

The CPA Competency Map Update

Outreach Package

June 2018

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Introduction

Purpose

This memorandum has been prepared to facilitate awareness and facilitate discussion on the proposed changes to the CPA Competency Map with an expected release date of December 2018. The expectation is to obtain feedback from this outreach process on the content of the change, the proposed effective date, and the possible operational implications to all of the stakeholders.

Background

The update of the CPA Competency Map is set within the parameters of meeting the CPA vision and international expectations:

Vision for the CPA Profession	International Expectations
The Canadian CPA is the pre-eminent, globally respected business and accounting designation.	The CPA certification program is in accordance with the International Federation of Accountants (IFAC) standards for professional accountants.

Purpose of the CPA Competency Map

The CPA Competency Map (or Competency Map) is the map for the Canadian CPA profession. It profiles the competencies required of a CPA on the path to, and upon, certification. The Competency Map will also form the basis for experience requirements which are set out in a separate document entitled *CPA Practical Experience Requirements (CPA PER)*.

The CPA Competency Map describes the competencies for all the elements of the CPA program. The CPA Competency Map:

- helps guide candidates in understanding what is expected of them when enrolled in the CPA professional education program;

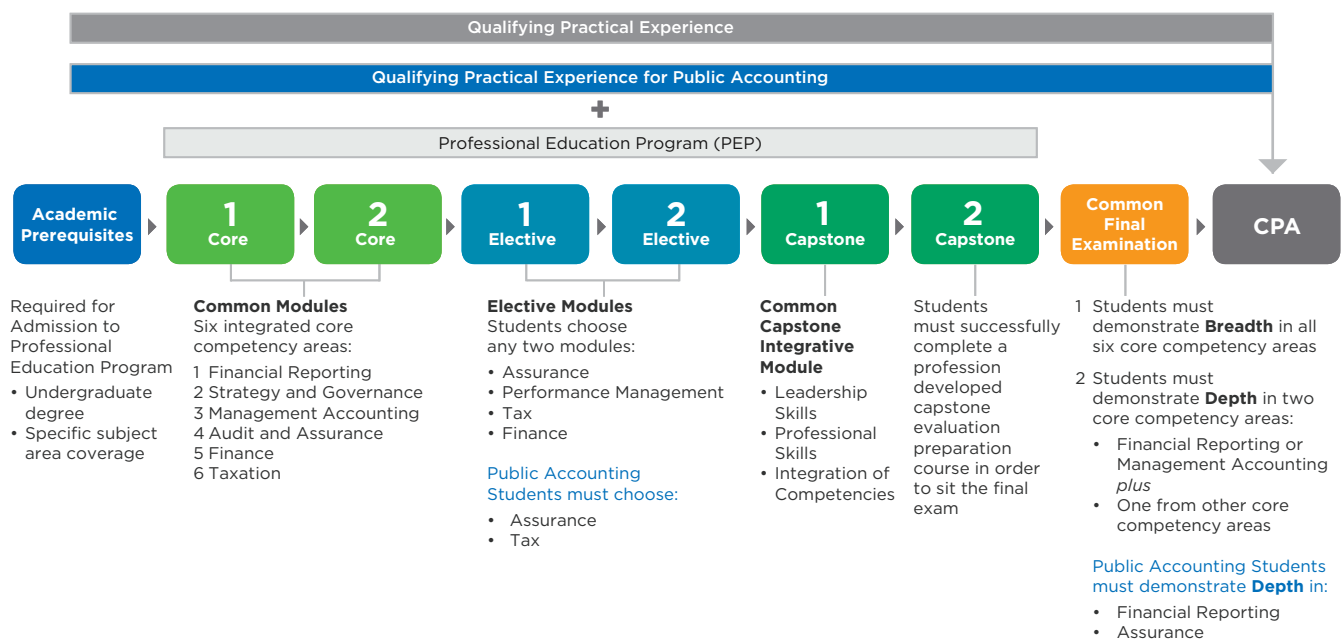
- establishes the body of competencies developed through an integrated certification process that includes education, evaluation and experience;
- provides guidance to post-secondary educators and program developers for the further development of learning objectives for the professional education program modules; and
- provides guidance to employers for the further development of competency objectives for practical experience requirements.

