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Dear Sir,

Proposed Revised International Education Standard (IES) 6, Assessment of Professional Competence

BDO is pleased to have the opportunity to comment on the above exposure draft issued by the International Accounting Education Standards Board (IAESB). We set out below our responses to the IAESB's questions in the explanatory memorandum accompanying the exposure draft.

We support the IAESB's project to redraft and revise all of the IES's in accordance with the clarity drafting conventions as set out in the Framework for International Education Standards for Professional Accountants.

Responses to Specific Questions

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

Yes, we believe the expansion in scope to cover all the career stages of a professional accountant to be appropriate. However, we believe consideration should be given to providing guidance on the frequency of CPD assessments for a professional accountant. Additionally, we perceive the assessment of CPD to be a requirement which may be challenging to implement for member bodies with lesser amounts of resources—and we note that although some CPD regimes currently specify a level of assessment, many do not.

However, given that the scope section indicates that IES 6 covers assessment methods in both IPD and CPD, we consider it confusing to see a reference in paragraph A6 to another IES (in this case IES 7, for 'assessment during CPD'). From a reader perspective this means that not everything is in one place and, as the elements of assessment are spread throughout the ED of IES 7, it will likely be problematic for the member body to readily see the link with IES 6. In our earlier comment letter on the exposure draft for IES 4, we observed that an electronically integrated set of IESs would facilitate navigation between the IESs.

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

We believe the change takes into account the different approaches for assessment of professional competence by professional accounting organizations, but we are concerned that the change will allow for a potentially very wide range of approaches when the IES is put into practice. For example, we believe consideration should be given to providing guidance as to whether the same method of assessment (for example, workplace performance assessment by an employer) would be recommended on an ongoing and continuing basis, versus use of a variety of methods over a period of time.

3. **Are the principles of assessment sufficient?**

We support the identification and use of the five principles of assessment in the draft IES and believe that they will be useful and applicable to member bodies that have responsibility for assessment of IPD and monitoring of CPD. We recommend, however, that consideration be given to having the explanatory materials indicate that the various stakeholders may themselves hold potentially divergent interpretations of the factors to be considered in applying the principles of assessment (paragraph A2).

We also note a potential source of confusion for readers. Paragraph 8 is referenced to paragraphs A4 and A5. Paragraph 8 addresses 'monitoring' for professional accountants whereas paragraphs A4 and A5 address only 'assessment' and are silent on 'monitoring.' We do not have a recommendation as to how to rectify the potential confusion as we are unclear as to the IAESB's intent here.

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

We believe the objective to be achieved by a member body, as stated in paragraph 6, to be appropriate and in line with the comments we have made in respect of the IES 4 and IES 7 exposure drafts. However, terms such as 'an appropriate level of professional competence' are potentially subject to diverse interpretation, as what is 'appropriate' to one individual may not be 'appropriate' to another. Additionally, we find the last sentence in paragraph 6 (Applying the principles of assessment in this standard provides confidence in the process.) confusing.

Part of our confusion stems from the fact that we are unclear as to what 'process' is being referred to and who the 'applying' element relates to. In any case, the sentence appears unnecessary and we recommend it is deleted to avoid confusion.

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?**

Yes, we believe the criteria have been applied appropriately and consistently.

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

Please see our response to question 4 above.

Other comments

Paragraph 1

We believe there is an unnecessary 'that is' which seems to break up the sentence inappropriately. We recommend the following amendment is made (additions are shown in bold italics and deletions in strikethrough text):

...career of a professional accountant, ~~that is,~~ **during both** Initial Professional...

Paragraph 4

This paragraph makes reference to a long list of existing IAESB pronouncements. On an initial read through IES 6, the presence of all these references to other IESs can appear overwhelming and out of context, especially as this covers six of the eight IESs. We recommend that either the IESs *not* covered or linked to by this draft IES are indicated, or the IESs listed are in a footnote rather than in the main text.

Paragraph A2

With respect to the reference to a 'financial report preparer,' we recommend that for clarity this is amended to a 'preparer of financial statements,' which is a more widely understood concept.

Comments on other matters

With respect to translations, we would support continuing efforts to improve the availability of translations in respect of exposure drafts and final pronouncements. We have no specific comments on developing nations or the proposed effective date.

Please contact me should you wish to discuss any of these comments.

Yours sincerely,
BDO International Limited

Wayne Kolins
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