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Dear Sir,

Re: Comments on the Exposure Draft IES 6, Assessment of Professional Competence

CPA Australia welcomes the opportunity to comment on the Revised IES 6. We endorse the overall purpose of the revision of this standard.

Comments on Significant Issues

Assessment over the Life Cycle of a Professional Accountant

CPA Australia endorses a principles-based approach to the assessment of the professional competence of professional accountants, including both IPD and CPD. This approach provides for continuous assessment of professional competence which is necessary in the rapidly changing environment in which accountants operate

Confirmation of Professional Competences prior to Qualification

CPA Australia endorses a principles based approach to the formal evaluation of competence during Initial Professional Development (IPD) prior to professional certification based on verifiable evidence. We believe that it is important to allow member bodies the opportunity to undertake evaluation of aspiring professional accountants in the way that best suits that body's professional and educational environment,

Principles of Assessment

CPA Australia endorses the broadened principles of assessment in the revised standard. We believe these principles reflect the ethical basis of the member bodies more strongly than did the previous principles.

Responses to Specific Questions

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

CPA Australia believes the change in the scope of IES6 to assessment across the life cycle of a professional accounting career is a positive change. We believe that the public interest is best served by ensuring ongoing assessment of learning throughout the career.

Since both the IPD and CPD are assessed, CPA Australia believes that IES 6 may improve its clarity if it amends the Objective in paragraph 6 to:

- *formally evaluate* the attainment by aspiring professional accountants of an appropriate level of professional competence during IPD.

Paragraph 7 can be similarly expressed as:

Member bodies shall formally evaluate that aspiring professional accountants have attained an appropriate level of competence by the time IPD is completed.

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

This change is in line with the varying approaches taken by professional bodies to the assessment of competency of professional accountants. CPA Australia believes that assessment can be achieved in several ways and not only through a final assessment.

Question 3: Are the principles of assessment sufficient?

The stated principles of assessment are broad in scope, and provide guidance for sound assessment. The breadth of the principles allows for flexibility between member bodies which is necessary given the varied environments in which they operate.

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 revised IES 6, appropriate?

CPA Australia believes the objective stated is appropriate in regard to the requirements of the IAESB Drafting Conventions.

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?

CPA Australia believes that the criteria have been applied appropriately.

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

CPA Australia has not identified any terms that need further explanation. We believe the words ‘one or more’ in the definition of ‘formal evaluation’ are superfluous. We believe that the words ‘and

professional responsibilities' should be added in paragraph 6 so that it reads: 'monitor the efforts of its professional accountants to maintain and develop appropriate levels of professional competence during CPD that are relevant to their work roles and professional responsibilities' and thus be consistent with IES 7.

Comments on other matters:

CPA Australia notes that there will be compliance difficulties in relation to workplace assessment. Paragraph 8 states that professional accountants shall "continue to maintain and develop competence relevant and appropriate to their work roles." We believe that an assessment of relevance to work roles would be difficult for professional bodies, and that this assessment may sit best with employers. Further, we believe that there would be significant variation between any workplace assessment conducted by employers, together with an associated risk of inconsistency between different employers.