65. To facilitate an efficient review, the review team performs as much of the risk assessment and further review procedures to respond to those risks as possible as part of the desk review. This includes testing the mapping documents to curricula for the examination or examination papers. Clarification of issues is sought to the extent possible prior to the review visit; missing documentation is supplied prior to the review visit.
66. The review must examine any departures identified in the self-assessment process and the justification for such departures. This does not limit the review to only those departures identified in the self-assessment process.
67. Review visits may take place in person or virtually as needed. The review visit/meeting serves to allow the review team to discuss issues, with representatives of the Institute or other parties involved in that Institute's qualification, that could not be resolved as part of the desk review. The review team notifies the Institute on a timely basis prior to the review visit/meeting of the issues the team intends to address and the reasons for seeking to address these issues. A member of the Oversight Committee should be present at the review visit to provide independent confirmation that the review process has been followed effectively.

Review Report

68. The review team will provide the draft report to the Institute for comments that may affect the content of the final report.
69. The Institute provides comments to the Steering Group on the final report, submitted by the review team to the Steering Group, in relation to the review report conclusion, the review process, and any remaining issues.
70. The review report is in English and in electronic form (Microsoft Word Excel or pdf-files). The report should cover the required areas in the self-assessment and provide conclusions to each section that state whether the review team agree that the qualification meets the PAEE requirements.
71. The overall conclusion must indicate one of the following (the wording below is an example):
 - the qualification of the Institute complies with the PAEE requirements;
 - or
 - the qualification of the Institute does not comply with the PAEE requirements with reasoning for any non-compliance (for example legal controls over the qualification);
 - or
 - the qualification of the Institute complies with the PAEE requirements subject to achievable remedial action;
 - or

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- the review team is unable to reach a conclusion on whether the qualification of the Institute complies with PAEE requirements.
72. A qualification is deemed to not comply with the PAEE requirements when, after having obtained substantially all of the evidence that the Institute is capable of providing in relation to departures from PAEE requirements, the review team reaches the conclusion that departures from such requirements have a pervasive effect on the qualification that casts substantial doubt on the long-term ability of that qualification to meet PAEE requirements. The institute under review will provide explanations for this deviation from the requirements and the Steering Group will be asked to make a decision on whether this impacts significantly on the overall ability of the qualification to obtain recognition and whether remedial action might be suggested that would be beneficial to the institute under review in securing recognition after such action has been taken.
 73. The review team is unable to reach a conclusion when, after having obtained substantially all of the evidence that the Institute is capable of providing, the review team is not provided adequate evidence to form a conclusion.
 74. In either case, the Steering Group is informed by the review team early in the management of the Quality Assurance process of the likely occurrence of such circumstances so that the Steering Group is in a position to resolve issues with the Institute being reviewed as early in the process as possible.
 75. The review report provides an explanation of the reasons for selecting the overall review conclusion based upon the overall results of the review, the review teams disposition of any areas of remaining disagreement with the Institute and the reasoning behind any disagreement, and the conclusions reached on each of the Sections A to F of the self-assessment, together with an explanation of how these conclusions were reached. To support the review team's disposition of remaining areas of disagreement with the Institute, the review report describes in greater detail these remaining areas of disagreement with the Institute in a section subsequent to the reasons for the overall review conclusion.
 76. The review report includes a section describing the names, positions and qualifications of the review team members, including any external support required, oversight team members and Oversight Committee member who may have attended review meetings; the date of the review and substantial elements of the review process and details of the programme being reviewed.
 77. The review report provides a description of the understanding obtained, risk assessment performed, responses to risk undertaken through further procedures, and the results achieved from those procedures (including a summary of departures from PAEE requirements identified from tests performed), as well as a summary of the evidence obtained through those procedures for each of Parts A to F of the self-assessment. However, details of the tests performed, and evidence obtained need not be included in the report: since these matters are retained in the review documentation retained by the review team (see sections 79-82 below).
 78. Based upon the results of its review, the review team may have observations or recommendations on PAEE qualification requirements or the Quality Assurance process. If any, these are included in a section that is separate from matters dealing with compliance with PAEE requirements. Furthermore, the review team may also have other observations about the self-assessment or qualification(s) being reviewed

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beyond compliance with PAEE requirements. If any, these observations are included in a separate section from those dealing with Quality Assurance with PAEE requirements and observations or recommendations on PAEE qualification or Quality Assurance requirements. Substantial changes to the qualification that are expected in the future should not be covered in this section but should be incorporated into the appropriate section of the review report for consideration by the Steering Group.