The CPA Competency Map sets the competency expectations at “entering the profession” and involves the interrelations of enabling and technical competencies:



Certification and the Professional Education Program

The CPA Certification and Professional Education Program (PEP) along with qualifying practical experience move candidates from the “prerequisite” level to the level of competency expected upon entering the profession as indicated below:



Role of Competency Map Committee

The Competency Map Committee is responsible for setting the expected competencies that all CPAs must attain at the point of entry to the profession (i.e. at the point of certification). The CMC must also review the competencies for changes and identify the point along the progression, identified above, where the particular competencies should be met. The CPA Competency Map sets the expectation; the assessment is made at various points culminating at the CFE. In addition to this progression, the level of proficiency must be determined at each stop along the progression, i.e., Level A, B, and C.

See *Appendix F* for the terms of reference of the CMC.

The business environment is always changing, and the CPA profession must keep up with the changing environment and expectations. Therefore, revisions to the CPA Competency Map will continue in the future.

Proposed Changes for 2018

The CMC is currently working on incorporating the following changes in the CPA Competency Map with a targeted release of December 2018:

- A. **Enhanced Reporting Format** – A new format for the CPA Competency Map is being developed which will meet the following objectives:
 - Eliminate the separation of competencies and knowledge.
 - Reduce the level of detail in the knowledge elements.
 - Provide the reporting ability for users to select the level of granularity they wish to view (e.g. competencies, learning outcomes, and examples of knowledge by module).
 - A preliminary illustration of the new format is included in *Appendix A*.
- B. **Data Analytics and Information Systems (DAIS)** – DAIS competencies will be reflected in each of the six technical competency areas (i.e. they will not form their own separate competency area). The knowledge elements in the new DAIS components of the CPA Competency Map have been developed with input from Post-Secondary Institutions (PSIs) across the country (The original “exposure draft” of the knowledge elements was issued in Summer 2017). *See Appendix B*
- C. **Taxation** – The CPA Competency Map will include an increased focus on GST/HST. The currency of taxation competencies and knowledge elements will be updated and a reduction in expectations for some of the more complex income tax topics will be considered. *See Appendix C*
- D. **Entry Level Learning Outcomes** – Learning outcomes at entry to the CPA Professional Education Program will be developed and included in the CPA Competency Map. *See Appendix D*

Proposed Changes for 2019 CPA Competency Map Update

Further changes to the CPA Competency Map are planned in 2019 with a targeted release in December 2019, including, at this point, the following:

- **Enabling competencies** – The Competency Framework Project, a separate project currently underway by CPA Canada, will describe the competencies required of CPAs post-certification as CPAs move through their careers. The enabling competencies are being reviewed to ensure they are consistent with the enabling competencies identified by the Competency Framework Project. This work is essential to ensuring candidates possess the appropriate enabling competencies to navigate the changing landscape of the profession.
- **Clarification of Proficiency levels** – The descriptions and verbs used in the competencies and learning outcomes used to express proficiency levels will be streamlined and updated for consistency. *See Appendix E*
- **Other** – Currency and relevant updates as needed.

The CMC is always looking for input on what areas of the CPA Competency need to change due to the continual evolution of expectations. For example, the topic of sustainability is one topic currently being reviewed. Therefore, feel free to provide suggestions for future revisions to the CPA Competency Map.

