



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS

ATLANTIC
SCHOOL
OF BUSINESS

GUIDE TO UNDERSTANDING TECHNICAL AND ENABLING COMPETENCIES



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UNDERSTANDING CORE, DEPTH AND BREADTH

For candidates to meet the practical experience requirements, they need 8 sub-competencies in total throughout their 30-month duration.

These 8 sub-competencies are usually part of three main competency areas. (Ex: Financial Reporting, Finance, Mgmt. Accounting or Financial Reporting, Audit, Tax etc.).

Other areas not mentioned in these examples are not necessarily needed if those three main competency areas consist of 8 sub-competencies in total, at various level 1's and 2's, by the end of 30 months duration and meet the candidates' technical requirements for practical experience (core, depth and breadth)

CORE

Financial Reporting **AND** / **OR** Management Accounting, at least three sub-competencies at Level 1 or greater

- This is the foundation of accounting. In any position, these tasks and duties are usually related or tied in with the focus/main duties/tasks
- This could be a combination of having sub-competencies in both Financial Reporting and Management Accounting or having sub-competencies in only Financial Reporting or only Management Accounting

DEPTH

Within one competency area, all sub-competencies at Level 1 or greater with at least two at Level 2

- This is your area of focus and relates to your main duties for your position.
- Depth can be in any competency area, most common in Financial Reporting, Audit & Assurance, Tax, or Management Accounting

BREADTH

Overall, eight sub-competencies at Level 1 or greater with at least four at Level 2

- This is basically your core and depth combined plus one or two other sub-competencies
- Most candidates will only have a total of 8-10 sub-competencies combined in TOTAL

If your specific tasks/duties do not relate to a sub-competency, then do not complete these in the report (ex: if you do not do audit or tax – then these should not be completed)



EXAMPLE:

Candidate A

Each candidate is unique, these examples are to only show how the sub-competencies combined meet core, depth and breadth. This is only to be used as a guideline.

Candidate A

Working as a Financial Analyst or Controller or Senior Accountant etc. may achieve their core (Financial Reporting and Management Accounting) depth (Financial Reporting) and breadth (Finance) in the following scenario:

FINANCIAL REPORTING	
Financial reporting needs and systems (FR1)	Level 2
Accounting policies and transactions (FR2)	Level 2
Financial report preparation (FR3)	Level 1
Financial statement analysis (FR4)	Level 2

MANAGEMENT ACCOUNTING	
Management reporting needs and systems (MA1)	Level 1
Planning, budgeting and forecasting (MA2)	Level 2
Cost / revenue / profitability management (MA3)	Level 2
Organizational / individual performance measurement (MA4)	

AUDIT & ASSURANCE	
Internal control (AA1)	
Internal audit or external assurance requirements, basis and risk assessment (AA2)	
Internal audit projects or external assurance engagements (AA3)	

FINANCE	
Financial analysis & planning (FN1)	Level 1
Treasury management (FN2)	Level 1
Capital budgeting, valuation, corporate finance (FN3)	

TAX	
Income tax legislation and research (TX1)	
Tax compliance: corporate or personal (TX2)	
Tax planning: corporate or personal (TX3)	

STRATEGY & GOVERNANCE	
Governance mission, vision, values & mandate (SG1)	
Strategy development / implementation (SG2)	
Enterprise risk management (SG3)	

EXAMPLE:

Candidate B

Each candidate is unique, these examples are to only show how the sub-competencies combined meet core, depth and breadth. This is only to be used as a guideline.

Candidate B

Working as an internal or external auditor, may achieve their core depth and breadth in the following scenario: Core (Financial Reporting), Depth (Audit), Breadth (Tax)

FINANCIAL REPORTING	
Financial reporting needs and systems (FR1)	Level 1
Accounting policies and transactions (FR2)	Level 2
Financial report preparation (FR3)	Level 2
Financial statement analysis (FR4)	Level 2

MANAGEMENT ACCOUNTING	
Management reporting needs and systems (MA1)	
Planning, budgeting and forecasting (MA2)	
Cost / revenue / profitability management (MA3)	
Organizational / individual performance measurement (MA4)	

AUDIT & ASSURANCE	
Internal control (AA1)	Level 2
Internal audit or external assurance requirements, basis and risk assessment (AA2)	Level 2
Internal audit projects or external assurance engagements (AA3)	Level 2

FINANCE	
Financial analysis & planning (FN1)	
Treasury management (FN2)	
Capital budgeting, valuation, corporate finance (FN3)	

TAX	
Income tax legislation and research (TX1)	Level 2
Tax compliance: corporate or personal (TX2)	Level 1
Tax planning: corporate or personal (TX3)	

STRATEGY & GOVERNANCE	
Governance mission, vision, values & mandate (SG1)	
Strategy development / implementation (SG2)	
Enterprise risk management (SG3)	

UNDERSTANDING THE TECHNICAL COMPETENCIES

There are six main technical competency areas:

Financial Reporting	Finance
Management Accounting	Tax
Audit and Assurance	Strategy & Governance

Within each of these main competency areas there are specific sub-competencies. These sub-competencies formulate the description of the tasks and duties which candidates should include in their response if the sub-competency relates to their job duties.