Nature, Extent and Retention of Review Documentation

79. The purpose of review documentation is to have evidence supporting the review team's conclusion on the self-assessment and to have evidence that the review was performed in accordance with the requirements of the Quality Assurance document. It may also assist the review team in planning and performing the review.
80. The review documentation should be adequate to enable an experienced PAEE reviewer without any previous connection with the review to understand:
 - The nature, timing and extent of review procedures performed,
 - The results of the review procedures, and
 - Significant matters arising from the review.
81. Significant matters include matters that give rise to significant risks, departures from PAEE requirements identified by the self-assessment or the review, the inability to obtain adequate review evidence, and significant judgments made by the review team. The review documentation identifies the details of the tests performed, including the specific items tested.
82. The review team retains the review documentation until the Quality Assurance process for the Institute's qualification(s) being reviewed is completed (i.e., when the Steering Group has reached a final decision on Quality Assurance – see below). Thereafter, the review team provides the review documentation (including the self-assessment documentation) to those designated by the Steering Group as responsible for archiving the review documentation.

4. STEERING GROUP MANAGEMENT OF QUALITY ASSURANCE PROCESS AND DECISION-MAKING

Responsibilities of Steering Group Prior to Completion of Reviews

83. The Steering Group is responsible for managing the quality assurance process, including the timing of reviews and any review cycle. The Steering Group consults with the Institute seeking to have its qualification(s) reviewed and determines which qualification(s) will be subject to review. Based upon conclusions reached by the Review Team from any preliminary review and discussions with the Institute, the Steering Group also assesses whether the Institute has prepared adequate self assessments to allow a review to proceed in an effective and efficient manner. The Steering Group refrains from commencing the review process when it appears that adequate self assessments have not been prepared.

Steering Group Management of Quality Assurance Process and Decision-making

84. The Steering Group agrees reasonable deadlines with the reviewed Institute and the review team for the completion of the review.
85. To assist the Institute whose self assessment will be reviewed with that Institute's self assessment process, the Steering Group may recommend experts with intimate knowledge of the PAEE requirements to consult with that Institute and assist in the documentation of the self assessment. In recommending such experts, the Steering Group considers the future composition of the review team to prevent conflicts of interest and the need to not unduly burden any Institutes providing such experts. To this effect, the Steering Group consults with the Institute being reviewed, the Institutes that making such experts, and the individuals affected when making such recommendations.
86. An Institute may object to the inclusion of a particular team member on a review team for confidentiality reasons or other good cause. The Steering Group may remove a review team member from the team for good cause or irreconcilable differences in relation to the performance of the review.
87. For initial reviews, the Steering Group is responsible for ensuring the comparability of reviews and the selection of review team members. To this effect, the Steering Group selects three review team members using the following criteria wherever possible:
 - At least one
 - of the team leader or secretary has previous experience in performing a PAEE review
 - of the team leader or secretary is intimately familiar with PAEE qualification, general, and Quality Assurance requirements
 - team member has verbal and written English language skills substantially equivalent to those of a native speaker
 - team member has the professional or technical language skills in accountancy of the country in which the Institute operates
 - team member has professional education or considerable experience from either a common law or civil law jurisdiction, or both
 - No more than one review team member with the local professional language skills has been involved in pre-review self-assessment consultation;
 - No two review team members are associated with the same participating Institute or its qualification process.
 - No review team members are permitted to be involved in the self-assessment process once the review has commenced. This does not preclude the review team from providing suggestions during the review process as feedback to the Institute to improve its self-assessment.
 - No review team members are, or have been, involved in the design or delivery of the qualification program of the Institute to be reviewed, are an employee or on contract for other services for that Institute.
88. For initial reviews, the Steering Group is responsible for ensuring that the particular competencies and skills of the review team members are complementary and for the composition of an effective review team for the particular qualification(s) being reviewed. The Steering group documents the composition, qualifications, and skills of the review team and the application of the criteria in selecting review team members.
89. For subsequent reviews, the Steering Group chooses a participating Institute (full member) to provide a review team to conduct the review of the self-assessment of the qualification of another particular Institute. In doing so, the Steering Group ensures that

Steering Group Management of Quality Assurance Process and Decision-making

in any review cycle, no two Institutes engage in mutual reviews of their respective qualifications (i.e., no “cross-reviews”). The Institute chosen to conduct a particular review is responsible for choosing an appropriate review team, including ensuring that the review team comprises at least two members, and that the team collectively has:

- Adequate knowledge of PAEE qualification requirements
 - Adequate technical language skills of the jurisdiction in which the Institute whose self-assessment is being reviewed resides
 - Verbal and written English language skills substantially equivalent to those of a native speaker
 - No conflicts of interest resulting from a continuing relationship with the Institute whose self-assessment is being reviewed.
90. The Steering Group is responsible for communicating with the Institutes and the review teams on a timely basis in relation to the self-assessment and review processes for major issues, and for ensuring the comparability of reviews.
91. When the Steering Group is informed by the review team that the review team is likely to be unable to reach a conclusion or the review team will likely not be provided with adequate evidence to form a conclusion, the Steering Group seeks to resolve issues with the Institute being reviewed as early in the process as possible.