Appendix A: New Reporting Format

To enhance the understandability and usefulness of the CPA Competency Map the new reporting format will be able to combine the 3 elements needed to understand the expectations:

Competency

Learning Outcomes

Relevant Knowledge

Competency		Entry		Core			Elective				
		Level	Learning Outcomes	C1	C2	Learning Outcomes	PM	FIN	AS	Tax	Learning Outcomes
5.1.2	Evaluates the entity's financial health/state.	B	a) Analyzes and discusses the entity's financial health/state using appropriate tools b) Identifies entity's in financial distress c) Identifies and analyzes working capital balances and detects concerns	A		In C1: a) Evaluates the entity's financial health/state using appropriate tools b) Evaluates entity's in financial distress c) Evaluates working capital balances, detects concerns, and makes recommendations for improvements d) Advises on courses of action to improve the financial health of the entity		A	A		In context of (or integrated with) Finance and Audit and Assurance: a) Evaluates the entity's financial health/state using appropriate tools b) Evaluates entity's in financial distress c) Evaluates working capital balances, detects concerns, and makes recommendations for improvements d) Advises on courses of action to improve the financial health of the entity
Examples of Relevant Knowledge											
Free cash flow analysis											
Ratio analysis											
Trend analysis											
Sensitivity analysis											
Scenario/simulation analysis											

Appendix B: Data Analytics and Information Systems (DAIS)

An entry level CPA must develop competencies in data analytics and information systems. In addition to the enabling competencies, which address the collection and verification of relevant information (2.1.2) and the use of appropriate methods to gather or develop relevant information, specific technical competencies are necessary. The changes proposed include the development of:

- Competencies
- Learning outcomes at different levels of PEP or equivalent
- Knowledge

The first draft of the proposed changes follow:

Excerpts from Proposed Competency Map (Draft Only)

The CPA Competency Map by Competency Area

Data Analytics and Information System Major Changes and Additions

Competency	Entry	Core		Core	Electives				Capstone		
		C1	C2		E1 PM	E2 FIN	E3 AS	E4 TAX	Cap 1	Cap 2	
TECHNICAL COMPETENCIES											
1. FINANCIAL REPORTING											
1.1 Financial Reporting Needs and Systems											
1.1.3	Evaluates reporting <u>systems, data requirements and business</u> processes to support reliable financial reporting	B	A		A					>	>
1.1.4	Explains implications of current trends, <u>and emerging issues and technologies</u> in financial reporting	C	C		C			B		>	>
2. STRATEGY AND GOVERNANCE											
2.4 Strategy Implementation											
2.4.1	Analyzes the key operational issues <u>including the use of information assets and- their</u> alignment with strategy	C		B	B	A				>	>
2.5 Enterprise Risk Management											
2.5.2	Assesses the impact of IT/IS risks <u>on enterprise risk and recommends appropriate risk management strategies</u>	C		B	B	A				>	>
3. MANAGEMENT ACCOUNTING											
3.1 Management Reporting Needs and Systems											
3.1.2	<u>Documents and assesses business processes, systems and data requirements</u> Evaluates the types of information systems used and the role they play in an organization	C		B	B					>	>
3.1.3	Recommends improvements to <u>analytical and</u> reporting systems to meet information needs	C		B	B	A				>	>
3.1.4	Identifies ethical and privacy issues related to information technology <u>and its use</u>	C		B	B	A				>	>

Competency		Entry	Core			Electives			Capstone		
			C1	C2	Core	E1 PM	E2 FIN	E3 AS	E4 TAX	Cap 1	Cap 2
TECHNICAL COMPETENCIES											
3.2 Planning, Budgeting, and Forecasting											
3.2.1	Develops or evaluates <u>data and information</u> inputs for operational plans, budgets, and forecasts	B		A	A					>	>
4. AUDIT AND ASSURANCE											
4.1 Internal Control											
4.1.2	Evaluates the information system, including the related processes, <u>using knowledge of data requirements and risk exposures</u>	C	B		B	A		A		>	>
4.2 Internal and External Audit Requirements											
4.2.2	Explains the implications of <u>current trends, emerging issues and technologies</u> pending changes in assurance standards	C			C			B		>	>
4.3 Internal Audit Projects and External Assurance Engagements											
4.3.6	Develops appropriate procedures, <u>including Audit Data Analytics (ADA)</u> , based on the identified risk of material misstatement	B	B		B			A		>	>
4.3.11	Prepares or interprets information and reports for stakeholders <u>using data visualization where appropriate</u>	B	B		B			A		>	>
5. FINANCE											
5.1 Financial Analysis and Planning											
5.1.3	<u>Assesses reporting systems, data quality and the analytical models used to support financial analysis and decision-making</u>	C		B	B		A			≥	≥
6. TAXATION											
6.1 General Income Tax Concepts											
6.1.3	<u>Assesses reporting systems, data quality and requirements, and business processes to support reliable tax compliance</u>	C	B		B				A	≥	≥