Example:

Financial Reporting ([Main competency](#))

- **FR1: Financial Reporting Needs & Systems** ([sub-competency](#))
 - Identify opportunities to improve the financial reporting framework to ensure reliable and accurate reporting for external stakeholders ([job duty/description of response](#))
 - Through the process of audit, review clients' financial reporting frameworks to ensure reliable and accurate data ([job duty/description of response](#))
- **FR2: Accounting policies & transactions** ([sub-competency](#))
 - Analyzing or reviewing accounting policies or transactions in accordance with the relevant accounting standard ([job duty/description of response](#))
 - Through the process of audit, review supporting documents and data to ensure compliance in accordance with the relevant accounting standards ([job duty/description of response](#))



EXAMPLE OF TECHNICAL COMPETENCIES:

FINANCIAL REPORTING

Examples in this document are for illustrated purposes only.

CPA Technical sub-competency and main competency	Examples of specific Job Duties	Considerations
Financial reporting: Financial Reporting Needs and Systems (FR1)	<ul style="list-style-type: none"> Assists in developing analytical tools in financial reporting systems and analyzing users' needs Examines financial systems for accuracy Evaluate the existing financial reporting structure, developing or improving the reporting process Designing and assisting in the implementation of systems and procedures to organize and coordinate the collection of financial information Identify the reporting needs of clients regarding audit engagement vs. those of internal and external users, legal and regulatory requirements Working with other members of the accounting/finance team to ensure the reporting of accurate, compliant and timely information to stakeholders on a regular basis 	<ul style="list-style-type: none"> Evaluating the financial reporting systems or data requirements to ensure that the reporting needs of external users are being met? (External users: Banks, Board of Directors) <p>OR</p> <ul style="list-style-type: none"> Analyzing the financial systems, reporting process, reporting requirements from clients Identify the reporting framework (IFRS, ASPE) Provide examples of any specific improvements or recommendations you may make to improve the financial system, reporting process Provide examples of any reporting or regulatory requirements you need to provide to your external stakeholders
<div> <div> This is <u>not</u>: <ul style="list-style-type: none"> Maintaining Excel templates, or running reports already created in the system This is not completing reports for your manager or supervisor </div> <div> This is: <ul style="list-style-type: none"> Unless candidates are involved in complex reporting (using multiple frameworks, many stakeholders/multiple regulatory requirements) OR involved in implementing ERP, level 2 would be difficult to achieve Creating a new procedure to automate specific accounting transactions, creating a new complex report in the accounting system taking into consideration the needs of your external stakeholders Onboarding or integrating new external reporting requirements </div> </div>		
Financial reporting: Accounting policies and transactions (FR2)	<ul style="list-style-type: none"> Preparing various accounting entries Researching and summarizing specific policies/treatments for relevant standards and regulations Prepare/Review non-routine and/or complex journal entries Implement consistent accounting policies, practices, and procedures across all programs, adhering to national and local legal standards while remaining knowledgeable of proposed legislation 	<ul style="list-style-type: none"> Do you reference specific sections of IFRS, SAP, ASPE or CPA Handbook to determine treatment of a transaction? Using examples, identify these specific sections and demonstrate how you use your own judgement on deciding treatment. Identify how often you do this type of work and the percentage of non-routine vs routine transactions Provide examples of how you would analyze and evaluate accounting policies and any alternatives. Provide examples of any recommendations you have made for any required adjustments. Provide details of any resulting impacts on the financial results.
<div> <div> This is <u>not</u>: <ul style="list-style-type: none"> Reconciliations Preparing routine journal entries for office supplies, power etc. Manually inputting entries into QuickBooks General bookkeeping /admin entries </div> <div> This is: <ul style="list-style-type: none"> Goodwill impairment, revenue accounting for multiple years, business acquisition accounting, pension plan and other employee future benefits, financial instruments, complex tax provision, consolidation entries, depreciation, intercompany transactions, purchases/leases – specifically noting the specific section of ASPE/ CPA Handbook/IFRS etc. </div> </div>		

EXAMPLE OF TECHNICAL COMPETENCIES:

