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Dear Sir

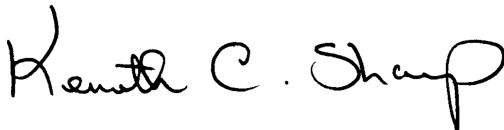
**Exposure Draft: IES 6, Assessment of Professional Competence**

We welcome the opportunity to comment on the IAESB's Exposure Draft 'IES 6, Assessment of Professional Competence' (the Exposure Draft).

**Comments**

Our responses to the specific questions posed in the Exposure Draft are included at Appendix I. Our general comments are included at Appendix II. Should you have any questions regarding our response, please contact Josephine Jackson at +44 (0)207 728 2526.

Yours faithfully



**Kenneth C. Sharp**  
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## Appendix I - 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?**

We agree it is appropriate to establish principles of assessment that apply across both IPD and CPD, therefore the change in scope is considered appropriate.

### **2. Does this change accommodate the different approaches taken by professional accounting organisations?**

We are unable to comment on behalf of all professional accounting bodies to which the Exposure Draft applies. However, we believe this change will accommodate the different approaches taken by major professional accounting bodies such as ICAEW, ICAS and ACCA.

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

We consider the principles of assessment as proposed in the Exposure Draft to be sufficient.

On a related note, the IAESB's Framework for International Education Standards for Professional Accountants (the Framework) discusses the relative merits of alternative measurement approaches in assessing the effectiveness of learning and development, including input measures, process measures and output measures. The Framework notes that output measures are rated as highly valid, whereas input measures and process measures traditionally serve as proxies for measuring the development of competence. In addition, the proposed IES 7 (Exposure Draft) notes the limitations of input measures (paragraph A14).

The Exposure Draft makes no reference to these alternative types of measurement approach or to their relative merits. Further, we consider the Exposure Draft lacks sufficient emphasis on the importance of assessing the **effectiveness** (or outcomes) of learning and development activities. Paragraph A20 does include examples of verifiable evidence for both output measures and input measures.

We recommend guidance be added to the Exposure Draft (Explanatory Materials) so that, in applying the principles guiding assessment activities and processes, member bodies are reminded of both the importance of measuring outcomes and the limitations of input measures.

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

With respect to IPD, the proposed objective expects member bodies to assess attainment of an appropriate level of competence "during IPD". The specific requirement in paragraph 7

refers to assessment, by formal evaluation, "by the time IPD is completed" (and paragraph A3 also refers to evaluation of competence "by the time IPD is completed"). Is the intention that member bodies periodically assess whether an appropriate level of competence is being achieved at various stages during the IPD period, or is the intention only to assess whether the individual has achieved appropriate competence by the end of IPD for the purposes of admission to the profession? We request clarification in this respect.

With respect to CPD, the proposed objective expects member bodies to "monitor the efforts" of its professional accountants. We believe use of the word "efforts" places emphasis on input measures. In line with the Framework, to properly assess the effectiveness of learning and development activities requires an appropriate mix of measurement approaches. We further note that paragraph 8 of the Exposure Draft requires member bodies to monitor that their members "continue to maintain and develop competence relevant and appropriate to their roles". We consider that the wording in paragraph 8 is in fact stronger than the objective stated in paragraph 6 (goes further than "monitor efforts").

**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?**

Subject to completion of the IAESB's clarity project, we agree that the criteria for determining whether a requirement should be specified have been applied appropriately and consistently.

**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 the following terms require further clarification:

"IPD" and "CPD" - The emphasis of the Exposure Draft is that IPD is undertaken prior to achieving "professional accountant" status, and that CPD is undertaken thereafter. This presumes a link between completion of IPD and admission to membership of an IFAC body. The Framework (paragraph 24) provides that "each IFAC member body may define the appropriate link between the end of IPD and the point of qualification (or licensing) for its members". The Framework also states (paragraph 25) that IPD is about demonstrating competence in the individual's "chosen role" (one result of which "may be" admission to membership). We find this confusing and would welcome clarification regarding the point of transition from IPD to CPD.

Paragraph 9: "Transparency" - This term is not defined in the Glossary of Terms (including proposed conforming amendments). While paragraph A15 explains the meaning of "a transparent assessment process", we recommend that the principle of "transparency" be defined in the Glossary of Terms.

Paragraph 10: "Verifiable evidence" - The Exposure Draft (proposed conforming amendments) defines "verifiable evidence" as "evidence that is **objective** and is stored in written or electronic form". While paragraph A20 provides examples of verifiable evidence, no specific guidance is provided regarding the intended interpretation or application of "objective" in this context. What is required in order to satisfy the "objective" test (particularly for evidence that is prepared and/or reviewed internally by an employer)? Further guidance would be welcomed.