Steering Group Consideration of Self Assessments and Reviews; Appeals Procedure

92. Based on its consideration of the review, together with any comments on that review from the Institute, the Steering Group shall either approve the conclusion reached by the review team or seek additional information from the Review Team and the Institute.
93. Where the qualification does not meet the PAEE requirements to the extent that it may impact on recognition, the professional body under review and the Steering Group may, where appropriate, agree that remedial action may be required, In this instance the Steering group retain the right to impose additional requirements if necessary. The Steering Group and body under review may agree the areas of non-Quality Assurance and the actions required to achieve Quality Assurance (including the need for a further self-assessment and review). A possible additional recommendation may be that a review or partial review may be necessary in a period that is shorter than the cycle that is determined for reviews by the Steering Committee.
94. The Institute whose qualification has been reviewed may appeal the decision of the Steering Group. In this case, the Steering Group is required to reconsider the evidence supporting the conclusion or the inability to obtain a conclusion and consider any new evidence, if made available. At the cost of the Institute, the Steering Group may also have the review team, or a new review team, seek further evidence if this appears to be a promising approach. In seeking to resolve differences of views with the reviewed Institute, the Steering Group may also engage in further discussions with the Institute. On the basis of the evidence gathered from the original review and resulting from the appeals procedure, the Steering Group reaches a final conclusion on compliance with PAEE requirements. The Steering Group seeks confirmation from the Oversight Committee that appropriate due process in the appeals procedure has been followed. If such confirmation is forthcoming, the conclusion reached through the appeals procedure is final.

Steering Group Management of Quality Assurance Process and Decision-making

95. A short summary of the conclusions and the decisions of the Steering Group relating to all reviews will be published on the PAEE website.
96. The Steering Group shall designate a party responsible for archiving the review documentation (including the self-assessment documentation).

5. APPENDIX: MAPPING DOCUMENTS FOR INTERNATIONAL REQUIREMENTS

Compliance with EU Requirements including Corporate Sustainability Reporting Standards

Statutory Audit Directive including CSRD elements	National Requirement
Article 6: Educational qualifications	
Without prejudice to Article 11, a natural person may be approved to carry out a statutory audit only after having attained university entrance or equivalent level, then completed a course of theoretical instruction, undergone practical training and passed an examination of professional competence of university final or equivalent examination level, organised or recognised by the Member State concerned.	
Article 7: Examination of professional competence	
<p>1. The examination of professional competence referred to in Article 6 shall guarantee the necessary level of theoretical knowledge of subjects relevant to statutory audit and the ability to apply such knowledge in practice. At least part of that examination shall be written.</p> <p>2. In order for the statutory auditor to also be approved to carry out the assurance of sustainability reporting, the examination of professional competence referred to in Article 6 shall guarantee the necessary level of theoretical knowledge of subjects relevant to the assurance of sustainability reporting and the ability to apply such knowledge in practice. At least part of that examination shall be written.</p>	
Article 8: Test of theoretical knowledge	
<p>1. The test of theoretical knowledge included in the examination shall cover the following subjects in particular:</p> <ul style="list-style-type: none"> a) general accounting theory and principles; b) legal requirements and standards relating to the preparation of 	

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<p>annual and consolidated accounts;</p> <ul style="list-style-type: none">c) international accounting standards;d) financial analysis;e) cost and management accounting;f) risk management and internal control;g) auditing and professional skills;h) legal requirements and professional standards relating to statutory audit and statutory auditors;i) international auditing standards; as referred to in Article 26;j) professional ethics and independence. <p>2. It shall also cover at least the following subjects insofar as they are relevant to auditing:</p> <ul style="list-style-type: none">a) company law and corporate governance;b) the law of insolvency and similar procedures;c) tax law;d) civil and commercial law;e) social security law and employment law;f) information technology and computer systems;g) business, general and financial economics;h) mathematics and statistics; andi) basic principles of the financial management of undertakings. <p>3. In order for the statutory auditor to also be approved to carry out the assurance of sustainability reporting, the test of theoretical knowledge referred to in paragraph 1 shall also cover at least the following subjects:</p> <ul style="list-style-type: none">(a) legal requirements and standards relating to the preparation of annual and consolidated sustainability reporting;(b) sustainability analysis;	
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<p>(c) due diligence processes with regard to sustainability matters; (d) legal requirements and assurance standards for the sustainability reporting referred to in Article 26a.</p>	
Article 9: Exemptions	
<p>1. By way of derogation from Articles 7 and 8, a Member State may provide that a person who has passed a university or equivalent examination or holds a university degree or equivalent qualification in one or more of the subjects referred to in Article 8 may be exempted from the test of theoretical knowledge in the subjects covered by that examination or degree.</p>	
<p>2. By way of derogation from Article 7, a Member State may provide that a holder of a university degree of equivalent qualification in one or more of the subjects referred to in Article 8 may be exempted from the test of the ability to apply in practice his or her theoretical knowledge of such subjects if he or she has received practical training in those subjects attested by an examination or diploma recognized by the State.</p>	
Article 10: Practical Training	
<p>1. In order to ensure the ability to apply theoretical knowledge in practice, a test of which is included in the examination, a trainee shall complete a minimum of three years' practical training in, <i>inter alia</i>, the auditing of annual accounts, consolidated accounts or similar financial statements.</p> <p>At least two-thirds of such practical training shall be completed with a statutory auditor or audit firm approved in any Member State.</p> <p>In order for the statutory auditor or the trainee to also be approved to carry out the assurance of sustainability reporting, at least eight months of the practical training referred to in the first subparagraph shall be on the assurance of annual and consolidated sustainability reporting or on other sustainability-related services.</p>	
<p>2. Member States shall ensure that all training is carried out with persons providing adequate guarantees regarding their ability to provide practical training.</p>	

