

## 2015 Competency-based National Insolvency Exam (CNIE)

### Message to Candidates and Sponsors

This is the fourth year of the Competency-based National Insolvency Exam. Candidate performance was assessed with no regard to results from previous attempts at the exam, as each exam is designed to be a stand-alone measure of competence.

This year, 53 candidates attempted the CNIE and 19 candidates were successful. These successful candidates will be entitled to apply for the Oral Examination administered by the Office of the Superintendent of Bankruptcy. We take this opportunity to congratulate the successful candidates.

The characteristics of a successful candidate were developed by the CNIE Board (which is responsible for drafting and administering the CNIE) with support from the Exam Oversight Committee (which is responsible for supervising, coordinating and setting standards for all formal assessments pursuant to the qualification program) and the CQP Committee (which guides the entire CQP Program). The characteristics of a successful candidate, or passing profile, are based on the Competency Profile for an entry level CIRP.<sup>1</sup>

To meet the passing profile, candidate responses were required to:

1. Be sufficient, i.e.
  - a. Demonstrate competence in Insolvency Law and Practice.
  - b. Demonstrate competence in 4 of the remaining 7 competencies being tested.
  - c. Demonstrate an overall level of competence for the entire exam.
2. Demonstrate adequate depth in the discussion of the issues identified.
3. Demonstrate adequate breadth in the identification of the issues relevant to the situation being assessed.

As communicated previously, the move to competency-based assessment represents a significant change in the way candidates are judged to be ready to begin their careers as CIRPs. With the move to competency-based assessment, assessors had the opportunity to look at candidate responses on a holistic basis, to see if candidates “got it”, whether at the question level or at the level of the exam as a whole.

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<sup>1</sup> The Competency Profile was ratified by the membership in 2011.

The competencies were assessed on a sub-competency level on multiple questions throughout the exam, giving candidates opportunities to demonstrate their competence in differing situations. The overall level of competency represented performance on the exam as a whole.

The assessment process was complex. Every effort was made to provide a complete and fair evaluation for each candidate. In addition to providing intensive training for the assessors, CNIE Board members reviewed samples of candidate responses to satisfy themselves that the assessments were being applied as intended and on a consistent basis. These reviews were also carried out to confirm the appropriateness of the requirements set for depth and breadth.

The CNIE Board and the Exam Oversight Committee reviewed the assessment methodology throughout the assessment process. The CNIE Board and the Exam Oversight Committee concluded that the assessment of candidates was fair and reasonable. The process was further analyzed by the CQP Committee and by the CAIRP Executive Committee before the results were approved for release.

After this intense process, the CNIE Board is confident in the validity of the assessment process and the fairness of the results achieved. In conjunction with the CQP Committee we will continue to look for ways to assist candidates in the program prepare to maximize their chance of success on the CNIE.

On the 2015 CNIE, a significant proportion of candidates had difficulty in demonstrating competence in Insolvency Law and Practice, the first condition to meet the passing profile. Of the remaining 7 competencies being tested, those which provided the greatest challenges to candidates were: Taxation; Managing Business Operations; and Financing.

The 2015 CNIE consisted of case study questions. The majority of the candidates were unable to identify issues, and when issues were identified, many candidates lacked the ability to analyze the issue thoroughly, make useful recommendations and define a path towards implementation, i.e. to address the “so what?” in these situations. Fundamentally, candidates need to find an optimal balance between demonstrating their investigation of the situation as presented and demonstrating their proposed course of action as it relates to the specific case facts.

The CNIE Board firmly believes that candidates will continue to adjust to the competency-based approach to assessment. This adjustment, however, will only occur if candidates use the Competency Profile to guide their preparation and be prepared to analyze and respond to case study questions. Failure to do so will not only impact the ability to provide sufficient breadth in responses (as identified under each of the competency areas), but may lead to failure in the provision of adequate depth (with respect to level of competence expected for each of the competencies identified in the profile).

In addition to referring to the [Competency Profile](#), candidates may find it helpful to refer to the [Bulletin](#) sent out in August, 2012 detailing the change to competency-based assessment.

As indicated earlier in this message, 19 candidates were successful on the CNIE this year, out of a total of 53 candidates who attempted the exam, representing a disappointing pass rate of 36% overall. Although the pass rate among candidates for whom this was the first attempt was better, at 40%, the CNIE Board expects the pass rate should be much higher.

To be clear, the CNIE Board is not suggesting that the unsuccessful candidates necessarily lack competence, but rather that the candidates have not been able to demonstrate such competence. The ability to demonstrate competence and be recognized as competent is essential to being identified as a professional in any field of practice.

CAIRP, through the various committees involved in the education process, has implemented several measures designed to help<sup>2</sup> candidates successfully complete this major test on their way to earning the CIRP certification. The principal measures included:

Given the nature of the assessment, it is likely that a factor of success<sup>2</sup> would also include gaining insightful, valuable experience in all areas of the restructuring and insolvency field. Sponsors and candidates should therefore look for opportunities to gain this experience or, if their practice does not lend itself to varied experience opportunities, to supplement by drawing on the experience of colleagues in other practice areas.

CAIRP is continuing to develop the program to assist candidates in achieving success, and remains committed to maintaining the high quality of the certification mark to ensure that members remain the recognized, acknowledged “go to” professionals in the insolvency field.

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<sup>2</sup> Note that data is insufficient to ascertain the correlation or isolate factors of success, although results suggest some factors may contribute to the candidates' success.