Paragraph A10 and A11: "Validity" - Paragraph A10 acknowledges that validity has multiple aspects, and paragraph A11 provides examples of ways to increase validity in certain aspects.

We believe users would benefit from further guidance around the relative importance and/or significance of the various aspects of validity, to assist in designing effective assessments.

**Comments on other matters:**

***Translations*** - We believe there are possible translation issues relating to the terms "content validity", "face validity" and "predictive validity" and their respective definitions. The subtleties of the respective definitions and the manner in which these concepts interrelate might not be fully or accurately interpreted by all translators.

***Effective Date*** - We believe that the proposed effective date of 12-15 months after approval of the final revised standard should provide a sufficient period to support effective implementation of the final IES 6.

## Appendix II - General comments

Para	Comment
1	Paragraph 1 defines the scope of the Exposure Draft as "over the career of a professional accountant, that is, during IPD and CPD". As reflected in paragraph 6, IPD is undertaken by "aspiring professional accountants". We therefore suggest the scope in paragraph 1 be extended to also include "aspiring professional accountants".
3	The extant definition of "CPD" in the Glossary of Terms refers to "learning and development that maintains and develops <b>capabilities</b> ...". References to "capabilities" in the extant IES 6 have been removed in the Exposure Draft as they do not align with concepts in the revised Framework document. For consistency, we suggest a conforming amendment to the Glossary of Terms that revises the definition of CPD to refer to 'competences' rather than 'capabilities'.
n/a	The Exposure Draft is not clear about how one documents and maintains assessment information to satisfy IFAC requirements. Assessment information maintained by employers, for example, is currently subject to inspection by professional bodies and regulators. Is it intended that the documentation requirements become more extensive under the proposed new standard (e.g. submit to IFAC also)?
A1	Paragraph A1 states "Although the assessment of professional competence during IPD and CPD <b>may be</b> the responsibility of IFAC member bodies, ..". For consistency with the requirements of the Exposure Draft, and also for clarity, should "may be" be replaced with "is"?
A3	Paragraph A3 provides examples of ways in which evaluation of professional competence by the end of IPD may be undertaken. If we correctly interpret that the examples listed are intended as alternative methods (i.e. not all required), we recommend an amendment at the end of bullet 2 of the word "and" to "or" (so that bullet 2 reads "...conducted throughout or at the end of IPD; or").
A4	Paragraph A4 states that "Assessment activities <b>can be</b> selected that suit the particular competences being evaluated". We believe that assessment activities <b>'should be'</b> selected that suit the particular competences being evaluated, and recommend amending paragraph A4 to that effect.
A5	Paragraph A5 provides examples of factors that may influence the form of assessment. However the Exposure Draft includes no guidance as to boundaries of acceptability (and any related quality control measures), leaving member bodies to form their own judgments as to what may or may not be acceptable in certain circumstances. We believe additional guidance would assist member bodies in making appropriate choices.
A9	Paragraph A9 (bullet 2) discusses how reliability may be increased by "selecting assessors who have comparable levels of ability and providing training for the assessment task". We believe that "comparable levels of ability" is not sufficient as, even with "training for the assessment task", this sets no expectation regarding minimum competence levels of assessors. We recommend that "comparable levels of ability" be replaced by "appropriate skills and experience".
A10	Paragraph A10 (bullet 1) states that 'face validity' is when "an assessment activity measures what it is intended to measure". This is the definition of 'validity' per the Glossary of Terms (including conforming amendments). According to the Glossary of Terms (including conforming amendments), 'face validity' is when "an assessment activity <b>appears to</b> measure what it was intended to measure". We recommend that paragraph A10 (bullet 1) is amended in line with the Glossary of Terms definition of 'face validity'.
A11	Paragraph A11 (bullet 2) suggests that face validity may be greater when an examination draws on a real-life case study, rather than a hypothetical case study. We question whether this statement holds true. In our view, a hypothetical case study can have equal face validity providing the case study facts as presented are relevant, realistic and do not contain inconsistent information.
A15	In order to achieve transparency, paragraph A15 expects member bodies to communicate the assessment process in a way that is " <b>accepted</b> as credible". We agree that credibility is important in this respect. However, is the intention that member bodies determine whether stakeholders "accept" their communications as credible?
A16	Paragraph A16 (bullet 2) states that transparency in workplace assessment includes "a clearly defined competency framework against which employees are assessed". We believe member bodies should be encouraged to provide guidance to help employers who do not currently have an appropriate framework.