



INTERNATIONAL VALUATION STANDARDS COUNCIL

IPS 104: Initial Professional Development – Practical Experience

EXPOSURE DRAFT

Publication date: 31 March 2016

Comments on this Exposure Draft are invited before 30 June 2016. All replies may be put on public record unless confidentiality is requested by the respondent. Comments may be sent as email attachments to:

commentletters@ivsc.org

Or by post to: IVSC, 1 King Street, LONDON EC2V 8AU, UK

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Notes for Respondents

The intent of this Exposure Draft is to seek views from interested parties. The IVSC Professional Board seeks comment on the proposed *IPS 104: Initial Professional Development – Practical Experience* and would like respondents to express a clear overall opinion of the Exposure Draft. Responses to the specific questions are also invited.

Questions for Respondents

In addition to any specific comments, responses are invited to the following questions. Not all questions need be answered. Please indicate the question to which any answer relates.

Specific questions

IPS 104: Initial Professional Development – Practical Experience

1. Do you agree with the concept and the role of the practical experience supervisor? Please explain.
2. Do you agree the threshold period of 1,500 hours in a supervised work environment should normally be a prerequisite for accreditation as a professional valuer?

Notes for respondents:

In order for us to analyse and give due weight to your comments, please observe the following:

1. Responses should be made in letter format, where appropriate on the organisation's letter heading.
2. Comments should not be submitted on an edited version of the Exposure Draft.
3. Unless anonymity is requested, all comments received may be displayed on the IVSC website.
4. Comment letters should be sent as an email attachment in either MS Word or an unlocked PDF format and no larger than 1mb. All documents will be converted to secured PDF files before being placed on the website.
5. The email should be sent to commentletters@ivsc.org.

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Standard

Scope of this Standard

- 1 1. The International Professional Standards (IPSs) are professional standards for Valuation
2 Professional Organisations (VPOs) to incorporate into the education and development of
3 their members. This IPS prescribes that sufficient practical experience is required as part
4 of the Initial Professional Development (IPD) of professional valuer candidates (Candidates).
- 5 2. This IPS is addressed to International Valuation Standards Council (IVSC) member
6 bodies that provide professional valuer accreditation for the education and development
7 of their members (VPOs that are members of the IVSC). In addition, this IPS may be
8 helpful to those who commission or rely on valuations, educational organisations, those
9 who design, deliver, assess or support education programmes for professional valuers,
10 employers of professional valuers, government authorities, regulators with responsibility for
11 the oversight of the work of professional valuers, and prospective valuers who undertake their
12 own learning and development.
- 13 3. Definitions and explanations of key terms are set out in paragraph 20.
- 14 4. The commentary, as set out in paragraphs A1 to A22, provides additional explanation relevant
15 to the requirements of this IPS. The commentary is intended to explain more fully what a
16 requirement means and may include examples of how to meet the requirements. The
17 commentary does not in and of itself impose any additional requirements; its purpose is to
18 assist in their application.
- 19 5. Practical experience refers to workplace and other activities that are relevant to developing
20 professional competence. Practical experience is a component of IPD. IPD is learning and
21 development through which individuals first develop competence to perform the role of a
22 professional valuer.
- 23 6. Practical experience during IPD builds on general education and programmes of
24 professional valuer accreditation. The public expects professional valuers to apply their
25 experience and knowledge in carrying out their roles. However, the variety of roles that
26 professional valuers perform means that the required practical experience may vary from one
27 VPO to another, and even within an individual VPO that offers different types of membership.
28 VPOs that are members of the IVSC are able to adapt their practical experience
29 requirements to meet their own needs, the requirements of the relevant regulatory
30 authorities and public expectations that professional valuers are competent.
- 31 7. Every Candidate is expected to be allocated a supervisor to oversee their practical
32 experience. This practical experience supervisor may be nominated by the VPOs that are
33 members of the IVSC or the employer.
- 34 8. Practical experience supervisors have important roles in planning and monitoring the
35 practical experience gained by Candidates.
- 36 9. After the completion of IPD, practical experience may be required to bring professional
37 valuers to a level of competence needed for other roles or forms of specialisation.

38 Throughout their careers, the competence gained during IPD is continually renewed,
39 modified and/or expanded through Continuing Professional Development.

40 ***Effective Date***

41 10. This IPS is effective from Date tbd, 2016, although earlier adoption is encouraged.