FINANCIAL REPORTING

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CPA Technical sub-competency and main competency	Examples of specific Job Duties	Considerations
Financial reporting: Financial Report Preparation (FR3)	<ul style="list-style-type: none"> • Prepare and review financial statements • Preparing financial statements and completion of month end/year end • Preparation and assistance with monthly, quarterly and annual financial reports/ working papers/operating statements for individual companies/clients • Generating and independently reviewing the income statement, balance sheet, and cash flow statement 	<ul style="list-style-type: none"> • Identify the specific sections you prepare for the statements (balance sheet, income statements, • Do you prepare the statements monthly, quarterly, annually? • Do you prepare debt classification? Interest expense? Long term debt note? • Do you prepare consolidated financial statements? • Are the financial statements a candidate prepares subsequently audited or reviewed? • For larger organizations, prepare several components • For a smaller organization, prepare the majority of the entity's financial statements and applicable notes.
<div> <div> This is not: <ul style="list-style-type: none"> • Generating financial statements from the accounting software • Reviewing for only mathematical accuracy </div> <div> This is: <ul style="list-style-type: none"> • Preparing sections of the financial statements (eg: balance sheet, income statement, cash flow statement) • Preparing notes disclosures </div> </div> <p><i>*Multiple quarter ends, annual cycles is required for a level 2</i></p>		
Financial reporting: Financial Statement Analysis (FR4)	<ul style="list-style-type: none"> • Analyzing, and investigating variances of historical period to period statements, and summarizes data for external users. • Analyze financial data to identify trends, opportunities, and potential risks. • Responsible for preparation and interpretation of financial statement analysis (i.e. ratios and trend analysis, geography analysis, financial statement presentation (analysis by line items on BS + P& L) including considering interrelationships 	<ul style="list-style-type: none"> • Identify the type of analysis you are performing (i.e. line items – revenue, COGS, financial statements) • Identify specific trends (internal/ external) • Indicate the frequency of your analysis and what sections of the financial statements you prepare this analysis for
<div> <div> This is not: <ul style="list-style-type: none"> • This is not forward-looking financial analysis (i.e. budgeting/ forecasting those should be captured in MA2 sub area) • Capital related analysis </div> <div> This is: <ul style="list-style-type: none"> • Focused on historical (eg: comparing current financial statements to previous year financial statements) • Analyses are more operational </div> </div>		

EXAMPLE OF TECHNICAL COMPETENCIES:

MANAGEMENT ACCOUNTING

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CPA Technical sub-competency and main competency	Examples of specific Job Duties	Considerations
Management Accounting: Management reporting needs and systems (MA1)	<ul style="list-style-type: none"> Analyze and determine who are the internal stakeholders Evaluate internal processes & alternatives and recommend improvements to existing systems/reports to meet information needs Enhance Specific management reports Create new dashboards to provide information Be a part of new system implementation for management or internal purposes. Analyze data integrity and confidentiality 	<ul style="list-style-type: none"> Identify how you are evaluating the management system and the needs of internal stakeholders (Management) What recommendations are you making? What information are you providing to management and what are they using it for? How would your recommended changes/ implementations help management decision making? Identify who your internal stakeholders are How do you validate the information for accuracy? What privacy/ethical considerations do you consider?
<div> <div> This is <u>not</u>: <ul style="list-style-type: none"> External stakeholder focused Maintaining basic Excel spreadsheets Pulling reports already created in the financial system </div> <div> This is: <ul style="list-style-type: none"> Internal focus (managers, internal departments, CEO etc.) Creating a systematic report to meet a manager/ department's needs Making improvements in the system (eg: creating new fields to capture specific information/data points) Ensuring confidentiality and data management processes </div> </div>		
Management Accounting: Planning, budgeting and forecasting (MA2)	<ul style="list-style-type: none"> Assess reasonability of inputs for budget or forecasts Plan, evaluate and prepares budget and/or forecasts Prepare variance analysis between actual and budget Assists management in the preparation of forecasts by reviewing and assessing information inputs 	<ul style="list-style-type: none"> What analysis are you using to assess the inputs for the budget or forecast? What are the sources for the inputs? How many line items do you review What are your assumptions? Do you prepare the full budget or forecast? Or Specific sections? If you don't prepare the full budget, what section do you prepare? How often do you do this? (Monthly, quarterly etc.) How often do you prepare a budget variance analysis? What recommendations do you make? What are the impacts?
<div> <div> This is <u>not</u>: <ul style="list-style-type: none"> Rolling forward the existing budget and inputting data only </div> <div> This is: <ul style="list-style-type: none"> Completing the full budget for salary forecast, operational spending plan and linking financial and non-financial information (e.g., HR staffing process, travel and learning plans) Estimating the budgets for the next year Estimate to actual of variance analysis </div> </div> <p><i>*Multiple cycles, multiple forecasts or a combination of both are required for a level 2</i></p>		

EXAMPLE OF TECHNICAL COMPETENCIES:

