

APPENDIX A:

TECHNICAL COMPETENCY SUB-AREAS

Note: the technical competency requirements are based on achieving a certain number of competency sub-areas at Level 1 and Level 2 proficiency; Level 0 will be defined solely for the purpose of providing guidance to CPA students with their self-assessments.

CPA TECHNICAL COMPETENCIES FOR THE PURPOSE OF PRACTICAL EXPERIENCE

Competency sub-area	Level 2 High level of autonomy with Low-to-Moderate complexity (knowledge utilization); Lower level of autonomy for complex and non-routine (analysis)	Level 1 Low-to-Moderate complexity (analysis); Moderate complexity limited to Retrieval/Comprehension; Restricted to routine	Level 0 Foundational (clerical / administrative)
Financial Reporting			
Financial Reporting Needs and Systems	Analyze/identify financial reporting information required by various stakeholders, including regulatory requirements (can include specialized financial reporting requirements); plus (a) Evaluate/review the appropriateness of the basis of financial reporting; or (b) Evaluate/review reporting processes to support reliable financial reporting	Explain the financial reporting information required by various stakeholders, including regulatory requirements (can include specialized financial reporting requirements); plus (a) Analyze/identify the appropriateness of the basis of financial reporting; or (b) Analyze the accuracy and reliability of financial information	Use the accounting system to process transactions and/or generate reports. Verify mathematical accuracy of financial information (sub-totals, totals). Perform simple reconciliations.

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Accounting Policies and Transactions	<p>Evaluate/review appropriate accounting policies and procedures; or</p> <p>Evaluate/review treatment for routine and non-routine transactions; or</p> <p>Analyze/research treatment for complex events/ transactions.</p>	<p>Analyze/research the appropriate accounting policies and procedures (or explains the basis in which they were selected and applied to an organization); or</p> <p>Analyze/research treatment for routine transactions.</p>	Record accounting entries for routine transactions. Rollforward provisions from prior years.
Financial Report Preparation	<p>Analyze/prepare financial statements, including note disclosures.</p>	<p>Explain financial statements, including note disclosures</p>	Verify mathematical accuracy of the financial statements and note disclosures.
Financial Statement Analyses	<p>Analyze/prepare management communication (e.g., MD&A), or</p> <p>Analyze/prepare financial reporting results for stakeholders (internal or external), or</p> <p>Analyze/prepare/predict the impact of strategic, and operational decision on financial results (external or internal).</p>	<p>Explain the management communication (e.g., MD&A), or</p> <p>Explain financial reporting results for stakeholders (external or internal), or</p> <p>Explain the impact of strategic and operational decision on financial results (external or internal).</p>	Calculate ratios and/or % changes in account balances.

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Management Accounting			
Management reporting needs and systems	Analyze management information requirements, plus Evaluate/review the types of information systems used and the role they play in an organization or evaluate/recommend improvements to existing reporting systems to meet information needs, plus Analyze/research ethical and privacy issues related to information technology.	Explain management information requirements, plus Analyze the types of information systems used and the role they play in an organization or analyze potential improvements to existing reporting systems to meet information needs, plus Explain ethical and privacy issues related to information technology.	Use existing information systems to generate management reports. Recognize ethical and privacy issues related to information technology.
Planning, budgeting and forecasting	Evaluate/review information inputs (including assumptions) for operational plans, budgets and forecasts, and Analyze/prepare operational plans, budgets, and forecasts, and Analyze implications of variances	Analyze/prepare information inputs for operational plans, budgets and forecasts, and Explain/calculate operational plans, budgets, and forecasts, and Explain/calculate variances	Verify mathematical accuracy of plans, budgets and/or forecasts.