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Article 11: Qualification through long-term practical experience	
A member state may approve a person who does not satisfy the conditions laid down in Article 6 as a statutory auditor, if he or she can show either:	
a)	that he or she has, for 15 years, engaged in professional activities which enabled him or her to acquire sufficient experience in the fields of finance, law and accountancy, and has passed the examination of professional competence referred to in Article 7, or
b)	that he or she has, for seven years, engaged in professional activities in those fields and has, in addition, undergone the practical training referred to in Article 10 and passed the examination of professional competence referred to in Article 7.
Article 12: Combination of practical training and theoretical instruction	
1.	Member States may provide that periods of theoretical instruction in the subjects referred to in Article 8(1) and (2) shall count towards the periods of professional activity referred to in Article 11, provided that such instruction is attested by an examination recognised by the Member State. Such instruction shall not last less than one year, nor may it reduce the period of professional activity by more than four years.
2.	The period of professional activity and practical training shall not be shorter than the course of theoretical instruction together with the practical training required under the first subparagraph of Article 10(1)
Article 13: Continuing Education	
Member States shall ensure that statutory auditors are required to take part in appropriate programmes of continuing education in order to maintain their theoretical knowledge, professional skills and values at a sufficiently high level, and that failure to respect the continuing education requirements is subject to appropriate sanctions as referred to in Article 30.	
Article 14: Approval of statutory auditors from other Member States	

Appendix

1. The competent authorities shall establish procedures for the approval of statutory auditors who have been approved in other Member States.

Those procedures shall not go beyond the requirement to complete an adaptation period as defined in point (g) of Article 3(1) of Directive 2005/36/EC of the European Parliament and of the Council¹ or to pass an aptitude test as defined in point (h) of that provision.

2. The host Member State shall decide whether the applicant seeking approval is to be subject to an adaptation period as defined in point (g) of Article 3(1) of Directive 2005/36/EC or an aptitude test as defined in point (h) of that provision.

The adaptation period shall not exceed three years and the applicant shall be subject to an assessment.

The aptitude test shall be conducted in one of the languages permitted by the language rules applicable in the host Member State concerned.

It shall cover only the statutory auditor's adequate knowledge of the laws and regulations of that Member State in so far as it is relevant to statutory audits.

In order for the statutory auditor to also be approved to carry out the assurance of sustainability reporting, the aptitude test referred to in the first subparagraph shall cover the statutory auditor's adequate knowledge of the laws and regulations of the host Member State in so far as it is relevant to the assurance of sustainability reporting.

Article 14a: Statutory auditors approved or recognised before 1 January 2024 and persons undergoing the approval process for statutory auditors on 1 January 2024

¹ Directive 2005/36/EC of the European Parliament and the Council of 7 September 2005 on the recognition of professional qualifications (OJ L255, 30.9.2005, p. 22).

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Member States shall ensure that statutory auditors that are approved or recognised to carry out statutory audits before 1 January 2024 are not subject to the requirements of Article 7(2), Article 8(3), the second subparagraph of Article 10(1) and the fourth subparagraph of Article 14(2).

Member States shall ensure that persons that on 1 January 2024 are undergoing the approval process provided for in Articles 6 to 14 are not subject to the requirements of Article 7(2), Article 8(3), the second subparagraph of Article 10(1) and the fourth subparagraph of Article 14(2), provided they complete that process by 1 January 2026.

Member States shall ensure that statutory auditors approved before 1 January 2026 who wish to carry out the assurance of sustainability reporting acquire the necessary knowledge of sustainability reporting and the assurance of sustainability reporting, including of the subjects listed in Article 8(3), via the continuing education referred to in Article 13.