MANAGEMENT ACCOUNTING

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CPA Technical sub-competency and main competency	Examples of specific Job Duties	Considerations
<p><u>Management Accounting: Cost, revenue, and profitability management (MA3)</u></p> <p>*** Ensure to identify which of the three areas you are targeting ***</p>	<ul style="list-style-type: none"> Identify cost reduction and revenue generation where necessary Identify opportunities for revenue growth, cost reduction, and process optimization Compile and analyze sources/drivers for maximizing profits Monitors expenditures to ensure appropriate usage, alignment with budgets, and prepares reports and comments to program managers Prepares expenditure and cost reports (e.g., expenditure trend analysis reports) to support decisions 	<p>Cost Management:</p> <ul style="list-style-type: none"> What cost management techniques do you apply? What analysis are you performing? How often do you do this type of work? What improvements/ recommendations do you suggest? (pricing decisions, purchasing decisions, maximizing productions etc.) What are the impacts? <p>Revenue Management:</p> <ul style="list-style-type: none"> What analysis are you performing? Identify the revenue growth sources/drivers What recommendations are you making? What are the impacts? <p>Profitability Management:</p> <ul style="list-style-type: none"> Discuss the analysis you perform? What recommendations do you make? What alternatives do you provide? How are you identifying/analyzing these alternatives? What are the impacts?
<p>This is not:</p> <ul style="list-style-type: none"> Collecting information on cost, revenue, profitability management <p>This is:</p> <ul style="list-style-type: none"> Applying management techniques such as fixed/variable, direct/ indirect, standard costing, Activity cost-based costing, job costing etc Completing analysis such as product mix, sales by product, sensitivity etc. Completing sensitivity analysis/break-even analysis/contribution margin analysis etc. 		
<p><u>Management Accounting: Organizational and individual performance measurement (MA4)</u></p> <p>*** Ensure to identify which of the three areas you are targeting ***</p>	<ul style="list-style-type: none"> Assessing management incentives and/or employee compensation Analyze key performance indicators Responsible for overseeing and analyzing performance of responsibility centres Analyzes possible causes of the performance issues using the system tools, assesses implication, and supports financial advisors in advising the program managers on addressing the issues 	<p>Management Incentive Schemes:</p> <ul style="list-style-type: none"> Are you analyzing the implications of management incentive schemes and/or employee compensation methods? How did you assess their effectiveness? What alternatives did you consider? <p>Key Performance Indicators (KPIs):</p> <ul style="list-style-type: none"> What KPI's do you evaluate? How often do you evaluate the KPI's? Identify the following in your responses: (1) describe the KPI; (2) the root causes of performance issues noted as a result of your analysis to plan; and (3) how you came to a conclusion and/or advised management on any changes to operations or measuring the KPIs. <p>Responsibility Center:</p> <ul style="list-style-type: none"> Are you responsible for more than one responsibility centre? What analysis do you perform? How often are you analyzing the performance? What recommendations do you make?
<p>This is not:</p> <ul style="list-style-type: none"> Just collecting or calculating for the existing KPI metric Evaluating your own performance or reviewing your own performance measures Completing your annual review <p>This is:</p> <ul style="list-style-type: none"> Is about the performance analysis for the business entity level. Analysing balance scorecard, metrics, ROI – return on investment etc. 		

EXAMPLE OF TECHNICAL COMPETENCIES:

AUDIT & ASSURANCE

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CPA Technical sub-competency and main competency	Examples of specific Job Duties	Considerations
Audit & Assurance: Internal control (AA1)	<ul style="list-style-type: none"> Assess the risk of material misstatement at the assertion level and design further audit procedures responsive to assessed risks Evaluate the entity's information system 	<ul style="list-style-type: none"> How do you assess the internal control environment? Do you evaluate the design and operating effectiveness of the information system? Does your organization rely on the information system with the control to perform their monthly/quarterly/annual analysis? Have you been tasked to look for improvement in the control? What kind of testing/process you are responsible for?
<p>This is not:</p> <ul style="list-style-type: none"> Just analyzing individual tasks or policies Executing existing procedures <p>This is:</p> <ul style="list-style-type: none"> Evaluating segregation of duties, access control, disaster recovery plan, processing controls Identifying the risks and impacts associated Used when providing a recommendation on the audit approach being mainly substantive or control-based 		
Audit & Assurance: Internal audit or external assurance requirements, basis and risk assessment (AA2) <i>Unless you are in an auditor position- these sub-competencies would not refer to you</i>	<ul style="list-style-type: none"> Work on the audit plan for an internal or external audit engagement Perform overall risk assessment 	<ul style="list-style-type: none"> This competency can only be achieved if you are an internal or external auditor role What are the standards you are following for this audit engagement? What is expected of this engagement in accordance with these standards? How did you apply these standards (i.e. CAS) in planning this audit engagement
<p>This is not:</p> <ul style="list-style-type: none"> Assembling or combining information for the auditor's assessment Assisting the auditors in answering questions <p>This is:</p> <ul style="list-style-type: none"> Evaluating key engagement risks, considerations for calculating materiality, evaluating the risk of material misstatement, determining overall engagement scope, and testing procedures <p><i>*Multiple busy seasons and a specific amount of hours are required for a level 2</i></p>		
Audit & Assurance: Internal audit projects or external assurance engagement (AA3) <i>Unless you are in an auditor position- these sub-competencies would not refer to you</i>	<ul style="list-style-type: none"> Carry out audit testing – performing substantive/ combined/internal/ data analytics audit testing Using data analytics tools to pull out the samples to test 	<ul style="list-style-type: none"> What type of assertions do you determine to use? Which accounts are you testing Is there any complex testing that require your professional judgement to develop the procedures? Have you worked on the multiple audit engagements? How frequent do you work on the audit engagement?
<p>This is not:</p> <ul style="list-style-type: none"> Compiling planning documentation for auditors Coordinating third-party confirmations and identifying outstanding items <p>This is:</p> <ul style="list-style-type: none"> Creating testing plans and procedures while using professional judgement <p><i>*Multiple busy seasons and a specific amount of hours are required for a level 2</i></p>		

EXAMPLE OF TECHNICAL COMPETENCIES:

