Proposed Revised International Education Standard

IES 6, Assessment of Professional Competence
# PROPOSED INTERNATIONAL EDUCATION STANDARD 6 (REVISED)
## ASSESSMENT OF PROFESSIONAL COMPETENCE

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Introduction

Scope of this Standard

1. This International Education Standard (IES) prescribes the assessment of professional competence over the career of a professional accountant, that is, during Initial Professional Development (IPD) and Continuing Professional Development (CPD).

2. This IES is addressed to IFAC member bodies responsible for ensuring that professional accounting education meets the requirements set out in this IES. In addition, this IES will be helpful to educational organizations, employers, regulators, government authorities, and any other stakeholders who support learning and development for professional accountants.

3. In the context of this standard, assessment includes all forms of evaluation of professional competence carried out during IPD and CPD. Learning and development is an ongoing process of acquiring, maintaining and developing professional competence throughout the career of a professional accountant. The focus of assessment during IPD is on the attainment of professional competence. The focus of assessment during continuing professional development (CPD) is on the maintenance and development of professional competence.

4. This IES specifies general principles of assessment during IPD, while IES 2, Content of a Professional Accounting Education Program, IES 3, Professional Skills and General Education, IES 4, Professional Values, Ethics and Attitudes, and IES 5, Practical Experience Requirements, specify aspects of assessment that are relevant to their areas of focus within IPD. IES 7 Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence, and IES 8, Competence Requirements for Audit Professionals, specify aspects of assessment that are relevant to their areas of focus within IPD and specify aspects of assessment relevant to CPD and CPD audit professionals respectively. (Ref: Para A1 and A2)

Effective Date

5. This IES is effective on or after [date].

Objective

6. The objective of a member body is to formally assess:

7. assess the attainment by aspiring professional accountants of an appropriate level of professional competence during IPD and;

8. 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.

9. Applying the principles of assessment in this standard provides confidence in this process. (Ref: Para A32)

Requirements

10. Member bodies shall assess, through formal evaluation, that aspiring professional accountants have attained an appropriate level of professional competence across...
professional knowledge, professional skills, and professional values, ethics and attitudes as close as possible to the end of IPD is completed. (Ref: Para A4 to A7)

11. Member bodies shall monitor that professional accountants continue to maintain and develop competence relevant and appropriate to their work roles. (Ref: Para A4, A5, and A6)

12.8. Member bodies shall apply the principles of sufficiency, equity, reliability, validity, adequacy, and sufficiency when establishing or relying on individual assessment activities and overall assessment processes. (Ref: Para A8 to A19)

13.9. Member bodies shall base assessment of professional competence on verifiable evidence. (Ref: Para A20 and A21)

Explanatory Materials

Scope of this Standard (Ref: Para 1 to 4)

A1. Assessment may be undertaken by a variety of education providers, including member bodies, employers, regulators, licensing bodies, universities, colleges, private education providers, and by the aspiring professional accountants themselves. Although the assessment of professional competence during IPD is and CPD may be the responsibility of IFAC member bodies, other providers may provide substantive input into the assessment activity.

A2. Professional accountants engage in lifelong learning to develop and maintain their professional competence through CPD. The competences acquired during IPD need to be continually renewed and developed. Changes in the working environment and career progression or new roles may necessitate professional accountants change and expand their level of competence and acquire new competences over their career.

Objective (Ref: Para 66)

A32. (New paragraph to be inserted based on Paragraph 14 from the extant standard.) Factors relevant to determining an appropriate level of professional competence may include but are not limited to:

- the complexity and variety of tasks undertaken by professional accountants;
- the expectations of certain stakeholders (such as regulators, employers, and the public) relating to expected levels of professional competence;
- the required specialist knowledge;
- the required level of professional judgment;
- the roles of professional accountants, such as financial report preparer, tax advisor, or management accountant; and

For CPD refer IES 7, para 47 and 48.
Forms of Assessment Activities during IPD and CPD (Ref: Para 7 and 8)

A4 Factors relevant to determining an appropriate level of professional competence may include but are not limited to:

- the complexity and variety of tasks undertaken by professional accountants;
- the expectations of certain stakeholders (such as regulators, employers, and the public) relating to the nature and extent of professional competence;
- the required expert knowledge;
- the required level of professional judgment;
- the varied roles of professional accountants, such as the preparer of financial statements, tax advisor, or management accountant; and
- the complexity of the working environment.

A5. The formal evaluation of professional competence during and towards the end of by the time IPD is completed may be undertaken in a variety of ways, including, for example, by:

- 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; and
- an evaluation at the end of IPD of the outcomes of a series of formal education and workplace performance assessment activities.

A6. Assessment activities can be selected that suit the particular competences being evaluated. Examples of assessment activities include:

- written examinations;
- oral examinations;
- objective testing;
- computer-assisted testing;
- self-assessment activities;
- workplace performance assessment by employers; and
- a review of a portfolio of evidence of completion of workplace activities.