Appendix

Quality Assurance with IAESB Education Standards

Requirements in IES	<u>National Requirement</u>
IES 1	
Requirements (Ref: Para. A7-A12)	
8. IFAC member bodies shall specify educational entry requirements for professional accounting education programs that will allow entrance only to those with a reasonable chance of successfully completing the professional accounting education program, while not representing excessive barriers to entry.	
9. IFAC member bodies shall explain the rationale for the principles to be used when setting educational entry requirements to stakeholders, including relevant education providers and individuals considering a career as a professional accountant.	
10. IFAC member bodies shall make relevant information publicly available to help individuals assess their own chances of successfully completing a professional accounting education program.	
IES 2	
Requirements	
Learning Outcomes for Technical Competence (Ref: Para. A8–A12) 7. IFAC member bodies shall prescribe the learning outcomes for technical competence to be achieved by aspiring professional accountants by the end of IPD. These learning outcomes shall include those listed in Table A.	
Table A: Learning Outcomes for Technical Competence	

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Competence Area (Level of Proficiency) ²	Learning Outcomes	
(a) Financial accounting and reporting (Intermediate)	(i) Apply accounting principles to transactions and other events.	
	(ii) Apply International Financial Reporting Standards (IFRSs) or other relevant standards to transactions and other events.	
	(iii) Evaluate the appropriateness of accounting policies used to prepare financial statements.	
	(iv) Prepare financial statements, including consolidated financial statements, in accordance with IFRSs or other relevant standards.	
	(v) Interpret financial statements and related disclosures.	
	(vi) Interpret reports that include non-financial data, for example, sustainability reports and integrated reports.	
(b) Management accounting (Intermediate)	(i) Prepare data and information to support management decision making on topics including planning and budgeting, cost management, quality control, performance measurement, and comparative analysis.	
	(ii) Apply techniques to support management decision making, including product costing, variance analysis, inventory management, budgeting and forecasting.	
	(iii) Apply appropriate quantitative techniques to analyze cost behavior and the drivers of costs.	
	(iv) Analyze data and information to support management decision making.	
	(v) Evaluate the performance of products and business segments.	

² The level of proficiency for a competence area to be achieved by the end of IPD (as outlined in Appendix 1).

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(c) Finance and financial management (Intermediate)	(i) Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.	
	(ii) Analyze an organization's cash flow and working capital requirements.	
	(iii) Analyze the current and future financial position of an organization, using techniques including ratio analysis, trend analysis, and cash flow analysis.	
	(iv) Evaluate the appropriateness of the components used to calculate an organization's cost of capital.	
	(v) Apply capital budgeting techniques in the evaluation of capital investment decisions.	
	(vi) Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.	
(d) Taxation (Intermediate)	(i) Explain national taxation Quality Assurance and filing requirements.	
	(ii) Prepare direct and indirect tax calculations for individuals and organizations.	
	(iii) Analyze the taxation issues associated with non-complex international transactions.	
	(iv) Explain the differences between tax planning, tax avoidance, and tax evasion	

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(e) Audit and assurance (Intermediate)	<p>(i) Describe the objectives and stages involved in performing an audit of financial statements.</p> <p>(ii) Apply International Standards on Auditing or other relevant auditing standards, laws, and regulations applicable to an audit of financial statements.</p> <p>(iii) Assess the risks of material misstatement in the financial statements and consider the impact on the audit strategy.</p> <p>(iv) Apply quantitative methods that are used in audit engagements.</p> <p>(v) Identify relevant audit evidence, including contradictory evidence, to inform judgments, make decisions, and reach well-reasoned conclusions.</p> <p>(vi) Conclude whether sufficient and appropriate audit evidence has been obtained.</p> <p>(vii) Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.</p>	
(f) Governance, risk management and internal control (Intermediate)	<p>(i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and explain the role of stakeholders in governance, disclosure, and transparency requirements.</p> <p>(ii) Analyze the components of an organization's governance framework.</p> <p>(iii) Analyze an organization's risks and opportunities using a risk management framework.</p> <p>(iv) Analyze the components of internal control related to financial reporting.</p>	

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	(v) Analyze the adequacy of systems, processes and controls for collecting, generating, storing, accessing, using, or sharing data and information.	
g) Business laws and regulations (Intermediate)	(i) Explain the laws and regulations that govern the different forms of legal entities.	
	(ii) Explain the laws and regulations applicable to the environment in which professional accountants operate.	
	(iii) Apply data protection and privacy regulations when collecting, generating, storing, accessing, using or sharing data and information	

Appendix

(h) Information technology (Intermediate)	(i) Explain the impact of Information and Communications Technologies (ICT) developments on an organization's environment and business model.	
	(ii) Explain how ICT supports data analysis and decision making.	
	(iii) Explain how ICT supports the identification, reporting, and management of risk in an organization.	
	(iv) Use ICT to analyze data and information.	
	(v) Use ICT to enhance the efficiency and effectiveness of communication.	
	(vi) Apply ICT to enhance the efficiency and effectiveness of an organization's systems.	
	(vii) Analyze the adequacy of ICT processes and controls.	
	(viii) Identify improvements to ICT processes and controls.	
(i) Business and organizational environment (Intermediate)	(i) Describe the environment in which an organization operates, including the main economic, legal, political, social, technical, international, and cultural forces.	
	(ii) Analyze aspects of the global environment that affect international trade and finance.	
	(iii) Identify the features of globalization, including the role of multinationals, e-commerce, and emerging markets.	
(i) Economics (Foundation)	(i) Describe the fundamental principles of microeconomics and macroeconomics.	
	(ii) Describe the effect of changes in macroeconomic indicators on business activity.	
	(iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.	
(k) Business strategy and	(i) Explain the various ways that organizations may be designed and structured.	