FINANCE

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CPA Technical sub-competency and main competency	Examples of specific Job Duties	Considerations
Finance: Financial Analysis and Planning (FN1)	<ul style="list-style-type: none"> Review/evaluate financial proposals and funding requests Preparing and analyzing short-term and long-term forecasts of the financial positions for clients to assess their financial health individually or collectively Preparation of financial proposals and business cases by providing financial analysis and interpreting financial data 	<ul style="list-style-type: none"> Are you analyzing liquidity, solvency, profitability and/or operating efficiency/going concern for the organization's overall health/financial position? What analysis do you perform? Identify any recommendations you make. (Recommendations should be more capital-focused or geared towards investing opportunities) <p>Or</p> <ul style="list-style-type: none"> What analysis do you perform on financial proposals/financing plans? How often do you perform this analysis? How often do you analyze proposals? Identify any underlying assumptions, risks/opportunities Provide details on any alternatives or recommendations you make
<p>This is not:</p> <ul style="list-style-type: none"> performing calculations to support analysis comparing budgets or forecasting analyzing the financial statements <p>This is:</p> <ul style="list-style-type: none"> Review organization's M&A – mergers & acquisitions/debt proposals Completing ratio analysis, industry benchmarking, trend analysis, cash flow analysis etc. 		
Finance: Treasury Management (FN2) *** Ensure to identify which of the three areas you are targeting ***	<ul style="list-style-type: none"> Managing the company's liquidity and investments, ensuring adequate cash reserves for day-to-day operations Monitor cash flow and cash reserves to ensure liquidity needs are met Implement effective cash flow management practices Reconcile consolidated cash flows of all entities 	<ul style="list-style-type: none"> Identify the calculations/analysis of the entity's working capital and cash flow analysis How often do you perform these analyses? What recommendations do you make with the excess cash or cash shortfall Who do you provide these recommendations to? <p>Plus, Identify how you meet any of the following:</p> <p>Investment portfolio:</p> <ul style="list-style-type: none"> Discuss how you evaluate and assess the entity's investments in assets and securities and identify/mitigate any associated risks and/or opportunities for decision making. <p>Financing availability and/or decisions affecting capital structure:</p> <ul style="list-style-type: none"> Discuss how you assess sources of financing needs based on the strategic and operational business plans. What alternatives have you identified and how you evaluate the consequences, cost/benefit and operational impacts (including cash flow or tax implications) to make a recommendation Provide details of the pros and cons <p>Cost of capital:</p> <ul style="list-style-type: none"> What analysis are you performing? How do you assess the risk factors? <p>Profit Distribution:</p> <ul style="list-style-type: none"> What have you considered/recommended for distributing profits? How do you assess the risks?
<p>This is not:</p> <ul style="list-style-type: none"> Recording transactions based on third-party information package (Annual bank investment package regarding investment gains or losses) Reconciliation of account receivables and payables <p>This is:</p> <ul style="list-style-type: none"> Assessing the cash flow for capital investments/expenditures Providing recommendations on how the excess cash should be invested or If there is a cash shortfall provide recommendations for restructuring of capital expenditures or if revising of current financing plan is necessary 		

EXAMPLE OF TECHNICAL COMPETENCIES:

FINANCE

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CPA Technical sub-competency and main competency	Examples of specific Job Duties	Considerations
Finance: Capital budgeting, valuation, corporate finance (FN3)	<ul style="list-style-type: none"> Assist in the recording and reporting of tangible capital assets Provide financial analyses as needed, in particular for capital investments, pricing decisions and contract negotiations Reviewing capital project budgets and funding Demonstrate experience in valuation techniques 	<ul style="list-style-type: none"> What kind of financial model are you using to conduct the analysis? (NPV? IRR? Etc.) Valuation of the business and/or tangible/intangible assets – buy or sale decision. Do you develop/review policies to monitor and manage financial risks? Do you make any recommendations due to changes in the economy?
<div> <div> This is not: <ul style="list-style-type: none"> Coordinating capital budgeting process (logistic/admin documentation support such as asking bank for statements/confirmation, portfolios market value) Collect/calculate multiples for market-based valuation </div> <div> This is: <ul style="list-style-type: none"> Analyzing tangible and intangible asset values [eg depreciation of capital assets (machinery, data infrastructure)] Evaluating a business for purchase or sale </div> </div>		

EXAMPLE OF TECHNICAL COMPETENCIES:

