



July 28, 2011

Technical Manager
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West, 4th Floor
Toronto, Ontario M5V 3H2
Canada

Re: Exposure Draft IES 6, Assessment of Professional Competence

On behalf of the American Institute of CPAs' Pre-certification Education Executive Committee, please find below our response, comments, and additional questions regarding the Exposure Draft IES 6, Assessment of Professional Competence (ED).

We appreciate the opportunity to respond to this ED and address the specific areas on which IAESB seeks comments in addition to offering comments that the AICPA's PceEC believe require further consideration.

1. The objective of the extant IES 6 is to prescribe requirements for the final assessment of a professional accountant before qualification, whereas the proposed IES 6 considered assessment across all the career stages of a professional accountant.

Question 1: Is the change in the scope of IES 6 to assessment across Initial Professional Development (IPD) and Continuing Professional Development (CPD) appropriate?

We believe that the change in scope may not necessarily add useful information or clarity. The proposal notes that the scope of this standard is general principles of assessment, while other standards will provide relevant principles for assessment of various competences or career stages. We would thus pose the question whether there is a need for an International Education Standard to state those general principles. It is possible that the standard could be viewed as redundant to principles expressed in other standards, e.g. the requirements in paragraph eight of this proposal and the requirements in IES 7, *Continuing Professional Development*. We are also concerned that there may be differences between the assessment of IPD and the monitoring of CPD -- a distinction noted in paragraph six of the proposal. We are not convinced that there is a general principle of assessment that includes both IPD and CPD nor, if there is, whether that principle has been clearly stated in the proposal. Self-assessment, for example, is more appropriate for CPD than for IPD. In general we believe that assessment for CPD and IPD are best discussed separately and incorporated in the relevant standards, including IES 2, *Content of*

a Professional Accounting Education Program or IES 3, Professional Skills and General Education, and IES 7, Continuing Professional Development.

2. The extant IES 6 focuses on the formal assessment of competence using a comprehensive final examination just before qualification, whereas the proposed standard recognizes that this assessment may be achieved in several ways. For example, assessment can be a series of written examinations that focus on different areas of competence held throughout IPD, or assessment activities over IPD that includes written examinations and assessment of workplace performance.

Question 2: Does this change accommodate the different approaches taken by professional accounting organizations?

This proposal attempts to achieve the objective of accommodating the different approaches to IPD taken by professional accounting organizations, and offers some useful examples. However, in general we believe that accommodations for different assessments of IPD are best discussed separately and incorporated in the relevant standards, including IES 2, *Content of a Professional Accounting Education Program*.

For example, we note that paragraph three refers to different approaches to professional certification, including:

- A single multi-disciplinary examination conducted at the end of IPD;
- A series of examinations that focus on different areas of competence, conducted throughout or at the end of IPD;
- An evaluation at the end of IPD of the outcomes or a series of formal education workplace performance assessment activities.

The third bullet might be overly broad. For example, paragraph A4 includes within the scope of assessment activities self-assessment activities and workplace performance assessments, both of which might be more appropriate for assessment of CPD than assessment of IPD. We are concerned that an assessment of IPD that relies heavily on self-assessment would not be in the public interest, and that a professional accountant who completes IPD based on such a process would not meet global public expectations regarding the preparation of a professional accountant.

3. The approach taken in the draft IES 6 is to focus on the principles of assessment that apply across the career stages of an accountant, and for the other education standards to cover specific aspects of assessment relevant to that standard.

Question 3: Are the principles of assessment sufficient?

As stated in our previous responses, we believe that the principles of assessment for IPD will in some cases differ from the principles of assessment of CPD and would be better addressed in the

relevant IES rather than in a separate standard that could be redundant or over-general. Paragraph three in the Scope section makes a clear distinction between the focus of assessment for IPD (attainment of professional competence) and the focus of assessment for CPD (maintenance and development of professional competence). It would seem logical that different methods of assessment would follow.

4. The proposed IES 6 has also been redrafted according to the guidelines provided in the IAESB Drafting Conventions.

Question 4: Is the objective to be achieved by a member body, stated in the proposed revised IES 6, appropriate?

We note that paragraph six includes separate objectives for IPD and CPD. We agree with the objectives of assessment of an appropriate level of IPD and monitoring of CPD efforts. While there are common elements to those objectives, there are also significant differences that might argue against common principles. In general we believe that principles for assessments of IPD and CPD are best discussed separately and incorporated in the relevant standards, including, IES 2, *Content of a Professional Accounting Education Program*, IES 3, *Professional Skills and General Education*, and IES 7, *Continuing Professional Development*. Given our concerns about the potential difficulties in setting forth common elements for assessment of IPD and CPD, the IAESB might consider presenting this material in an information paper as opposed to an International Education Standard.

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?

As noted in our previous responses, we are not convinced of the need for this standard. Therefore, we do not believe that the criteria have been met.

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

We believe that there should be separate definitions of the term *assessment* for purposes of assessing IPD and for purposes of assessing CPD. We note that the proposal continues a preference for real-life as opposed to hypothetical case studies. While certainly a case-study should have relevance and be based on real-life situations, we believe that professionally designed case studies that, for example, combine facts from multiple real-life situations, change specific facts to protect confidentiality or emphasize certain learning objectives, or add information to proxy for unknowns as a teaching and learning tool are generally superior to real-life case studies that may be constrained in what information can be presented due to availability, confidentiality requirements, or other legal concerns.

Additional Comments:

- The original standard focused on IPD prior to qualification. Given the difficulty of determining a common definition or timeframe for qualification, we are pleased to see an altered approach.
- Paragraph seven in the Requirements section appears to imply the formal evaluation of competence is only relevant in IPD. Is this intended?
- The definitions of various elements of validity is by necessity abbreviated. A practice statement with greater detail would be desirable.

The AICPA is pleased to have the opportunity to contribute to the important deliberations of the IAESB, and would be happy to further discuss or clarify the thoughts contained in this comment letter.

Respectfully Submitted,



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