42 ***Objective***

43 11. The objective of this IPS is to establish the practical experience that Candidates need to
44 complete by the end of IPD.

45 ***Requirements***

46 ***Practical Experience***

47 12. VPOs that are members of the IVSC shall require that Candidates complete practical
48 experience by the end of IPD.

49 13. VPOs that are members of the IVSC shall require sufficient practical experience to
50 enable Candidates to demonstrate that they have acquired the professional skills and
51 ethics, and the appropriate level of technical knowledge necessary for performing a role
52 of a professional valuer. A threshold period of 1,500 hours in a supervised work
53 environment over 2 years is normally a prerequisite for accreditation as a professional
54 valuer, but may differ based on the VPO's assessment of educational experience and
55 other qualifications.

56 14. VPOs that are members of the IVSC shall define their practical experience requirements
57 and establish their preferred approach to assess that sufficient practical experience has
58 been completed by Candidates.

59 ***Practical Experience Supervision and Monitoring***

60 15. VPOs that are members of the IVSC shall require that practical experience of Candidates
61 be conducted under the direction of a practical experience supervisor.

62 16. VPOs that are members of the IVSC shall require that practical experience of Candidates
63 is recorded in a consistent form prescribed by that VPO or, where applicable, a regulatory
64 body.

65 17. VPOs that are members of the IVSC shall require that the practical experience supervisor
66 undertake a periodic review of the records of the practical experience of Candidates.

67 ***Review of Practical Experience Requirements***

68 18. VPOs that are members of the IVSC shall review and update their practical experience
69 requirements as considered necessary.

70 ***Assessment of Practical Experience***

71 19. VPOs that are members of the IVSC shall establish appropriate activities to assess that
72 sufficient practical experience has been completed by Candidates at the end of IPD.

73 **Definitions and Explanations of Key Terms**

74 20. This IPS uses the following definitions and explanations of key terms:

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- A professional valuer is a person who has expertise in the field of valuation, achieved through formal education and practical experience and maintained through continuous learning and development, is held to high professional standards equivalent to the IVSC's IPSs and *Code of Ethical Principles for Professional Valuers* and whose compliance with such standards is subject to enforcement by a VPO that is a member of the IVSC.
- 81
- A professional valuer Candidate is an individual who has commenced a professional valuer accreditation programme as part of IPD.
- 82
- 83
- A practical experience supervisor is a professional valuer who is responsible for directing, advising and assisting Candidates in acquiring sufficient practical
- 84
- 85
- experience.

Commentary

Scope of this Standard (paras 1-9)

- 86 A1. The inclusion of practical experience in IPD lays the base for the ongoing development of
87 professional competence throughout the professional valuer's career.
- 88 A2. Professional valuation accreditation programmes are designed to support Candidates to
89 develop the appropriate professional competence by the end of IPD. Such programmes may
90 include formal education delivered through qualifications and courses offered by educational
91 institutions, VPOs that are members of the IVSC and employers, as well as workplace training.
92 The design of professional valuer accreditation programmes during IPD may therefore involve
93 substantive input from stakeholders other than VPOs that are members of the IVSC.
- 94 A3. Professional competence can be described and categorized in many different ways. Within the
95 IPSs, professional competence is the capacity to do something well measured against a defined
96 standard with reference to working environments. Professional competence requires the
97 capabilities of professional skills and ethics, and the appropriate level of technical knowledge.
- 98 A4. Practical experience provides a professional environment in which Candidates develop
99 competence by:
- 100 • becoming aware of the environment in which services are provided,
 - 101 • enhancing their understanding of organisations, how business works and professional
102 work relationships,
 - 103 • being able to relate valuation work to other business functions and activities,
 - 104 • developing the appropriate professional skills and ethics in practical, real-life situations,
105 and
 - 106 • having an opportunity to develop at progressive levels of responsibility while under
107 appropriate levels of supervision.

Objective (para 11)

- 108
- 109 A5. Sufficient practical experience has a blend of breadth and depth of knowledge and application
110 and, where appropriate, integration of material from different areas applied to a range of
111 situations and contexts. The breadth of practical experience is affected by many factors
112 including the nature of the role, established requirements in the relevant jurisdiction and the
113 public's expectation for professional competence. The depth of practical experience is
114 affected by factors such as the variety and complexity of tasks as well as the level of
115 supervisory and monitoring support.
- 116 A6. Having Candidates complete sufficient practical experience to perform a role as a
117 professional valuer serves the following purposes:
- 118 • The public interest is protected and the credibility of the profession is enhanced when
119 only those who meet the profession's competence requirements are permitted to be
120 professional valuers.