TAXATION

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CPA Technical sub-competency and main competency	Examples of specific Job Duties	Considerations
Taxation: Income Tax Legislation and Research (TX1)	<ul style="list-style-type: none"> Analyze/research the non-routine or complex tax issues by reviewing management's position, including assisting in research (Analyze and interpret tax law, court cases, CRA interpretation and memos and other example below) 	<ul style="list-style-type: none"> Identify specific sections of the ITA you refer to Identify your recommendations based on your research How often do you do this? What relevant resources did you consult with? (i.e. Income Tax Folios, Interpretation Bulletins, Case Law, Canadian Tax Foundation Articles)
<div> <div> This is <u>not</u>: <ul style="list-style-type: none"> Reviewing ITA for business procedures (filling deadlines, tax rates) Working on indirect and/or excise tax returns and informational level returns (ie T4,T5), unless relevant factors of complexity to support this Sales tax and HST activities </div> <div> This is: <ul style="list-style-type: none"> Using ITA or other relevant resources to determine treatments for special transactions/events (eg: related party transactions or business consolidation. Treatment of leasing machinery, building, (property, plant and equipment) </div> </div>		
Taxation: Income Tax Compliance Corporate or Personal (TX2)	<ul style="list-style-type: none"> Support the preparation and submission of tax returns, ensuring adherence to relevant tax regulations and guidelines Prepare related tax filing forms Recording Tax Journal Entries Explain the relevant tax issues when receiving CRA letters and recommend how these items should be treated. Identify adjustments to schedules within tax returns (i.e. schedule 1, 3, 6, etc.) 	<ul style="list-style-type: none"> Are you identifying additional tax opportunities? Are you identifying additional compliance requirements? You should be addressing many general tax issues, completing a significant number of schedules within the tax return
<div> <div> This is <u>not</u>: <ul style="list-style-type: none"> Generating T4, T5 slips Providing support documentation for CRA audits </div> <div> This is: <ul style="list-style-type: none"> Completing corporate and/or personal tax returns from beginning to end Preparing specific sections of complex returns </div> </div>		
Taxation: Planning: Corporate or personal (TX3)	<ul style="list-style-type: none"> Prepare personal/corporate tax planning based on ITA requirements, and provide recommendations for the future tax installments Recommend special elections can be made to maximize the tax opportunity 	<ul style="list-style-type: none"> Do you help your clients prepare tax planning memos so that they can follow them to submit tax installments next year? Do you make recommendations to your clients from a tax saving perspective based on their assets/debts? If you work in your taxation department of the organization, do you do corporate tax planning?
<div> <div> This is <u>not</u>: <ul style="list-style-type: none"> Using tax software to calculate tax payable under different tax planning opportunities </div> <div> This is: <ul style="list-style-type: none"> Providing recommendations /alternatives to tax planning opportunities Considering tax alternatives and identifying the best tax-saving opportunities </div> </div>		

EXAMPLE OF TECHNICAL COMPETENCIES:

STRATEGY AND GOVERNANCE

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CPA Technical sub-competency and main competency	Examples of specific Job Duties	Considerations
Strategy and Governance: Governance, Mission, Vision, Values and Mandate (SG1)	<ul style="list-style-type: none"> Research and analyze policy options Guide financial decisions by applying company policies and procedures to the current economic landscape 	<ul style="list-style-type: none"> Note SG section is for the entity level, not for any specific account or policy. Do you analyze and make any recommendation to align with your organization's mission, vision and values? Typically, candidates will only reach level 2 in this sub-area if they are in senior leadership position within the organization. Do you analyze the entity's governance policies and evaluate the information to ensure that the entity remains compliant with the external regulatory/compliance requirements?
<div> <div> This is not: <ul style="list-style-type: none"> Reviewing/understanding the company governance policy or mission/vision/values statement Evaluating one departmental policy </div> <div> This is: <ul style="list-style-type: none"> Evaluating the policies and/ or governance on an organizational level. (whether governance policy remains in compliant with regulatory or compliance requirements) </div> </div>		
Strategy and Governance: Strategy Development/ Implementation (SG2)	<ul style="list-style-type: none"> Provide guidance and support to departmental leaders to align financial objectives with strategic goals Collaborate with the executive team to formulate the company's overall strategic plan, ensuring financial viability and sustainability 	<ul style="list-style-type: none"> What operational decisions are you analyzing? Do you recommend any strategic initiatives on the entity level? Analyze key operational issues including the use of information assets (i.e. data mining and business intelligence tools) and analyze alignment with strategy
<div> <div> This is not: <ul style="list-style-type: none"> Explaining the entity's strategic objectives </div> <div> This is: <ul style="list-style-type: none"> Analyzing and evaluating the entity's internal and external environment/key operational issues </div> </div>		
Strategy and Governance: Enterprise Risk Management (SG3)	<ul style="list-style-type: none"> Evaluating the organization's strategies from a risk management perspective Assessing the organization's activities with respect to the appropriateness and achievement of its risk management strategies 	<ul style="list-style-type: none"> What processes or strategies have you recommended to mitigate the risks? Do you evaluate risk management components that will impact on shareholder value. Evaluate the impact of IT/IS risks on enterprise level and recommend appropriate risk management strategies.
<div> <div> This is not: <ul style="list-style-type: none"> Not following current risk strategies/recording risk response </div> <div> This is: <ul style="list-style-type: none"> Creating a disaster plan on entity level </div> </div>		

WRITING AND PRESENTING RESPONSES TO SHOW TECHNICAL COMPETENCY PROGRESSION

Best practices

- We recommend that candidates keep a running Word document open to capture specific tasks/duties that pertain to their specific technical sub-competencies
- Candidates should update this document often so it can be referred to when it comes time to create their semi-annual report
- Using these notes as reference, candidates can also create their responses in this document to copy and paste into their PERT report. This will relieve candidates of receiving a “Timed Out” notification for trying to complete their responses directly in PERT
- Candidates must complete their responses using their own words.
 - Details of plagiarism policy can be found [HERE](#) (referred to CPA Professional Education Program Candidate Guide)
 - CPA Canada’s AI policy can be found [HERE](#)
- Candidates should include details such as: How frequently they complete a specific task/duty, what analysis are you completing- what are the outcomes, recommendations you may provide- to who do you provide the recommendation(s) to?