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Cost / revenue / profitability management	<p>Cost management: Explain/ apply appropriate cost classifications and costing methods for management of ongoing operations, and explain/ apply cost management techniques appropriate for specific decisions, and evaluate/ recommend either: (a) change identified by applying process improvement methodologies or (b) cost management improvements across the entity; or</p> <p>Revenue management: evaluate/review sources and drivers of revenue growth; or</p> <p>Profitability management: analyze/ prepare sensitivity analysis, evaluate/ review sustainable profit maximization and capacity management performance.</p>	<p>Cost management: Explain/ apply the appropriate cost classifications and costing methods for management of ongoing operations, explain/ apply cost management techniques appropriate for specific decisions, and analyze potential changes identified by applying process improvement methodologies; or</p> <p>Revenue management: analyze/prepare information to understand the sources/ drivers of revenue growth; or</p> <p>Profitability management: explain/calculate the sensitivity analysis, and analyze alternatives for sustainable profit maximization/ capacity management performance.</p>	Collect information to assist with cost, revenue or profitability management.
Organizational / individual performance measurement	<p>Evaluate/review root causes of performance issues through one of:</p> <p>Analyze/research the implications of management incentive schemes and employee compensation methods, or</p> <p>Evaluate/review performance using accepted frameworks or KPIs, or</p> <p>Evaluate/review performance of responsibility centers</p>	<p>Analyze possible root causes of performance issues, through one of:</p> <p>Explain the implications of management incentive schemes and employee compensation methods, or</p> <p>Analyze performance using accepted frameworks or KPIs; or</p> <p>Analyze performance of responsibility centers.</p>	Calculate/prepare performance scorecard/ KPI based on information supplied by units.

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Audit & Assurance (consider public accounting needs a depth in Assurance)			
Internal control	Evaluate/review the entity's risk assessment processes; or Evaluate/review the information system, including related processes.	Analyze/prepare the entity's risk assessment processes; or Analyze the information system, including related processes.	Execute procedures that relates to existing internal controls.
Internal audit or external assurance requirements, basis and risk assessment	Analyze an entity's assurance needs or explain the implications of pending changes in assurance standards, plus Basis: Analyze which set of criteria to apply to the subject matter being evaluated, or analyze which standards/guidelines to apply based on the nature and expectations of the assurance engagement/project, plus Risk assessment: Evaluate issues related to the undertaking of the engagement or project, or evaluate materiality for the assurance engagement/project, or evaluate the risks of the project (for audit engagements, evaluate the risks of material misstatement at the financial statement level and at the assertion level for classes of transactions, account balances, and disclosures).	Explain an entity's assurance needs or explain the implications of pending changes in assurance standards, plus Basis: Explain which set of criteria to apply to the subject matter being evaluated, or explain which standards/guidelines to apply based on the nature and expectations of the assurance engagement/project, plus Risk assessment: Explain issues related to the undertaking of the engagement or project, explain/calculate materiality for the assurance engagement/project, or explain the risks of the project (for audit engagements, explain the risks of material misstatement at the financial statement level and at the assertion level for classes of transactions, account balances, and disclosures).	Assemble information about the business (external), or department (internal).

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Internal audit projects or external assurance engagements	<p>Work plan: Evaluate/develop/review appropriate procedures based on the identified risk of material misstatement, analyze/perform the work plan, evaluate the evidence and results of analysis, documents the work performed and its results, plus</p> <p>Draw conclusions, communicate results, and contribute to a report for stakeholders</p>	<p>Work plan: Analyze/perform the work plan on less complex/ riskier areas, evaluate the evidence and results of analysis, documents the work performed and its results, plus</p> <p>Draw conclusion, communicate results, and contribute to a report for stakeholders.</p>	Compile planning documentation. Coordinate third party confirmations; identify outstanding items.
Finance			
Financial analysis & planning	<p>Evaluate/review the entity's financial state, or</p> <p>Evaluate/review financial proposals and financing plans</p>	<p>Analyze the entity's financial state, or</p> <p>Analyze/prepare financial proposals and financing plans</p>	Perform calculations to support analysis (ratios and/or % changes in account balances).
Treasury management	<p>Analyze the entity's cash flow and working capital, plus</p> <p>Evaluate/review the entity's investment portfolio, or</p> <p>Evaluate/review sources of financing and decisions affecting capital structure, or</p> <p>Evaluate/review the entity's cost of capital, or</p> <p>Evaluate/review decisions related to distribution of profits</p>	<p>Explain/calculate the entity's cash flow and working capital, plus</p> <p>Analyze/research the entity's investment portfolio (less complex), or</p> <p>Analyze/research sources of financing and decisions affecting capital structure, or</p> <p>Analyze/research the entity's cost of capital, or</p> <p>Analyze/research decisions related to distribution of profits</p>	Record investment/ FX transactions based on confirmations; update market values from third-party sources, if applicable. Reconcile differences between records and third-party statements.

