

28 July 2011

Mr. David McPeak  
Senior Technical Manager  
International Accounting Education Standards Board (IAESB)  
International Federation of Accountants  
277 Wellington Street West, 4th Floor  
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Dear David,

**Exposure Draft (ED) on Revised  
International Education Standard (IES) 6: Assessment of Professional Competence**

Thank you for the opportunity to comment on the captioned ED.

The Institute of Certified Public Accountants of Singapore greatly appreciates the IAESB's focused efforts in revising the IESs in accordance with the new clarity drafting conventions and its 2009 Framework. We strongly support this initiative to enhance the understanding of educational standards and making them more user-friendly. As highlighted in our earlier IES 4 commentary, we find the approach taken by the IAESB to redraft all its IES according to the new clarity drafting conventions methodical, and the continuous efforts to make implementation of standards more practical a laudable objective.

Please refer to our comments on IES 6 as set out in the attachment. We hope the IAESB finds our comments helpful and we look forward to the finalised standard in due course. If you require clarification on any of our points, please contact the undersigned at [georgina.chan@icpas.org.sg](mailto:georgina.chan@icpas.org.sg).

Yours sincerely,



*Georgina Chan*  
Head, Qualification & Programme Development  
Institute of Certified Public Accountants of Singapore

Encl

## **Commentary on Exposure Draft (ED) on the Revised International Education Standard (IES) 6: Assessment of Professional Competence**

### **General Comments:**

We would like to commend the team on the dedicated efforts and commitment to align the new standard with the IAESB Drafting Conventions and its Framework document (2009). In particular, the use of clearer terminology, for examples “competence”, predefined in the Framework document, instead of “capabilities and competence” in the extant IES 6 and the revisions of some definitions (page 8) included in the Proposed Conforming Amendments to the IAESB Glossary of Terms should aid better understanding of the new statement.

The extension of the standard to cover assessment of professional competence post-qualification, and throughout the career of a professional accountant, is a more holistic approach. We fully endorse this approach in view of the constant need to maintain professional competence amid changing business environment and the different challenges a professional accountant encounters during his/her career.

The Explanatory Materials are well written and easy to read, with the inclusion of appropriate sub-headings to sectionalise the list and relevant cross referencing of paragraphs. We particularly appreciate the sub-headings which were not provided in IES 4.

### **Comments on Specific Questions**

#### **Question 1: Is the change in the scope of IES 6 to assessment across Initial Professional Development (IPD) and Continuing Professional Development (CPD) appropriate?**

Yes, we are in full support of the revised standard to expand the scope of assessment across IPD and CPD. In today’s fast changing work environment, knowledge and competence gained during IPD may not be relevant and sufficient to address increasingly complex business issues in our dynamic environment. Professional accountants are expected to demonstrate commitment to lifelong learning and constantly renew or expand their competence gained throughout the life cycle of their career. Hence, it is essential to include assessment of professional competence across IPD and CPD to measure the effectiveness of learning and development by a professional accountant.

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

The change is more flexible and should accommodate the different approaches taken by professional accounting bodies. The focus of assessment during IPD and CPD has also been clearly defined (para 3), i.e. attainment of professional competence during IPD, and maintenance and development of professional competence during CPD. Member bodies' requirements are clearly specified in para 8 for IPD and in para 9 for CPD.

We believe that the revised standard is more holistic in terms of the requirements for the assessment of professional competence over the life cycle of a professional accountant. Para 3 clearly states that assessment includes all forms of evaluation of professional competence carried out during IPD and CPD.

Regarding the Explanatory Materials, A3 to A5 seem to relate to IPD, rather than what the Sub-heading suggests – IPD and CPD. Many professional bodies apply quite different rigour, and hence different assessment activities, for IPD assessment vs CPD assessment, as the former is the gatekeeper to becoming a professional accountant, which in a number of jurisdictions is part of a statutory requirement. It may be clearer, therefore, to separate 'Forms of Assessment Activities' given in the Explanatory Materials (page 11) to refer solely to IPD (just explaining para 7). That is, by organizing A3 to A5 under the sub-heading 'Forms of Assessment Activities during IPD', leaving explanation for CPD (para 8) under a separate 'Forms of Assessment Activities during CPD' sub-heading.

In addition, Explanatory Material A6 makes reference to IES 7 for the requirements relating to assessment during CPD. It would be helpful to the reader and for completeness, to amend A6 to contain a summary of the forms of assessment activities covered in IES 7.

**Question 3: Are the principles of assessment sufficient?**

The principles of assessment as stated in paragraph 9 are appropriate and in general quite sufficient. Explanatory Materials A7 to A16 provide a good explanation of the various principles relating to assessment activities and processes.

A17 emphasises that a sufficient assessment process is one that has a balance of depth and breadth, and we particularly endorse the testing of integrated subject matter. In terms of emphasis of matter, we would have put a heavier weighting on 'integration' and make it a principle, so that a more holistic problem-solving approach is adopted for assessment of professional competence. As a casual observation, this would make 6 principles, forming an acronym - "STRIVE" – an easy way to remember the 6 good principles. We note that A18 provides good illustration on the examples of integration of knowledge and applications from different situations and contexts. If this is to explain 'Sufficiency', perhaps the examples should relate to a balance of the depth and breadth of knowledge and applications, eg use of marking grid to objectively map coverage of learning outcomes in an assessment activity, rather than illustrating 'integration'.

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

*The objective of a member body is to:*

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

*Applying the principles of assessment in this standard provides confidence in this process.*

We agree that the objectives are appropriate. Since there are two objectives, 'objective' should be changed to 'objectives' and 'is' to 'are'.

**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?**

The requirements in relation to formal assessment of competence during IPD, monitoring of maintenance and development of competence during CPD, principles of assessment processes and basing assessments on verifiable evidence are generally appropriate and consistent with the IAESB *Framework*.

We would like to suggest that to support IFAC member bodies' in their implementation, IAESB could help by providing guidance on content of post qualification frameworks and defining competencies for specialisations. Competency requirements for IPD are well prescribed but post-qualification competencies are not widely available and so it would be good if IAESB can provide the resources to do so, for the benefit of IFAC member bodies and as a value-added reference to their members for career advancement.

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

We note that the principles described in para 9 have been defined on page 8 under Proposed Conforming Amendments to the IAESB Glossary of Terms. The new definitions as contained in the ED are clearer and more consistent in meaning to the revised standard.

We observe that one of the principles of assessment, "Transparency", is not included in the Proposed Conforming Amendments nor the IAESB Glossary of Terms. It would be useful to explain this term in the Glossary of Terms to ensure consistent application and interpretation of the principles.

Explanatory Material A4 states that “Assessment activities can be selected that suit the particular competences being evaluated....” For clarity purpose, we would like to suggest that the statement be reworded to “Assessment activities can be selected **to** suit the particular **competencies** being evaluated.”

Explanatory Material A18 lists examples of integration. We would like to suggest some refinement in the sentences below to add clarity:

- “identifying, **analyzing and** prioritizing problems and **developing options** in multi-**disciplinary** situations; and”
- “appreciating that there can be alternative solutions to a problem, and understanding the role of judgment in assessing each solution **by applying relevant knowledge and ethical requirements.**”

### **Comments on Other Matters**

We do not foresee any translation issues arising from the redrafted standard. The proposed effective date is reasonable and we do not foresee significant difficulties for developing nations to adopt the redrafted standard.

Contributed by:

Institute of Certified Public Accountants of Singapore

28 July 2011