A7. The form of assessment may depend on factors specific to each member body, such as:

- remoteness and geographical spread of locations;
- available educational and other resources;
- the number of candidates being assessed and their backgrounds; and
- training opportunities provided by employers.

A6. The requirements relating to assessment during CPD are set out in IES 7.
Principles Guiding Assessment Activities and Processes (Ref: Para 89)

A87. The principles of sufficiency, equity, reliability, validity, and equity, transparency, and sufficiency relate to individual assessment activities (such as an examination or workplace performance assessment) and to the overall broader assessment processes across IPD and CPD.

A917. A sufficient assessment process has a balance of depth and breadth: knowledge and application and, where appropriate, integration of material from different areas applied to a range of real world situations and contexts.

A1048. Examples of integration may include:
- extracting from various subject areas the knowledge required to solve a complex problem;
- solving a problem by distinguishing relevant information from irrelevant information in a given body of data;
- identifying and prioritizing problems in multi-problem situations; and
- appreciating that there can be alternative solutions to a problem, and understanding the role of judgment in assessing each solution.

A113. An equitable assessment is fair and without bias. Equity can be improved by designers of assessment programs or activities who are aware of the possibility of bias.

A124. There are many ways assessment can be designed to increase its equity, including, for example:
- offering on-line examinations so that individuals without access to computers with high processing speed are able to participate;
- constructing written examinations based on assumptions of cultural knowledge that are shared by all individuals being assessed; and

A138. A reliable assessment consistently produces the same result, given the same set of circumstances. Reliability is not an absolute measure, and different assessment activities may have different levels of reliability. An assessment activity is reliable if different assessors acting independently come to the same judgment, given the same set of circumstances.

A149. There are many ways assessment can be designed to increase reliability. For example:
- The reliability of a written examination may be improved by avoiding the use of ambiguous wording in examination questions or instructions; and
- The reliability of workplace performance assessments may be increased by selecting assessors who have comparable levels of ability and providing training for the assessment task.

A1540. A valid assessment measures what it was intended to assess. Validity is not an absolute measure, and different assessment activities may differ in their validity. Validity has multiple aspects and includes the following:
• An assessment activity measures what it is intended to measure (this is called face validity);
• The content of the assessment activity relates to the aspect of competence that it intends to assess (this is called predictive validity); and
• The assessment activity provides adequate coverage of the particular competence being assessed (this is called content validity).

A16. There are many ways to design assessments to increase the level of validity. For example:
• An assessment by a supervisor of how well a professional accountant leads a team of auditors may have greater predictive validity of competence in leadership than assessing leadership skills using a 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, an assessment has high content validity if it adequately covers the major aspects of this field.

A17. Reliability and validity may be constrained by factors that include:
• Cost/benefit considerations;
• resource constraints (such as skills shortage or financial resources);
• time limitations; and
• regulatory constraints.

A13. An equitable assessment is fair and without bias. Equity can be improved by designers of assessment programs or activities who are aware of the possibility of bias.

A14. There are many ways assessment can be designed to increase its equity, including, for example:
• offering online examinations so that individuals without access to computers with high processing speed are able to participate;
• constructing written examinations based on assumptions of cultural knowledge that are shared by all individuals being assessed; and
• designing CPD activities that take into account the limited opportunities that exist in some environments.

A18. A transparent assessment process is one that is communicated clearly to stakeholders. The communication needs to be open, accessible, and accepted as credible to instill confidence in the process.

A19. There are many ways to design assessment processes to increase their transparency. For example:
A transparent assessment process may include (a) a clear articulation of the areas of knowledge to be tested and the types of questions that will be used to assess that knowledge, and (b) communication of this information on easily accessible websites; Transparency in workplace assessment includes having a clearly defined competency framework against which employees are assessed; and Transparency in the setting and conduct of examinations includes communicating to candidates matters relating to the development, marking, and management of the examination.

A17. A sufficient assessment process has a balance of depth and breadth: knowledge and application and, where appropriate, integration of material from different areas applied to a range of situations and contexts.

A18. Examples of integration may include:
- extracting from various subject areas the knowledge required to solve a complex problem;
- solving a problem by distinguishing relevant information from irrelevant information in a given body of data;
- identifying and prioritizing problems in multi-problem situations; and
- appreciating that there can be alternative solutions to a problem, and understanding the role of judgment in assessing each solution.

Basing Assessments on Verifiable Evidence (Ref: Para 910)

A2019. Basing assessments on verifiable evidence may satisfy the needs of third parties who oversee or regulate a member body’s assessment processes. Verifiable evidence may also increase the confidence of stakeholders that aspiring professional accountants have attained are developing and maintaining the an appropriate level of professional competence by the end of IDP.

A210. Examples of verifiable evidence include:
- certificates of course completion;
- outcomes of examinations;
- observation reports of completion of workplace activities by employers;
- a record of workplace experience during IPD that is provided by employers;
- confirmation by employers that employees have attended an in-house training program;
- evaluation of published material by a reviewer;
- objective assessment against a competence map developed by a member body;
- records by providers of attendance at seminars or lectures; and
- certificates of course completion.