

2013 Competency-based National Insolvency Exam (CNIE)

Message to Candidates and Sponsors

This is the second 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.

The overall results of the 2013 CNIE were similar to last year, with 54% of candidates being successful. Analysis of this year's results indicate a 63% pass rate for first time writers compared to a 45% pass rate for candidates who attempted the NIE or CNIE in the past; a 70% pass rate for those who attended the 2013 tutorial; and a 76% pass rate for candidates with post graduate designations (CPA, CA, CMA, CGA, LLB).

Congratulations all successful candidates! These candidates will now be invited to challenge the Superintendent of Bankruptcy's Oral Board Examination for the purpose of becoming licensed trustees in bankruptcy.

In determining what defines a successful candidate, the CNIE Board, with support from the Exam Oversight Committee and the CQP Committee, identified a passing profile based on the Competency Profile for an entry level CIRP. This Competency Profile was ratified by the membership in 2011.

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

1. Demonstrate:
 - a. Competence in Insolvency Law and Practice.
 - b. Competence in 4 of the remaining 7 competencies being tested.
 - c. 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.

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.

Most of the competencies were assessed on multiple questions throughout the exam, giving candidates opportunities to demonstrate their competence in differing situations. Results were weighted by the difficulty of each question so that the overall level of competency represented performance on the exam as a whole.

The assessment process was complex. Every effort was made to ensure complete and fair evaluations 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. Exams were re-assessed as many times as required to ensure consistency in the process. The CNIE Board is confident in the validity of the new assessment process and the fairness of the results achieved.

After completing the assessment of the 2013 CNIE, the CNIE Board noted the following weaknesses exhibited by the majority of candidates. Specifically, candidates need to:

- Become intimately familiar with and consistently apply the CAIRP Rules of Professional Conduct and Standards of Professional Practice, and the BIA Code of Ethics that govern the profession. Candidates need to consider these guidelines in the assessment of every situation faced and go beyond simple identification to demonstration of actual application.
- Demonstrate their understanding:
 - as to who is a 'related party' (i.e. differentiate between aunt, sister-in-law, son, spouse, company controlled by a shareholder of the debtor company, etc.) and the rules and legislations that govern situations/transactions with related parties (i.e. court approval regarding sale of assets, disclosure requirements, limitations on ability to accept an engagement);
 - as to how claims of landlords in a bankruptcy are calculated (i.e. incorrectly applied the requirements under a Division I proposal to a bankruptcy scenario; and/or did not address both the preferred and unsecured portion of the claim);
 - regarding the types of goods that are subject to BIA Section 81.1 / 81.2 claims (i.e. lack of discussion that not all goods supplied by farmers are eligible for a Section 81.2 claim);
 - regarding Third Party fee guarantees (i.e. disclosure and documentation requirements); and
 - as to when directors, debtor companies, Insolvency Practitioners face personal liability and the protections that exist.

Although candidates were able to identify issues, 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.

Candidates and sponsors are reminded of the critical importance of consulting the [Competency Profile](#) and [Body of Knowledge](#) to ensure that candidates not having the strong foundational knowledge base necessary to succeed in the Program find the resources to assist them. For example, those candidates without previous experience in accounting or business law can find both French and English language reference texts listed in the Body of Knowledge.

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. 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 our [Bulletin](#) sent out in August, 2012 detailing the change to competency-based assessment.