

## Competency-Based Assessment – Competency-Based National Insolvency Exam

CAIRP has implemented a competency-based education process, one that focuses not only on knowledge acquisition but on building competencies and skills.

The competency-based national insolvency examination ('CNIE') is intended to be a comprehensive examination that tests candidates' knowledge, understanding, ability to apply technical knowledge to practical situations, and ability to develop solutions to situations that could be encountered in the context of an insolvency and restructuring practice. In short, the CNIE is intended to evaluate the candidates' readiness to practice as an entry level, Chartered Insolvency and Restructuring Professional ('CIRP').

### What is Competency-Based Assessment?

Competency-based assessment can be described as an approach to assessment that focuses on skills or abilities to be demonstrated by the person being assessed, rather than an approach that focuses on measurement of knowledge in isolation from skill or abilities. To put it another way, a candidate must have the required knowledge to challenge a competency-based exam but simply having a deep knowledge base is not sufficient to succeed. Candidates must be able to demonstrate that they know how to apply that knowledge, i.e. demonstrate **the where, when and how** knowledge should be used within the parameters of case facts.

### What is the basis for deciding competence?

The current [CIRP Qualification Program Competency Profile \("CQP Competency Profile"\)](#) is the guideline used to assess competency. This document outlines the abilities and skills expected of a newly qualified CIRP. As well as describing specific competencies required, the Competency Profile defines the level of proficiency that a candidate should possess, whether it be acquisition (Acquisition), understanding (Level 2) or ability (Level 1).

### Are all competencies tested on the CNIE?

No. The competencies are divided into ten different areas

#### Pervasive Qualities and Skills

- A Ethical behaviour and professionalism
- B Personal attributes
- C Professional skills

#### Specific Competencies

- D Insolvency philosophy and practice
- E Insolvency law and practice
- F Taxation
- G General business law
- H Financing
- I Managing business operations
- J Financial analysis and reporting

Some competencies, qualities or skills are better assessed in the workplace setting, for example, several of those described as pervasive. Such competencies, qualities and skills will be evaluated by the sponsor, who will have to attest to the fact that the candidate has attained the required level before the candidate can challenge the CNIE.

Although the pervasive qualities and skills, notably Competency B: Personal Attributes and Competency C: Professional Skills, are not explicitly tested or prescribed a weighting in the exam, a successful candidate will demonstrate problem solving ability, interpreting ideas and information critically, evaluating risks, analyzing, integrating, communicating clearly and professionally, etc.

The remaining eight competencies (Competency A: Ethical behaviour and professionalism, and Competencies D through J) are explicitly tested in the exam.

### **How is the exam created?**

There is a rigorous process in place to ensure the development of a fair and comprehensive exam. The exam itself is developed by the CNIE Board according to a mandate set by the CQP Committee (the Committee that oversees the entire CQP Program). The mandate sets parameters for the make-up of the exam in relation to topic coverage, practice type and relative weighting for each of the competency areas.

The CNIE Board is made up of experienced CIRPs/trustees and a representative member of the OSB, all with a strong interest in education. Each Board member is actively involved in preparing the scenarios for the exam, in setting profiles for passing candidates, in preparing evaluation guides and in supervising the evaluation process.

Exams are sent for review to the Exam Oversight Committee (“EOC”), before final approval by the CQP Committee. The EOC is made up of seasoned CIRPs/trustees plus an outside education specialist. The EOC is tasked with reviewing both the exam and the exam results.

The EOC, in its comprehensive review of the exam and evaluation guide, takes into account the level of difficulty and perceived likelihood of candidates including the responses anticipated in the evaluation guide. This review guides the EOC in setting the success criteria for the exam.

### **What types of questions are included in the exam?**

The exam consists of insolvency and restructuring scenarios of varying lengths. Questions may test one or more competencies, depending on the complexity of the scenario. Candidates are expected to thoroughly review the facts presented, analyse the situation and use professional judgement to address the issues.

### **How long is the exam?**

The exam is held in two sessions over two days. Each of the exams is designed to take three hours to complete but, to eliminate time pressure as a determining factor in success, an extra two hours are allowed for each. In other words, the exam is held in two five hour sessions.

## How is the exam be assessed?

Once your exam is collected it is brought to the evaluation centre. Exams are evaluated by teams of markers. Each team will be led by a member of the CNIE Board or the Exam Oversight Committee in order to ensure consistency and fairness.