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management (Intermediate)	(ii) Explain the purpose and importance of different types of functional and operational areas within organizations.	
	(iii) Analyze the external and internal factors that may influence the strategy of an organization.	
	(iv) Explain the processes that may be used to implement the strategy of an organization.	
	(v) Explain how theories of organizational behavior may be used to enhance the performance of the individual, teams, and the organization.	
Review of Professional Accounting Education Programs (Ref: Para. A13–A14) 8. IFAC member bodies shall regularly review and update professional accounting education programs that are designed to achieve the learning outcomes in this IES.		
Assessment of Technical Competence (Ref: Para. A15–A16) 9. IFAC member bodies shall establish appropriate assessment activities to assess the technical competence of aspiring professional accountants.		

Appendix

IES 3	
Requirements	
Learning Outcomes for Professional Skills (Ref: Para. A9–A14) 7. IFAC member bodies shall prescribe the learning outcomes for professional skills to be achieved by aspiring professional accountants by the end of IPD. These learning outcomes shall include those listed in Table A.	
Table A: Learning Outcomes for Professional Skills	
Competence Area (Level of Proficiency)	Learning Outcomes
(a) Intellectual (Intermediate)	(i) Evaluate data and information from a variety of sources and perspectives through research, integration, and analysis
	(ii) Apply critical thinking skills to solve problems, inform judgments, make decisions, and reach well-reasoned conclusions.
	(iii) Identify when it is appropriate to consult with specialists.
	(iv) Recommend solutions to unstructured, multi-faceted problems.
	(v) Respond effectively to changing circumstances or new information to solve problems, inform judgments, make decisions, and reach well-reasoned conclusions.
(b) Interpersonal and communication (Intermediate)	(i) Demonstrate collaboration, cooperation, and teamwork when working towards organizational goals
	(ii) Communicate clearly and concisely when presenting, discussing and reporting in formal and informal situations.
	(iii) Demonstrate awareness of cultural and language differences in all communication.
	(iv) Apply active listening and effective interviewing techniques.

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	(v) Apply negotiation skills to reach solutions and agreements.	
	(vi) Apply consultative skills to minimize or resolve conflict, solve problems, and maximize opportunities.	
	(vii) Present ideas and influence others to provide support and commitment.	
(c) Personal (Intermediate)	(i) Demonstrate a commitment to lifelong learning.	
	(ii) Set high personal standards of performance and monitor through reflective activity and feedback from others.	
	(iii) Manage time and resources to achieve professional commitments.	
	(iv) Anticipate challenges and plan potential solutions.	
	(v) Apply an open mind to new opportunities.	
	(vi) Identify the potential impact of personal and organizational bias.	
(d) Organizational (Intermediate)	(i) Undertake assignments in accordance with established practices to meet prescribed deadlines.	
	(ii) Review own work and that of others to determine whether it complies with the organization's quality standards.	
	(iii) Apply people management skills to motivate and develop others.	
	(iv) Apply delegation skills to deliver assignments.	
	(v) Apply leadership skills to influence others to work towards organizational goals.	
Review of Professional Accounting Education Programs (Ref: Para. A15–A16) 8. IFAC member bodies shall regularly review and update professional accounting education programs that are designed to achieve the learning outcomes in this IES.		

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Assessment of Professional Skills (Ref: Para. A17–A19) 9. IFAC member bodies shall establish appropriate assessment activities to assess the professional skills of aspiring professional accountants.	
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IES 4		
Requirements		
Framework of Professional Values, Ethics, and Attitudes (Ref: Para. A13–A15) 9. IFAC member bodies shall provide, through professional accounting education programs, a framework of professional values, ethics, and attitudes for aspiring professional accountants to (a) exercise professional judgment, and (b) act in an ethical manner that is in the public interest.		
Relevant Ethical Requirements (Ref: Para. A16) 10. IFAC member bodies shall integrate relevant ethical requirements throughout professional accounting education programs for aspiring professional accountants.		
Learning Outcomes for Professional Values, Ethics, and Attitudes (Ref: Para. A17–A31) 11. IFAC member bodies shall prescribe the learning outcomes for professional values, ethics, and attitudes to be achieved by aspiring professional accountants by the end of IPD. These learning outcomes shall include those listed in Table A.		
Table A: Learning Outcomes for Professional Values, Ethics, and Attitudes		
Competence Area (Level of Proficiency)	Learning Outcomes	
(a) Professional skepticism and professional judgment	(i) Apply an inquiring mind when collecting and assessing data and information.	
	(ii) Apply techniques to reduce bias when solving problems, informing judgments, making decisions, and reaching well-reasoned conclusions.	