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<p>Capital budgeting Valuation Corporate finance</p>	<p>Analyze/prepare financial models or business plans as part of or in addition to:</p> <p>Evaluate/review capital budgeting processes and decisions, or</p> <p>Evaluate/review the value of a tangible asset or analyze/estimate the value of an intangible asset, or</p> <p>Analyze/estimate the value of a business, or</p> <p>Evaluate/review financial risk management policies, or</p> <p>Analyze the use of derivatives as a form of financial risk management, or</p> <p>Evaluate/review the purchase, expansion or sale of a business, or</p> <p>Evaluate/advise a financially troubled entity.</p>	<p>Analyze/prepare information to aid in the capital budgeting processes and related decisions, or</p> <p>Analyze/estimate the value of a tangible asset, or</p> <p>Explain/calculate value of a business, or</p> <p>Explain financial risk management policies, or</p> <p>Explain the use of derivatives as a form of financial risk management, or</p> <p>Analyze the purchase, expansion or sale of a business, or</p> <p>Analyze possible solutions to aid a financially troubled entity.</p>	<p>Coordinate the capital budgeting process.</p> <p>Calculate market value of publicly-traded security.</p> <p>Calculate/collect multiples for market-based valuations.</p>
Taxation			
<p>Income tax legislation and research</p>	<p>Analyze/research treatment for transactions/ events, plus</p> <p>Draw conclusion and communicate results.</p>	<p>Explain the relevant section of the Income Tax Act, tax conventions and/or treaties, as it relates to specific transactions/events.</p>	<p>Use Income Tax Act to assemble rates, filing deadlines and requirements.</p>
<p>Tax compliance: corporate or personal</p>	<p>Analyze the general tax issues (can include assessments, notice of objection and appeals), plus</p> <p>Analyze/prepare a tax return</p>	<p>Explain the general tax issues (can include assessments, notice of objections and appeals), plus</p> <p>Explain tax return or analyze/prepare information to support the preparation of the corporate tax return</p>	<p>Assemble information for tax return and explains required information.</p> <p>Use tax software to process corporate tax returns.</p> <p>Prepare schedule of due dates.</p>

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Tax planning: corporate or personal	<p>Analyze/estimate tax consequences or specific tax-planning opportunities for: (a) shareholders and/or corporations, or (b) complex corporate transactions, or (c) individuals (excluding estate-planning), or</p> <p>Analyze/estimate the tax consequences of other corporate and partnership restructuring transactions, or</p> <p>Analyze/prepare estate-planning opportunities for individuals.</p>	<p>Explain/calculate the tax consequences or specific tax planning opportunities for: (a) shareholders and corporations, or (b) individuals (excluding estate planning), or</p> <p>Explain/calculate the tax consequences of other corporate and partnership restructuring transactions, or</p> <p>Explain/calculate the tax estate-planning opportunities for individuals.</p>	<p>Use information prepared internally/externally to explain changes arising from Federal or Provincial budgets.</p> <p>Use tax software to calculate pro-forma taxes payable under various tax planning opportunities.</p>
Strategy & Governance			
Governance Mission, vision, values & mandate	<p>Analyze/prepare the entity's governance policies, processes, and/ or code, and analyze/ prepare information and analysis to ensure entity remains compliant with regulatory/compliance requirements, or</p> <p>Evaluates whether management decisions align with the entity's mission, vision and values.</p>	<p>Explain describes the entity's governance policies, processes, and/ or code, and prepares information to aid in the analysis to ensure entity remains compliant with regulatory/compliance requirements, or</p> <p>Analyze management decisions to the entity's mission, vision and values</p>	Describe the entity's governance policies, processes, and/or code.

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Strategy development / implementation	<p>Analyze the entity's strategic objectives and evaluate related performance measures, or</p> <p>Evaluate the entity's internal and external environment and analyze its impact on strategy development; analyze strategic alternatives, or</p> <p>Analyze the key operational issues and analyzes alignment with strategy.</p>	<p>Explain the entity's strategic objectives and analyze related performance measures, or</p> <p>Analyze the entity's internal and external environment and explain its impact on strategy development; explain strategic alternatives, or</p> <p>Explain the key operational issues and explains the alignment with strategy</p>	Explain the entity's strategic objectives. Collect information on the entity's internal and external environment.
Enterprise risk management	Evaluate/review components of an effective risk management program and evaluate its impact on shareholder value.	Analyze/research components of a risk management program and analyze its impact on shareholder value	Record risk responses.