Teams are divided per predominant area of practice. Consumer practitioners assess consumer questions and corporate practitioners assess corporate questions.

Each question is assessed independently by two assessors. All variances, no matter how minor between these individual assessments are reconciled to ensure agreement before the final assessment is made.

The responses for each question on the exam are assessed as to whether or not the responses provided by the candidates demonstrate or do not demonstrate adequate breadth and depth, in other words, demonstrate competency or not. One way to look at this is to consider that, a “line is drawn in the sand”. Candidates demonstrating competency are on one side of the line while candidates not demonstrating competency are on the other side of the line. Relative performance above or below the line is not reported on.

The required level of competence may vary. For example, expectations for a newly designated CIRP would be much lower in the specialized areas of practice such as cross-border insolvencies or securities firm bankruptcies than in ‘bread and butter’ insolvency matters such as preparing a statement of receipts and disbursements or calculating surplus income.

Individual competencies are likely to be tested in more than one question. The proficiency levels demonstrated on each will be combined at the end of the marking process to generate one comprehensive competency ranking for each of the eight competencies for each candidate.

## What is meant by providing sufficient breadth and depth in a response to a question?

A candidate’s response has sufficient breadth if it addresses all of the issues identified as being relevant to providing a competent answer for the question being posed. A candidate’s response has sufficient depth if an issue is not only identified but discussed in sufficient detail to demonstrate a good understanding of that issue and the implications arising from it.

### Breadth:

Thus, it is possible for a candidate to correctly identify an issue based on the case facts and address it a great length. If, however, other key issues are not identified or discussed in sufficient depth, that candidate will not achieve a level of competency on that question.

### Depth:

Similarly, a candidate may identify all of the key issues but fail to address any in sufficient depth to demonstrate competence.

It is very important to note that just writing all you know about an issue does not necessarily lead to a successful result. Providing more information that may be nice to know but is not relevant to the case facts will not demonstrate increasing levels of competence. Providing conflicting or incorrect responses will certainly demonstrate lack of competence.

### **What are the requirements for successful completion of the CNIE?**

To pass the exam, each successful candidate must:

1. Achieve a rating of ‘Competent’ in Competency E: Insolvency Law and Practice.
2. Demonstrate competence on average throughout the exam over all eight competencies being tested.

### **How are the results be reported?**

Results are reported on a pass/fail basis. In addition, candidates are informed of whether or not they have been able to successfully demonstrate competency on each of the eight competencies being tested.

### **If there are no final marks how is it possible to judge how best to allocate time on the exam?**

The exam will show a “suggested time range” per question as a time guide. The suggested time range is calculated based on the relative weighting of each question.

### **What is the best way to prepare for the exam?**

All candidates preparing for the CNIE must become familiar with the Competency Profile since that forms the basis for the exam itself. Over the course of the Program you have been exposed to and developed a detailed knowledge of the insolvency and restructuring field. In the exam you will be asked to analyse various scenarios and apply your knowledge appropriately.

### **Additionally, you should:**

- ❖ Be sure to read each scenario and each question carefully.
- ❖ Be careful to answer what you are asked for and remember, simply rehashing knowledge from memory will not demonstrate competency.
- ❖ Draw conclusions when required.
- ❖ Support recommendations.
- ❖ Be consistent.
- ❖ Avoid conflicting statements or recommendations.

### **What should you do if you feel uncertain that you have sufficient exposure to the subject matter of different proficiency areas after going through the course materials?**

Given the different backgrounds of many CNIE candidates it is quite likely that some will not have acquired sufficient exposure to certain competency areas. As a result, the CQP Committee has approved a [Body of](#)

[Knowledge](#) that lists valuable resources that can and should be referenced to ensure adequate preparation for the exam.

### **What is the appeal review process?**

All candidates who have been unsuccessful on the CNIE may appeal their results. Please note that, as stated in CQP policies, all candidate papers are the property of CAIRP and will not be returned to candidates in either the original or copied form.

### **Appeal Policies**

Appeal markers reassess the entire candidate paper. Candidates are not required to provide any support for their appeal.

### **Fee Structure**

The cost to appeal the exam results is \$500.

*Candidates preparing to write the CNIE may access the practice questions from the Applied Knowledge Course site on Captus, under Course Materials.*