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(Intermediate)	(iii) Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.	
(b) Ethical principles	(i) Explain the nature of ethics.	
	(ii) Explain the advantages and disadvantages of rules-based and principles-based approaches to ethics.	
	(iii) Identify threats to compliance with the fundamental principles of ethics	
	(iv) Evaluate the significance of threats to compliance with the fundamental principles of ethics and respond appropriately.	
	(v) Apply fundamental principles of ethics when collecting, generating, storing, accessing, using, or sharing data and information.	
	(vi) Apply the relevant ethical requirements to professional behavior in compliance with standards.	
(c) Commitment to the public interest (Intermediate)	(i) Explain the role and importance of ethics within the profession and in relation to the concept of social responsibility	
	(ii) Explain the role and importance of ethics in relation to business and good governance	
	(iii) Analyze the interrelationship of ethics and law, including the relationship between laws, regulations, and the public interest.	
	(iv) Analyze the consequences of unethical behavior to the individual, the profession, and the public.	
Review of Professional Accounting Education Programs (Ref: Para. A32–A33) 12. IFAC member bodies shall regularly review and update professional accounting education programs that are designed to achieve the learning outcomes in this IES.		
Reflective Activity (Ref: Para. A34–A38) 13. IFAC member bodies shall design learning and development activities on professional values, ethics, and attitudes for aspiring professional accountants to include reflective activity that is formalized and documented.		
Assessment of Professional Values, Ethics, and Attitudes (Ref: Para. A39–A42)		

Appendix

14. IFAC member bodies shall establish appropriate assessment activities to assess the professional values, ethics, and attitudes of aspiring professional accountants	
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IES 5	
Requirements	
Practical Experience (Ref: Para. A7–A9)	
10. IFAC member bodies shall require that aspiring professional accountants complete practical experience by the end of IPD.	
11. IFAC member bodies shall require sufficient practical experience to enable aspiring professional accountants to demonstrate that they have gained the (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes necessary for performing a role of a professional accountant.	
12. IFAC member bodies shall establish their preferred approach to measure practical experience using one of the following three approaches: <ul style="list-style-type: none"> • output-based; • input-based; or • a combination approach. 	
<i>Output-Based Approach</i> (Ref: Para. A10) 13. Those IFAC member bodies implementing an output-based approach shall require aspiring professional accountants to demonstrate, using output measures, that they have obtained practical experience.	
<i>Input-Based Approach</i> (Ref: Para. A11–A13) 14. Those IFAC member bodies implementing an input-based approach shall require aspiring professional accountants to demonstrate, using input measures, that they have obtained practical experience.	
<i>Combination Approach</i> (Ref: Para. A14) 15. Those IFAC member bodies implementing a combination of output- and input-based approaches shall comply with the requirements of output- and input-based approaches, as applicable, set out in paragraphs 14 and 15.	
Practical Experience Supervision and Monitoring (Ref: Para. A15–A21)	
16. IFAC member bodies shall require that practical experience of aspiring professional accountants be conducted under the direction of a practical experience supervisor.	

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17. IFAC member bodies shall require that practical experience of aspiring professional accountants is recorded in a consistent form prescribed by an IFAC member body or, where applicable, a regulatory body, and is supported by verifiable evidence.	
18. IFAC member bodies shall require that the practical experience supervisor undertake a periodic review of the records of practical experience of aspiring professional accountants.	
19. IFAC member bodies shall establish appropriate assessment activities to assess that sufficient practical experience has been completed by aspiring professional accountants.	

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IES 6	
Requirements	
Formal Assessment of Professional Competence (Ref: Para. A5–A8) 8. IFAC member bodies shall formally assess whether aspiring professional accountants have achieved an appropriate level of professional competence by the end of IPD, drawing on the outcomes of a range of assessment activities that are undertaken during IPD.	
Principles of Assessment (Ref: Para. A9–A20) 9. IFAC member bodies shall design assessment activities that have high levels of reliability, validity, equity, transparency, and sufficiency within professional accounting education programs.	
Verifiable Evidence (Ref: Para. A21–A22) 10. IFAC member bodies shall base the assessment of the professional competence of aspiring professional accountants on verifiable evidence.	

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IES 7	
Requirements	
<p>Promotion of CPD (Ref: Para. A5) 10. IFAC member bodies shall promote the importance of, and a commitment to, CPD and maintenance of professional competence.</p>	
<p>Access to CPD (Ref: Para. A6–A9) 11. IFAC member bodies shall facilitate access to CPD opportunities and resources to assist professional accountants in meeting their personal responsibility for CPD and maintenance of professional competence.</p>	
<p>Mandatory CPD for all Professional Accountants (Ref: Para. A10–A13) 12. IFAC member bodies shall require all professional accountants to undertake CPD to contribute to the development and maintenance of professional competence that is appropriate to their work and professional responsibilities.</p> <p>13. IFAC member bodies shall establish their preferred approach to measuring professional accountants' CPD activity from the three models: output-based, input-based, or combination approaches.</p>	
<p><i>Output-Based Approach</i> (Ref: Para. A14–A15) 14. IFAC member bodies implementing an output-based approach shall require each professional accountant to demonstrate the development and maintenance of appropriate professional competence by periodically providing evidence that has been:</p> <ul style="list-style-type: none"> (a) Verified by a competent source; and (b) Measured using a valid competence assessment method. 	
<p><i>Input-Based Approach</i> (Ref: Para. A16–A20) 15. IFAC member bodies implementing an input-based approach shall require each professional accountant to:</p> <ul style="list-style-type: none"> (a) Complete at least 120 hours (or equivalent learning units) of relevant professional development activity in each rolling three-year period, of which 60 hours (or equivalent learning units) shall be verifiable; 	