- 121 • VPOs that are members of the IVSC and regulatory authorities have a responsibility to
122 ensure that professional valuers have the competence expected of them by the public,
123 employers and clients.
- 124 • Professional valuers have a continuing duty to develop and maintain professional
125 competence to ensure that clients, employers and relevant stakeholders receive
126 competent professional service.

127 **Requirements**

128 ***Practical Experience (paras 12-14)***

- 129 A7. IPD builds on general education and includes professional valuer education, practical
130 experience and assessment. The exact combination of these components may vary
131 depending on a range of factors, eg, the complexity and variety of tasks, special knowledge
132 required, level of autonomy and the level of judgement required by the role the Candidate is
133 expected to undertake at the end of IPD. The combination of practical experience and
134 education might also vary according to rules established by VPOs that are members of the
135 IVSC, national and local laws, requirements of regulatory authorities, and public expectations.
- 136 A8. In determining what constitutes an appropriate balance between professional valuer education
137 and practical experience, VPOs that are members of the IVSC may consider the following:
- 138 • Some professional valuer accreditation programmes that place a strong emphasis on
139 practical application, such as traineeships, internships, cooperative education work
140 periods and secondments, may contribute to the practical experience requirement.
 - 141 • Study for academic or professional qualifications is useful for acquiring and
142 demonstrating professional valuer technical knowledge. However, by itself, study does
143 not necessarily demonstrate achievement of the professional competence to perform a
144 role as a professional valuer. Experience gained at work equips Candidates with many
145 of the skills needed to become competent professional valuers.
 - 146 • Practical experience may be obtained after completion of a professional valuer
147 accreditation programme or concurrently with such a programme.
- 148 A9. In setting the approach and requirements for practical experience, VPOs that are members of
149 the IVSC may consider a number of factors, including:
- 150 • the public interest, including knowledge of the local environment, public expectations
151 and any relevant regulatory requirements,
 - 152 • the needs of the Candidates, including an understanding of the roles that they may
153 undertake upon completion of IPD,
 - 154 • the needs of the employer, including efficiency and cost-effectiveness, and whether that
155 employer is in industry, government or public practice, and
 - 156 • the needs of the VPOs that are members of the IVSC, including regulatory
157 requirements, efficiency and cost-effectiveness.

158 A10. The measurement of practical experience can be established using one of the following three
159 approaches:

- 160 • output-based,
- 161 • input-based, or
- 162 • a combination of output-based and input-based approaches.

163 ***Output-based Approach***

164 A11. An output-based approach requires Candidates to demonstrate, using output-based
165 measures, that they have obtained practical experience. The evidence that could be used for
166 assessment purposes in an output-based approach could include:

- 167 • a measurement of learning outcomes achieved in accordance with a competency map,
- 168 • reviews of a research project or reflective essay, and
- 169 • work logs compared against an appropriate competency map (a work log is a record
170 maintained by an individual of the nature of the assignments and tasks completed, and
171 of the time incurred in completing those assignments and tasks).

172 ***Input-based Approach***

173 A12. An input-based approach requires Candidates to demonstrate, using input-based measures, that
174 they have obtained practical experience. Input-based approaches are traditionally based on time,
175 eg, hours spent on relevant activities or total duration, eg, days, months or years, of practical
176 experience. Input-based approaches are often used as a proxy for measuring development of
177 competence due to ease of measurement and verification. Input-based approaches have
178 limitations, eg, they do not always directly measure learning outcomes or competence developed.

179 A13. Evidence that could be used for measurement in an input-based approach includes attendance
180 records, time sheets, workplace diaries and work logs or journals. In setting a requirement using
181 an input-based approach, consideration may be given to the structure and relevance of education
182 programmes completed by Candidates. Professional valuer education programmes that deliver
183 outcomes similar to the outcomes derived from measured work-based experience such as
184 internships may contribute to the total requirement for practical experience. Similarly, where a
185 substantial education programme has been completed in a relevant subject, such as a Master's
186 degree in finance, a VPO that is a member of the IVSC may elect to reduce the practical
187 experience component.