Level 1 to level 2

- To answer a level 2, candidates should be within a position for at least 18 months and have shown the progression leading from a level 1 to a 2
- Progression is shown from one reporting period to the next. Each reporting period should demonstrate different examples, which over time, and accumulated together show the progression
- Overall, candidates should provide at least 3-5 examples of each of their sub-competencies within their 30 months duration
- Candidates are required to continuously answer a technical competency even if they have reached a level 2 (if still applicable ie: still doing the tasks/duties as part of their role)



EXAMPLES

Accounting policies and transactions (FR2)	LEVEL 0
Operating under ASPE I review and adjust various financial transactions quarterly.	
Accounting policies and transactions (FR2)	LEVEL 1
Having purchased a new vehicle for the company, I was responsible for recording the transaction.	
As we used a financed option for purchasing, I had to reference the handbook to record the finance charges to the correct account. The finance charges were expensed, and the vehicle was recorded on the balance sheet as an asset.	
Daily, I determine the recognition of revenue through action items from customer service to invoice clients. Using section 3400 to ascertain reporting revenue and using completed contract versus the percentage complete method.	
We also engage in contracts with other countries. The handbook is required for recording foreign exchange gains and losses in these events. I've used section 1651 at least once per year to record any changes that occur in exchange rates from the date of the purchase (when we order product from another country) or sale (when we sell to other countries) and the time of settlement in the aforementioned expense and recognized into income. I used the handbook to determine what exchange rate to use for reporting and record any gains or losses on the exchange	
Accounting policies and transactions (FR2)	LEVEL 2
I perform and oversee journal entries every day as part of my responsibilities. This ranges from oversight of standard payable and receivable entries to completing complex journal entries focusing on the completion of a capital work in progress (building).	
The most recent example of a complex non-routine transaction would be the completion of a new capital project in which it would subsequently require proper classification in line with ASPE 3061 Property, Plant, and Equipment. Each portion must be properly allocated to the value of the building, the value of the land, and the value of the leasehold which is then billed to our subsidiary tenant who occupies the space.	
I am also responsible for monthly and annual reviews of payable and receivable entries/schedules. Through this, I review entries made by our payable/receivable team to determine proper classification of current assets and liabilities under ASPE 1510 Current Assets and Liabilities.	
I have made recommendations as to the classification, under ASPE 3061 and ASPE 3065, of all Capital Work in Progress (CWIP) transactions at the time of project completion, this is then submitted to the corporate controller for review.	
An example is that we incurred costs for both concrete and service supplies. These would be treated differently as concrete is amortized using the straight-line method over its lifespan, whereas service equipment would use the decreasing charge method as the operating efficiency would decline over time. I have analyzed and recommended the treatment of current assets as there are many times when our payables team will encounter an expense which is being prepaid for a period greater than 12 months, this would result in both a current and long-term asset. The portion equal to the value of the first 12 months and the remaining would have to be classified as current and long term respectively.	
On a month-by-month basis, the percentages would be as follows: 50% routine entries, 25% review of routine entries, and 25% non-routine entries. For year-end, this would change to be 50% routine entry review and 50% non-routine entries as there is a higher non-routine transaction volume.	

Candidates that show minimal progression through-out their reports can be placed as "High Risk" or have their experience halted until a more relevant position can be found.

UNDERSTANDING THE ENABLING COMPETENCIES

Candidates are required to complete the enabling competencies using the [CPA Way](#).
Further details below:

Q1: Acting Ethically and Demonstrating Professional Values

This competency should reflect ethical and professional behavior. This could be a scenario where you may have felt tension between yourself and your professional values while trying to achieve a particular objective at work.

Examples:

- Omit important details to pursue a different objective/decision.
- Being asked to share confidential information.
- Being asked to relax a policy.
- Being asked not to report time or costs on a project.

Q2: Solving Problems and Adding Value

This competency should reflect how you would solve a problem or improve a process. Going through each step you have taken in detail. Identifying any challenges and how you overcame them.

Examples:

- Find the solution to missing information.
- Creating/improving a report for specific information/easier use
- Create/Improve a function/data flow in a database.

Q3: Communicating

This competency should reflect communication tactics, and how to communicate to a specific audience. Provide details on the specific audience and how/why you may adjust your communication for them.

Examples:

- Adjusting specific accounting terms to an audience that may not have that knowledge.
- Using visual aids rather than text
- Organizing specific information in a memo, email etc. (using bullet points instead of paragraphs to identify specific information, makes it easier to read etc.)
- Used multiple methods of communication to achieve your goal
- Alter/enhance your communication to use available technology

Q4: Managing Self

This competency should reflect meeting/managing expectations for yourself, managers, colleagues, clients etc. Identifying your strengths and weaknesses and being able to identify/ manage them. How did you react?

