

28 July 2011

(By email to Edcomments@ifac.org)

Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
545 Fifth Avenue, 14th Floor
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U.S.A.

Dear Sir/Madam

**COMMENTS ON THE CONSULTATION PAPER ON THE REVISION OF
INTERNATIONAL EDUCATION STANDARD 6: ASSESSMENT OF PROFESSIONAL
COMPETENCE**

This comment letter has been prepared by the Education Committee (EDCOM) of the Independent Regulatory Board for Auditors (IRBA) of South Africa.

The IRBA is a statutory body charged with the regulation of the audit function in South Africa in terms of the Auditing Profession Act 26 of 2005. In carrying out its duty the IRBA prescribes the education and training requirements for registration as a Registered Auditor (RA) and accredits professional bodies to conduct certain programmes relating to education, training and assessment. The IRBA retains the final test of professional competence at entry to the audit profession.

Although the IRBA is not a member body of IFAC, it is informed by the IFAC International Education Standards in determining its policies relating to education, training, development and assessment of competence. Reliance on these standards provides a point of common reference in the IRBA's relationship with accredited professional bodies.

OVERALL COMMENTS

The IRBA considers this IES to be of utmost importance for influencing the manner in which programmes for the development of professional competence are conducted. Assessment practices have a direct influence on the standard, scope and form of the programmes that prepare candidates for the accounting profession. While we agree with the flexibility of approach demonstrated in the standard, we would like to see more emphasis being placed on integrated, comprehensive assessment at or near the end of the Initial Professional Development period [see comments under question 2].

RESPONSE TO SPECIFIC QUESTIONS

Question 1

Is the change in the scope of IES 6 to assessment across Initial Professional Development (IPD) and Continuing Professional Development (CPD) appropriate?

Response:

- The proposed standard applies to assessment of competence in both IPD and CPD. Although the principles of assessment are applicable to both IPD and CPD the application of such assessment may be significantly different.
- The output based approach to assessment is highly appropriate during IPD whereas other approaches to assessment may be best suited to CPD.
- The proposed IES is not useful with regards to assessment of CPD. We note that there are inconsistencies in interpretation in the standard.
- **It is our view that assessment within the context of IPD and CPD requires significantly different applications. It is, therefore, useful to separate the two with regards to assessment.**

Question 2

Does this change accommodate the different approaches taken by professional accounting organisations?

Response:

- It is considered appropriate that that a flexible approach is adopted with regards to assessment. However, we believe that there should be a specific

requirement for comprehensive and integrated assessment at the end of IPD.

- Should the IAESB be “accommodating” different approaches adopted by professional bodies or should it be setting standards in the public interest? It is our view that the IAESB must determine best practice, in the interests of protecting the public, and lead the profession through appropriate standards.

Question 3

Are the principles of assessment sufficient?

Response:

- The principles of assessment are considered to be sufficient.
- Interpretation and application of the principles may vary significantly across different jurisdictions.

Question 4

Is the objective to be achieved by a member body appropriate?

Response:

- The objective refers to the level of assessment but no guidance is provided for member bodies as to the minimum expected level of competence for a professional accountant.
- **It is our view that the inclusion of CPD in this standard may not be useful.**

Question 5

Have the criteria identified by the IAESB for determining whether a requirement should be specified been applied appropriately and consistently, such that the resulting requirements promote consistency in implementation by member bodies?

Response:

- The requirements are considered clear and implementation by member bodies should be consistent.
- Interpretation by member bodies of the “appropriate level of competence” will differ.
- Application of the “principles” may require a measure of interpretation and the application of the principles will vary.

Question 6

Are there any terms within the proposed IES 6 which require further clarification? If so, please explain the nature of the deficiencies.

- Paragraph A7 – the meaning of the “broader assessment processes of IPD and CPD” is not clear. What are the broader processes?
- IES 6 makes reference to term “professional competence”. The terms “competence” and “professional competence” are used interchangeably throughout the document and the IAESB Framework. Consistency in the use of these terms should be sought.

Yours sincerely

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