188 A14. Regardless of the balance of the component parts, there is typically an expectation by the
189 public that a professional valuer has completed a professional valuation education
190 programme and has obtained sufficient practical experience.

191 ***Combination Approach***

192 A15. Approaches that combine elements of both output-based and input-based approaches might
193 be constructed by the VPO that is a member of the IVSC. Input units might be considered as
194 contributing to the professional competencies being measured. Achievement of particular

195 A16. competencies might either be used to verify input, or in some cases replace a portion of the
196 input requirement.

197 ***Practical Experience Supervision and Monitoring (paras 15-17)***

198 A17. Practical experience supervisors can represent an important link between Candidates and
199 VPOs that are members of the IVSC. They may be responsible for planning the practical
200 experience period and providing guidance to Candidates. In some environments, practical
201 experience supervisors may also provide mentoring support to Candidates. VPOs that are
202 members of the IVSC may provide training for practical experience supervisors, and put in
203 place assistance and quality control programs.

204 A18. Practical experience supervisors may be assisted in performing the monitoring function by
205 others, some of whom may not be professional valuers.

206 A19. The purpose of the periodic review by the practical experience supervisor of the record of
207 practical experience is to check that requirements set by the VPO that is a member of the IVSC
208 or regulatory authority are being met. In addition, this periodic review can also be used to
209 monitor an individual's progress. If the Candidate's progress does not match expectations, the
210 practical experience supervisor has an opportunity to review the situation to discover the
211 reasons why and what can be done to improve progress. This periodic monitoring will provide
212 an opportunity for the practical experience supervisor and the Candidate to review the practical
213 experience obtained to date and contribute to the future development of the Candidate.

214 A20. In assessing the sufficiency of the practical experience acquired by Candidates, VPOs that
215 are members of the IVSC may consider the following activities:

- 216 • establishing a system to monitor and report the practical experience obtained,
- 217 • providing detailed written guidance for practical experience supervisors and Candidates
218 regarding the programme of practical experience and their respective roles and
219 responsibilities,
- 220 • establishing a mechanism for approving the suitability of practical experience
221 supervisors work log to provide the appropriate practical experience for Candidates,
- 222 • assessing and approving the practical experience environment before commencement
223 of experience, eg, the nature and scope of practical experience and the training
224 arrangements of employers can be reviewed to ensure that Candidates would receive
225 appropriate direction, supervision, mentoring, counseling and evaluation,
- 226 • establishing a system of periodic reporting by practical experience supervisors to cover
227 changes, if any, in the planned nature, scope and content of practical experience
228 undertaken by Candidates,
- 229 • assessing, prior to completion of IPD, the practical experience gained, based on written
230 submissions, possibly supported by oral submissions, made by Candidates and
231 practical experience supervisors,
- 232 • encouraging employers to provide feedback to Candidates and to practical experience
233 supervisors and to communicate when competencies have been achieved,

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- monitoring previously approved practical experience supervisors, eg, VPOs that are members of the IVSC may advise on areas for improvement or might recommend withdrawal of approval if conditions have so changed that relevant experience criteria are not being met, and
- 238
- undertaking a periodic and timely study of the competencies required by professional valuers to help to ensure that sufficient practical experience is acquired and supported.
- 239

240 ***Review of Practical Experience Requirements (para 18)***

- 241 A21. Practical experience requirements support Candidates to develop the appropriate professional
- 242 competence by the end of IPD. The requirement to review and update the practical experience
- 243 requirements reflects the rapidly-changing and complex environment within which professional
- 244 valuers operate. The review cycle will depend upon the frequency of changes in legislation,
- 245 regulations and established requirements relevant to professional valuers.

246 ***Assessment of Practical Experience Requirements (para 19)***

- 247 A22. *IPS 105: Initial Professional Development – Assessment of Professional Competence*
- 248 provides the principles that apply to the design of activities used to assess the sufficiency of
- 249 practical experience.
- 250 A23. Various activities can be used to assess the sufficiency of practical experience of Candidates.
- 251 Appropriate assessment activities may include workplace assessment as presented in *IPS*
- 252 *102: Initial Professional Development – Professional Skills and Ethics* and *IPS 103: Initial*
- 253 *Professional Development – Technical Knowledge*.