Examples:

- Being proactive or managing your time
- Being able to identify when you have taken on something over your capabilities/capacity.
- Being able to identify when you have made a mistake.
- Missed a deadline

Q5: Collaborating and Leading

**Candidates can answer to either 5.1 or 5.2 and it does not have to be the same one each time.*

5.1: Plans and effectively manages teams and projects

This competency should reflect how you would lead/manage a team or a project.

Examples:

- Prioritizing tasks
- Delegating tasks
- Remain objective and fair.
- Remaining on schedule/keeping your team on schedule
- Resolve conflict

5.2: Collaborates effectively as a team member

This competency should reflect working as a team. Describe how you contribute to the team and those impacts/outcomes.

Examples:

- Working with different personalities/opinions/work ethics
- Helping others to meet the objective/goal
- Compromising
- Identifying individual strengths and weaknesses and using these to the advantage

FORMULATING RESPONSES FOR THE ENABLING COMPETENCIES

By the end of the 30-month duration, candidates need to have each enabling competency answered to a level 2 (only one of 5.1 or 5.2 is required for question 5).

We recommend candidates respond to at least 1 or 2 enabling competencies each reporting period.

In order for candidates to reach level 2, they are required to answer the enabling competencies using the CPA Way:

1. Naming the CPA Value(s) that are defined in the provincial Code/Rules of Professional Conduct are:

- integrity,
- due care,
- objectivity,
- independence,
- professional competence, and
- confidentiality.

2. Identifying at least two alternatives on top of your choice of action and

3. Providing the pros and cons of those alternatives using bullet points

A candidate's response should include:

Part A) Description of the situation

- Who is involved and what is the scope of the situation?
- The problem(s)/issue(s)
- CPA Value

Part B) Description of the alternatives, impacts and the pros and cons of each alternative (One of the following alternatives is the one that you determine to go with)

Alternative 1 (the one you go with):

Pros:

Cons:

Alternative 2:

Pros:

Cons:

Alternative 3:

Pros:

Cons:

- If I chose to do this then this would happen.
- If I chose to do this then this would happen.
- I chose this and why.

Part C) What could/would you do differently

There should always be something you could have done differently or something you could have improved, something you have learned, etc.

EXAMPLE

Question 3: Communicating

Level 2

a) Describe a time when you adapted your oral or written communication to meet the needs of a specific audience. What actions did you take? Describe the CPA value that was most applicable to this situation.

I was tasked with presenting the auditor's report and the audited financial statements at our annual general meeting (AGM). To prepare for this presentation I scheduled a meeting with the partner to discuss the audience of the AGM and how the statements would normally be presented. From this meeting, I learned that the participants attending the AGM had little to no financial accounting background. I realized quickly I would have to adapt my oral communication of the financial statements for this specific audience.

I knew the participants would expect me to run through each page of the financial statement package. However, rather than presenting the statements at a high level, I decided it would be best to just give a brief explanation on each page. For example, rather than reading through the entire auditor's report, I briefly explained and summarized the auditor's opinion on the financial statements. As we flipped through the pages of the financial statement package, I gave a brief definition of each page and touched on areas I knew the audience would be concerned with. Before moving to the next page, I would pause and ask them if they had any questions or concerns.

The CPA value that was most applicable to this situation was professional competence. During this situation, I demonstrated the knowledge and skills of an accountant, all while adapting my communication to the audience at hand.

b) How did you choose this course of action and what alternatives did you consider? What were the pros and cons of each alternative? What would have been the result had you not taken these steps?

I chose the course of action by weighing the pros and cons of the following alternatives:

Alternative 1: Presenting the statements at a high level using financial accounting terms.

Pros: Presenting the statements in a timely manner and completing the task assigned to me.

Cons: Nobody in the audience would understand the presentation of the statements and I'd probably have a lot of questions to answer from the audience not understanding.

Alternative 2: Take the time to prepare for the presentation and break the statements down in terms the audience would understand.

Pros: The audience would understand the presentation of the financial statements and be engaged in the presentation.

Nobody should be confused and have more questions.

Cons: More time-consuming in terms of preparation but could potentially be a longer presentation.

Alternative 2 was the best option as it would serve the audience the best. As a CPA, it is important to ensure our communication is appropriate and that the audience has a good understanding of the information we are presenting them with. If these steps were not taken, the financial statement information may not have been communicated adequately to the audience in the situation and participants would have been left confused about the information in the statements.

c) What did you learn from this experience about communicating? How can you apply these learnings in the future?

The audience ended up being more engaged during the presentation and followed along as I flipped through the financial statement package. I could see that by adapting my communication, they were understanding the information I was explaining, and they were getting answers on areas of concern.

I learned that taking the time to prepare can help those who may not have a financial accounting background understand the information within the financial statement package. In the future I will apply these learnings and always gain background information on the audience at hand. Being prepared was the best thing I could have done in this situation and taking the time that I did to explain at a very basic level helped my audience understand.



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