

## *Assessment of professional competence*

### **Introduction**

The French professional bodies, the **Conseil Supérieur de l'Ordre des Experts-Comptables** (CSOEC) and the **Compagnie Nationale des Commissaires aux Comptes** (CNCC), welcome the IAESB consultation regarding the revision of its body of standards, more specifically IES 6 “Assessment of Professional Competence”.

The CSOEC and the CNCC wish to comment:

- on the “request for specific comments” to obtain the opinions of the respondents on key points of the IAESB approach to the assessment of knowledge and competences both to verify the basic knowledge and aptitudes to practice, and to maintain and continuously develop professional competence throughout the professional life.
- and on the proposed standard (Proposed Revised IES 6) and its explanatory materials.

### **Responses to questions: “Request for specific comments”**

#### **Q1:**

The objective of the revised IES 6 to combine initial professional development (IPS) and continuous professional development (CPD) to make the two aspects of the training inseparable and complementary is crucial. The French professional bodies, CSOEC and CNCC, are supportive of such an approach.

Traditionally France pays great attention to initial education and qualifications. The concept of continuous learning is quite recent in France, unlike in English-speaking countries, and emerged visibly in 2004 in the *Loi de Modernisation Sociale* [Social Modernisation Act].

The CSOEC and the CNCC were already of the opinion that professional learning does not end up with the “*Diplôme d’Expertise Comptable*” (DEC) or the “*Certificat d’aptitude aux fonctions de commissaire aux comptes*” (CAFCAC, auditing practice certificate, which is currently uncommon and in the process of review to achieve greater use), but continues throughout the professional career. Although the continuous learning obligation continues to exist in the profession, the training offered each year by the professional bodies to their members is mainly made up of one or two-day courses which are not certificated. However, there are also some long-term learning procedures that meet some educational criteria with the verification of the knowledge acquired and the issue of a professional certificate (in French the word diploma (“diplôme” is only reserved to universities)). The intention is to develop these professional career paths.

#### **Q2:**

The DEC or the CAFCAC mark the end of the initial professional development (IPD). They include a series of final exams sanctioning the theoretical knowledge acquired over the 5 years of study (master grade) as well as the professional experience gained over the mandatory 3-year training period. These exams are a mixture of theory (course questions) and practice (case studies), written

and oral exams, including in the case of the DEC, an oral defense of a subject relating to the accountancy or auditing profession. The candidates draw inspiration from their experience during the training period in order to identify a dissertation subject. The best dissertations are archived at the *Ordre* and of the *Compagnie* documentation centers and form a very large-scale documentation base that can be consulted by the public at large.

The examination subjects are set by commissions made up of professionals and academics. The exam juries are equally composed by professionals and academics.

The development of IES 6, which recommends the mix and variety of methods for assessing knowledge and competences, is a movement in the direction of the French system of accountancy and auditing education.

**Q3:**

The CSOEC and the CNCC share the IAESB's concern to introduce a process for assessing and verifying the professional knowledge and competence both on entry to the profession and during the various steps of the career, notably on the specific aspects relating to the work. The IAESB cannot dispense with a general standard in this area. This standard lays down the principles, gives examples and methodologies, whilst giving full latitude to member institutions to define the most suitable methods to achieve this objective. The revision of IES 6 is crucial in this respect.

In France, the continuous learning obligation is required of all professional accountants or auditors in the same way as the code of ethics and quality control.

**Q4:**

The CSOEC and the CNCC consider that the principles stated in the revised IES 6 are applicable by the member professional bodies who are likely to share the same concerns. The revised IES 6 has a common objective.

For their part, the French professional institutions already take into account these requirements, which also appear in European Directive 2006/43/EC on the statutory audits of annual accounts and consolidated accounts, which has been implemented into French law. Professional training in France does not stop when the qualification is obtained. The DEC or CAFCAC allow access to the profession but continue throughout the professional career. The continuous learning obligation is required in legislation, including recently, for the Ordre des Experts Comptables: Decree no. 2007—1387 of 27 September 2007 relating to the code of ethics of accountancy professionals, and in the case of the Compagnie des Commissaires aux Comptes, the *Loi de sécurité financière* of 1 August 2003 and the decree of 19 December 2008 concerning professional training for auditors.

**Q5:**

The criteria stated by the IAESB to consistently and effectively impose and apply a standard promulgated by it seem to be appropriate.

**Q6:**

The CSOEC and the CNCC welcome the IAESB's work on definition and do not have any additional requests to add to the project.

**Comments on other matters:**

The Csoec and the CNCC welcome the IAESB agreement to authorise the member bodies to arrange to translate its standards. The Csoec and the CNCC use a single translation service to help understand the standards and their application by their respective members. These translations are available to the IAESB.

As regards the timetable for the implementation of the revised IES 6, the Csoec and the CNCC recommend a period of 18 months to take account of the disparities in the level of application of the standards amongst the countries in question.

**Opinion of the comments on implementation of IES 6 (“Explanatory Materials”)**

**- A1 (paras. 1 to 4)**

The Csoec and the CNCC value the openness and the flexibility recommended by the IAESB to organise and implement the assessment methods of their future professionals (IPD) and their members (CPD).

However, in France the professional institutions are not responsible for the certifying sector (IPD). The organisation and issue of higher diplomas in accountancy (DCG, Bachelor degree, DSCG, Master degree and the DEC Final diploma) are the responsibility of the *Ministre de l'Enseignement supérieur*. These are state diplomas. The profession is closely involved at all stages of the course and its development, it collaborates with drafting texts, programmes, regulations, examination subjects, juries etc. Only the part connected with the acquisition of professional experience, the compulsory 3-year placement, is fully devolved to the profession and under its responsibility. It is the institution which delivers the confirmation of the end of the training period needed to enrol for the DEC or CAFAC exams.

On the other hand, the continuous learning aspect is the responsibility of the professional institutions with the particular feature for the Compagnie des Commissaires aux Comptes that some of the continuous learning obligation for auditors is defined by a scientific committee under the aegis of the *Ministère de la Justice* and the authority of the CNCC President, made up of members outside the profession.

The French professional bodies each year publish a continuous learning catalogue for their members and employees.

**- A2 (para 6) and A3, A4, A5, A6 (paras. 7, 8)**

The Csoec and the CNCC approve these criteria, methods and systems, most of which are already integrated into the examination process and are being developed as continuous learning following some successful experimentation. This experimentation comprises continuous learning activities in the form of practical workshops and the development of e-learning, including assessment tests and group days or remote tutoring by specialists in the field.

The French professional bodies may be contacted by the IAESB to discuss these educational methods.

The e-learning tool was successfully tested in 2008 amongst trainees. A good deal of their compulsory training programme is now in the form of e-learning. This programme prepares candidates for the DEC exams.

**- A7 to A 18 (para. 9)**

The Csoec and the CNCC believe that the criteria stated in order to strengthen the reliability, equity, permanence and transparency of the recommended assessment methods are appropriate. The Csoec and the CNCC agrees to disclose these criteria to their initial training and continuous learning contacts in order to improve the existing systems, and to renew and diversify practices.

The inclusion and display of the levels of competence (A17 and A18) is quite a recent aspect in the continuous learning environment. The Csoec and the CNCC drew inspiration from the work in Europe of the “Common Content Project” and the Canadian experience to redefine the training programme in 2006-2007.

**- A19 and A20 (para. 10)**

The Csoec and the CNCC agree on the positive influence of initial and continuous learning of a high standard that is verifiable and duly controlled and assessed by its members. This requirement can only reassure the opinion of third parties and the general public about the nature and value added of the accountancy and auditing professionals.