> Indicates coverage and progressive development of professional skills and behaviour.

REMINDER: Some DAIS matters are included within a competency without being specifically mentioned, and are included in the details (learning outcomes and knowledge) at a level below the competency.

DRAFT

Learning Outcomes – Data Analytics and Information Systems Additions

(Note: learning outcomes in blue text are existing outcomes/wording and are included for context only)

		Core				Electives				
Competency	Entry	Learning Outcomes	C1	C2	Learning Outcomes	PM	FIN	AS	Tax	Learning Outcomes
1 FINANCIAL REPORTING										
1.1 Financial Reporting Needs and Systems										
1.1.3 Evaluates reporting systems, data requirements and business processes to support reliable financial reporting	B	c) Explains data integrity risks in data integration and aggregation processes	A		e) Evaluates data integrity risks in data integration and aggregation processes					
1.1.4 Explains implications of current trends, emerging issues and technologies in financial reporting	C	d) Explains the potential impact of automated data capture, machine learning technologies and real time reporting	C		d) Explains the potential impact of automated data capture, machine learning technologies and real time reporting				B	d) Analyzes the potential impact of automated data capture, machine learning technologies and real time reporting
1.4 Financial Statement Analysis										
1.4.4 Interprets financial reporting results for stakeholders (external or internal)	B	b) Explains results using data visualization techniques, where appropriate	A		c) Interprets and discusses the results using data visualization techniques, where appropriate					
2 STRATEGY AND GOVERNANCE										
2.1 Governance										
2.1.1 Evaluates the entity's governance structure (policies, processes, codes)	C	No DAIS changes to the learning outcomes		B	b) Evaluates the effectiveness of the board's structure, considering the following factors: <ul style="list-style-type: none"> the importance of information systems' reliability to strategic objectives 	A		B		PM changes: <ul style="list-style-type: none"> Evaluates the effectiveness of the board and its subcommittees in a governance context, considering the following factors: <ul style="list-style-type: none"> the importance of information systems' reliability to strategic objectives

Core					Electives					
Competency	Entry	Learning Outcomes	C1	C2	Learning Outcomes	PM	FIN	AS	Tax	Learning Outcomes
2.2 Mission, Vision, Values, and Mandate										
2.2.1 Assesses whether management decisions align with the entity's mission, vision, and values	B	d) Analyzes the role of the board in assuring effective information systems governance e) Explains the role of the board in an entity's strategic information systems plan f) Explains the relationship between effective alignment of information systems resource allocation and accomplishment of organizational strategy		B	d) Analyzes the role of the board in assuring effective information systems governance e) Explains the role of the board in an entity's strategic information systems plan f) Explains the relationship between effective alignment of information systems resource allocation and accomplishment of organizational strategy	A				b) Evaluates the role of the board in assuring effective information systems governance c) Recommends improvements to an entity's strategic information systems plan and resource allocation to ensure the accomplishment of organizational strategy
2.3 Strategy Development										
2.3.2 Evaluates the entity's internal and external environment and its impact on strategy development	B	d) Analyzes data requirements and the roles of reporting systems, business process and information systems in supporting strategic objectives		B	d) Analyzes data requirements and the roles of reporting systems, business process and information systems in supporting strategic objectives	A				h) Assesses data requirements and the roles of reporting systems, business process and information systems in supporting strategic objectives
2.4 Strategy Implementation										
2.4.1 Analyzes key operational issues including the use of information assets and their alignment with strategy	C	d) Recognizes information as a corporate resource to be managed strategically		B	f) Identifies opportunities for more effective use of information assets	A				f) Recommends strategies to better utilize information assets

