

**INTERNATIONAL EDUCATION STANDARD**  
**IES 6**  
**ASSESSMENT OF PROFESSIONAL CAPABILITIES**  
**AND COMPETENCE**

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## Purpose and Scope of this Standard

1. This Standard (IES) prescribes the requirements for a final assessment of a candidate's professional capabilities and competence before qualification.
2. This IES deals with the assessment of the professional capabilities (i.e. the professional knowledge, professional skills and professional values, ethics and attitudes) acquired through professional education programs (see also the IES 2, *Content of Professional Accounting Education Programs*, IES 3, *Professional Skills and General Education* and IES 4, *Professional Values, Ethics and Attitudes*).
3. In the *Framework for International Education Standards for Professional Accountants*, professional knowledge, professional skills, and professional values, ethics and attitudes are discussed. Capabilities are the attributes held by individuals that enable them to perform their roles competently. The possession of capabilities gives a good indication that an individual has the potential to perform competently in the workplace.
4. Certain professional skills and values may be better acquired through practical experience and assessed in the workplace or through workplace simulations. IES 5, *Practical Experience Requirements*, deals with the monitoring, control and review of practical experience.

## Introduction

5. It is the responsibility of IFAC member bodies to have in place assessment procedures that ensure candidates admitted to membership are appropriately qualified. A series of continual assessments might be made leading up to the final assessment of capabilities and competence.
6. The final assessment of capabilities and competence is normally in addition to purely academic qualifications and is beyond undergraduate degree level. This IES prescribes that a significant proportion of this assessment should be in recorded form. It should test underpinning theoretical knowledge as well as the practical application of knowledge.
7. Candidates need to be able to demonstrate that they:
  - (a) have a sound technical knowledge of the specific subjects of the curriculum;
  - (b) can apply technical knowledge in an analytical and practical manner;
  - (c) can extract from various subjects the knowledge required to solve many-sided or complex problems;
  - (d) can solve a particular problem by distinguishing the relevant information from the irrelevant in a given body of data;

- (e) can, in multi-problem situations, identify the problems and rank them in the order in which they need to be addressed;
  - (f) appreciate that there can be alternative solutions and understand the role of judgment in dealing with them;
  - (g) can integrate diverse areas of knowledge and skills;
  - (h) can communicate effectively with users by formulating realistic recommendations in a concise and logical fashion; and
  - (i) can identify ethical dilemmas.
8. The practical experience part of the qualifying process is intended to facilitate the development and direct application of professional knowledge, professional skills, and professional values, ethics and attitudes. Ultimately, it is through practical experience that trainees will demonstrate their competence to perform the roles of professional accountants. Details regarding the assessment of the practical experience can be found in IES 5, *Practical Experience Requirements*.
9. Definitions and explanations of the key terms used in the IESs are set out in the *Framework for International Education Standards for Professional Accountants* and the *IAESB Glossary of Terms*.

### **Effective Date**

10. This IES is effective from January 1, 2005.

### **Assessment of Professional Capabilities and Competence**

11. **The professional capabilities and competence of candidates should be formally assessed before the qualification of professional accountant is awarded. This assessment is the responsibility of the IFAC member body, and should be carried out by an IFAC member body, or the relevant regulatory authority with substantive input from an IFAC member body.**
12. **The assessment of professional capabilities and competence should:**
- (a) **require a significant proportion of candidates' responses to be in recorded form;**
  - (b) **be reliable and valid;**
  - (c) **cover a sufficient amount of the whole range of professional knowledge, professional skills, and professional values, ethics and attitudes for the assessment to be reliable and valid; and**
  - (d) **be made as near as practicable to the end of the pre-qualification education program.**

13. The assessment of professional capabilities and competence is the responsibility of the IFAC member body. The assessment needs to be carried out by an IFAC member body or by a regulatory authority with substantive input from an IFAC member body. Member bodies may, however, wish to cooperate with other member bodies in making their assessment arrangements, in whole or in part. In these cases, the responsibility for the assessment remains with the professional bodies whose qualifications will be awarded.
14. The assessment of professional capabilities and competence serves several purposes. First, professional bodies and regulatory authorities have a responsibility to ensure that professional accountants have the capabilities and competence expected of them by employers, clients and the public. Second, individuals who owe a duty of care to their clients, employers and relevant stakeholders, need to demonstrate their ability to discharge this responsibility in a competent manner. Third, the public interest is protected and the credibility of the profession is enhanced when only those who meet the profession's competency standards are permitted to be professional accountants.
15. The critical consideration is whether the assessments are reliable, valid and credible. Reliable assessments produce consistent, objective results over time. Valid assessment methods assess the desired outcomes and may use quantitative and qualitative measures. Assessments need to be acceptable to stakeholders and the public interest.
16. The assessments need to be appropriate for the professional knowledge, professional skills and professional values, ethics and attitudes being evaluated.
17. Although it is not practicable to assess the whole range of capabilities and competences at any single session, over a number of sessions the whole range needs to be covered. Some material may have been covered before, and assessors are entitled to assume that this material is known and understood. In other cases, the assessment of some of the competences may have been assessed during the practical experience period.
18. IFAC acknowledges that the nature of an assessment of professional capabilities and competence is the responsibility of its member bodies and that there is no single preferred method for such an assessment. Because of the diversity of capabilities and competences being evaluated, IFAC members need to use a variety of assessment methods which would be appropriate for the capabilities and competences being evaluated.
19. The methods adopted will also depend on factors specific to each member body, including:
  - (a) Geographical location
  - (b) Educational and other resources available
  - (c) The number of candidates being tested and their backgrounds

(d) Training opportunities

20. To provide sufficient evidence for the assessment of candidates' professional capabilities and competence, the assessment needs to assign a significant weighting to responses in recorded form.
21. Candidates also need to demonstrate that they can integrate all the various elements across a range of situations and apply them in the context of a professional accountant at work.
22. The assessment might also include elements of oral and group assessments as well as objective testing. Scenario-based questions and case studies may be used to test higher-level intellectual skills. The assessment needs to be at a level of difficulty appropriate for professional accountants, to preserve the credibility of the final test of capabilities and competence.
23. Professional capabilities and competence may be assessed through a series of parts spread over an individual's pre-qualification program. However, the final qualifying part of the assessment needs to be administered as near as practicable to the end of the individual's pre-qualification program leading to qualification. This final assessment needs to cover enough of the body of professional knowledge, professional skills, and professional values, ethics and attitudes necessary to demonstrate that the individual has the capabilities and competence to qualify as a professional accountant.