



July 27, 2011

Via website posting: <http://www.ifac.org/>

Mr. David McPeak
Technical Manager.
International Accounting Education Standards Board (IAESB)
4th Floor, 277 Wellington Street West
Toronto, Ontario
M5V 3H2

Re: Exposure Draft: International Education Standard (IES) 6, Assessment of Professional Competence

Dear Sir/Madam,

CGA-Canada has reviewed the Exposure Draft and has prepared the following comments for your consideration. This response addresses issues raised in the request for specific comments and also provides some general comments.

Overall Comment

We appreciate the role of the International Federation of Accountants (IFAC) in ensuring the rigour of global education standards of accountants through development and advancement of International Education Standards. As evident by the objective of IES 6 – assessment of the competence of professional accountants both prior to and following admission to the profession – assessment is a critical element of the education standards. CGA-Canada welcomes the opportunity to offer some insights into changes in the field of measurement and assessment as they pertain to this Standard.

Question 1

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

Comment

CGA-Canada believes that the change in scope of IES 6 to incorporate a requirement for member bodies to employ a systematic process for verifying that professional accountants meet Continuing Professional Development (CPD) requirements is appropriate.

Question 2

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

Comment

CGA-Canada believes that this change recognizes the validity of a broad set of assessment approaches. This change expands the opportunities for assessment and increases flexibility, which CGA-Canada supports.

Question 3

Are the principles of assessment sufficient?

Comment

CGA-Canada believes that IES 6 should reflect current thinking and evolving practice around validity. Validity is now presented in a unified view rather than by distinct types of validity (e.g., content validity, face validity, predictive validity). As documented in the *1999 Standards for Educational and Psychological Testing* (AERA, APA, NCME), and described in recent literature (e.g., Hubley & Zumbo, in press) validity refers to the inferences, interpretations, actions, or decisions that are based on test scores. This current definition of validity highlights an important concept – it is not the exam or assessment that is being validated but rather the inferences (i.e., the meaning) one makes from the exam or assessment scores. Moreover, this current definition encompasses the ideas of *transparency*, *sufficiency*, and *equitability*.

In terms of transparency, the definition of validity includes obtaining evidence that the assessment measures capture what was intended to be measured (i.e., the assessment measures the construct of accounting). In addition, this definition includes evaluating the sufficiency of the exam or assessment (i.e., does the exam include adequate coverage of the competencies being assessed?). This definition also encompasses the notion that the consequences (negative and positive) of assessment decisions and use are an essential part of validation. Such consequences include social consequences such as fairness (i.e., being equitable).

Given this new perspective of validity, CGA-Canada encourages the IFAC to consider revising the glossary to include the following: **“Validity refers to the degree to which evidence and theory support the inferences, interpretation, actions, and decisions that are based on assessment scores.”**¹

CGA-Canada recommends that the word *transparent* be defined in the glossary. The other four principles of assessment referred to in IES 6 – *reliable*, *valid*, *equitable*, and *sufficient* – are defined in the glossary. Including a definition of *transparent* will provide consistent treatment of the important terms used in the Standard.

CGA-Canada further recommends changes to Paragraphs A10 and A11 so that these paragraphs reflect that validity refers to the test scores and the inferences and not to the test itself. The strikethrough and bold text below are our suggestions for deletions and substitutions to the text in the exposure draft.

- Paragraph A10 – ~~A valid assessment measures what it was intended to assess.~~ Validity is not an absolute measure. **The process of validation involves various degrees of evidence to provide a sound basis for the proposed score interpretations of assessment activities, not the activity itself.**
- The three bulleted points in Paragraph A10 are examples of validity. We suggest that the parenthetical phrase “this is called” be replaced with “**e.g.**” as the former is limiting, and the parentheses include only an example of what is described in the bulleted point.

¹ American Educational Research Association, American Psychological Association, & National Council on Measurement in Education. (1999). *Standards for educational and psychological testing*. Washington, DC: American Psychological Association.

- Paragraph A11. There are many ways to **collect evidence to support the validity of the inferences that will be made based on the scores**. For example:
 - An assessment by a supervisor of how well a professional accountant leads a team of auditors may **be a better indicator** of competence in leadership than assessing leadership skills relying on written examination;
 - A written examination to test knowledge of the content of a particular accounting standard may have greater face validity if the examination draws on a real-life case study rather than a hypothetical case study; and
 - In designing a multiple choice examination to assess knowledge of information technology, **construct validity is supported by an assessment in which the content adequately covers the major aspects of this field**.

Question 4

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

Comment

CGA-Canada believes the objective of IES 6 – that the member body assess the competence of aspiring professional accountants and monitor the continuing professional development (CPD) efforts of its professional accountant members – is appropriate. Provincial/Territorial CGA bodies currently require that members report CPD annually, recognizing also that assessment is an integral part of the CGA program of studies for aspiring professional accountants.

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?

Comment

CGA-Canada believes that the criteria identified by the IAESB for determining whether a requirement should be specified has been appropriately and consistently applied, such that the requirements will promote member body uniformity, and does not believe that the requirements are unreasonably onerous for professional accountants to achieve.

Question 6

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

Comment

Please see comments above relating to Question 3 regarding validity and transparency.

Other Comments

Paragraph 8 of IES 6 uses the phrase “maintain and develop competence” whereas Paragraphs 1, 10 and 15 of the IES 7 Exposure Draft read “develop and maintain competence”. IES 7 Paragraphs 8 and 12 refer to “maintenance and development”; and Paragraph 3 refers to “maintains and develops”. CGA-Canada

recommends that the phrasing be harmonized between, and within, the standards in order to promote consistency of interpretation. This will also aid in translating the standards.

Paragraph A2 refers to “specialist knowledge”; whereas the IAASB common nomenclature refers to “experts”. Given the experience of CGA-Canada, and of others, CGA-Canada is supportive of use of the term “expert” rather than “specialist”.

CGA-Canada recommends that the fifth bullet in A2 be revised to read “the **varied** roles of professional accountants”. Providing a comprehensive list of examples becomes unwieldy, and a partial list can be limiting; therefore, we recommend that the examples be omitted from this point.

Footnote 2 in IES 6 references IES 7, paragraphs 47 and 48. The Exposure Draft of IES 7 does not include paragraphs 47 or 48. We suggest this footnote and reference be reviewed.

Paragraph A13 indicates that an equitable assessment is fair and without bias. This paragraph could be enhanced by providing examples of bias.

IES 6 Paragraph A20 provides examples of verifiable evidence related to both IPD and CPD. Paragraphs A13 and A17 of IES 7 provide examples of verifiable evidence, specific to CPD. To the extent that the examples in IES 6 pertain to CPD, CGA-Canada recommends that the lists be harmonized. Specifically, the fourth, fifth, sixth and seventh bulleted points in Paragraph A20 of IES 6 be revised as follows:

4. “Confirmation by **an employer of attendance and participation in an in-house program**”
5. “Evaluation of **written or** published material by a reviewer”
6. “Objective assessments against a competency map developed **either by the employer or by the professional body to reflect the individual’s level of competence**”
7. “**attendance record, registration forms, or confirmation of registration from the provider**”

In closing, CGA-Canada suggests that the 12-15 month implementation timeframe from issuance of the final revised standard may be insufficient for some member bodies.

Should you wish to discuss the contents of this comment paper or require further elaboration on any of the items presented herein, please do not hesitate to contact Ayesha Laher at alaher@cga-canada.org or alternatively the undersigned at rlfebvre@cga-canada.org.

Sincerely,

[Original signed by:]

Rock Lefebvre, MBA, CFE, FCIS, FCGA
Vice President, Research and Standards