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<p>(b) Complete at least 20 hours (or equivalent learning units) of relevant professional development activity in each year; and</p> <p>(c) Measure learning activities to meet the above requirements</p>	
<p><i>Combination Approach</i> (Ref: Para. A21) 16. IFAC member bodies implementing a combination of input- and output based approaches shall comply with the requirements of input- and output based approaches, as applicable, set out in this IES</p>	
<p>Monitoring and Enforcement (Ref: Para. A22–A31) 17. IFAC member bodies shall 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.</p>	

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Requirements		
8. IFAC member bodies shall require professional accountants performing the role of an Engagement Partner to develop and maintain professional competence that is demonstrated by the achievement of learning outcomes including, but not limited to, those listed in Table A.		
9. IFAC member bodies shall require professional accountants performing the role of an Engagement Partner to undertake CPD that develops and maintains the professional competence required for this role.		
Table A: Learning Outcomes for the Professional Competence of an Engagement Partner		
Competence Area	Learning Outcomes	
Technical Competence		
(a) Audit	(i) Lead the audit through active involvement during all phases of the audit engagement.	
	(ii) Lead the identification and assessment of the risks of material misstatement.	
	(iii) Develop an audit plan that responds to the risks of material misstatement identified.	
	(iv) Evaluate responses to the risks of material misstatement.	
	(v) Conclude on the appropriateness and sufficiency of all relevant audit evidence, including contradictory evidence, to support the audit opinion.	
	(vi) Evaluate whether the audit was performed in accordance with International Standards on Auditing or other relevant auditing standards, laws, and regulations applicable to an audit of the financial statements.	
	(vii) Develop an appropriate audit opinion and related auditor's report, including a description of key audit matters as applicable.	

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(b) Financial accounting and reporting	(i) Evaluate whether an entity has prepared, in all material respects, financial statements in accordance with the applicable financial reporting framework and regulatory requirements.	
	(ii) 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.	
	(iii) Evaluate accounting judgments and estimates, including fair value estimates, made by management.	
	(iv) 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.	
(c) Governance and risk management	(i) Evaluate corporate governance structures and risk assessment processes affecting the financial statements of an entity as part of the overall audit strategy.	
(d) Business environment	(i) 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.	
(e) Taxation	(i) 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.	
(f) Information technology	(i) Evaluate the information and communications technologies (ICT) environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy.	

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(g) Business laws and regulations	(i) Evaluate identified or suspected non-compliance with laws and regulations to determine the effect on the overall audit strategy and audit opinion.	
(h) Finance and financial management	(i) Evaluate the various sources of financing available to, and financial instruments used by, an entity to determine the impact on the overall audit strategy.	
	(ii) Evaluate an entity's cash flow, budgets, and forecasts, as well as working capital requirements to determine the impact on the overall audit strategy.	
Professional Skills		
(i) Interpersonal and communication	(i) Communicate effectively and appropriately with the engagement team, management, and those charged with governance of the entity.	
	(ii) Evaluate the potential impact of cultural and language differences on the performance of the audit.	
	(iii) Resolve audit issues through effective consultation when necessary.	
(j) Personal	(i) Promote lifelong learning.	
	(ii) Act as a role model to the engagement team.	
	(iii) Act in a mentoring or coaching capacity to the engagement team	
	(iv) Promote reflective activity.	
(k) Organizational	(i) Evaluate whether the engagement team, including auditor's experts, collectively has the appropriate objectivity and competence to perform the audit.	
	(ii) Manage audit engagements by providing leadership and project management of engagement teams.	

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(l) Commitment to the public interest	(i) Promote audit quality and compliance with professional standards and regulatory requirements with a focus on protecting the public interest.	
(m) Professional skepticism and professional judgment	(i) Apply professional judgment in planning and performing an audit and reaching conclusions on which to base an audit opinion.	
	(ii) Promote the importance of the application of professional skepticism during all phases of the audit engagement	
	(iii) Apply professional skepticism to critically assess audit evidence obtained during the course of an audit and reach well-reasoned conclusions.	
	(iv) Evaluate the impact of individual and organizational bias on the ability to apply professional skepticism.	
	(v) Apply professional judgment to evaluate management's assertions and representations.	
	(vi) Resolve audit issues using critical thinking to consider alternatives and analyze outcomes.	
(n) Ethical principles	(i) Promote the importance of compliance with the fundamental principles of ethics.	
	(ii) Evaluate and respond to threats to objectivity and independence that can occur during an audit.	