Core					Electives					
Competency	Entry	Learning Outcomes	C1	C2	Learning Outcomes	PM	FIN	AS	Tax	Learning Outcomes
2.5 Enterprise Risk Management										
2.5.2 Assesses the impact of IT/IS risks on enterprise risk and recommends appropriate risk management strategies	C	a) Recognizes enterprise exposures (threats) arising from information systems activities b) Recognizes the impact of IT/IS risks on enterprise risk		B	d) Identifies enterprise exposures (threats) arising from information systems activities b) Analyzes the impact of IT/IS risks on enterprise risk	A				a) Evaluates enterprise exposures (threats) arising from information systems activities b) Analyzes the impact of IT/IS risks on enterprise risk and recommends appropriate risk management strategies

3 MANAGEMENT ACCOUNTING

3.1 Management Reporting Needs and Systems										
3.1.1 Evaluates management information requirements	B	b) Identifies management and strategic uses of information assets and technology		A	a) Determines or evaluates relevant data and information to support decisions made by management and the governing body b) Understands management and strategic uses of information assets and technology					
3.1.2 Documents and assesses business processes, systems and data requirements	C	c) Explains alternative approaches to documenting key business processes and control features d) Explains the importance of quality data, information and knowledge management practices within an organization		B	d) Utilizes systems and business process documentation to analyze business processes and controls f) Analyzes the quality of the data, information and knowledge management practices within an organization (database management systems, data warehousing, data mining, knowledge management systems)					

			Core		Electives					
Competency	Entry	Learning Outcomes	C1	C2	Learning Outcomes	PM	FIN	AS	Tax	Learning Outcomes
3.1.3 Recommends improvements to analytical and reporting systems to meet information needs	C	No DAIS changes to the learning outcomes		B	No DAIS changes to the learning outcomes	A				No DAIS changes to the learning outcomes
3.1.4 Identifies ethical and privacy issues related to information technology and its use	C	No DAIS changes to the learning outcomes		B	No DAIS changes to the learning outcomes	A				No DAIS changes to the learning outcomes
3.2 Planning, Budgeting, and Forecasting										
3.2.1 Develops or evaluates data and information inputs for operational plans, budgets, and forecasts	B	b) Identifies potential data quality issues		A	c) Examines data and information inputs for the creation of operational plans, budgets, and forecasts b) Evaluates supporting data and information from internal and external sources and identifies gaps and anomalies c) Ensures that the data and information used to prepare budgets and forecasts is relevant, accurate, and timely					

		Core				Electives				
Competency	Entry	Learning Outcomes	C1	C2	Learning Outcomes	PM	FIN	AS	Tax	Learning Outcomes
4.1 Internal Control										
4.1.2	Evaluates the information system, including the related processes, using knowledge of data requirements and risk exposures	C	d) Explains the importance of data integrity and systems reliability in supporting effective decision making e) Explains the underlying concepts of accounting exposure (potential losses due to a weakness in internal control), threat recognition and reasonable assurance	B	d) Utilizes knowledge of an entity's industry, business processes, historical performance, information system controls and governance practices to assess important data relationships from internal and external data sources to design appropriate plans to support effective assurance engagement outcomes e) Analyzes the quality of data, information and models being used to support managerial decision making	A		A		Assurance changes: h) Utilizes knowledge of an entity's industry, business processes, historical performance, information system controls and governance practices to assess important data relationships from internal and external data sources to design appropriate plans to support effective assurance engagement outcomes i) Evaluates the quality of data and information and models being used to support managerial decision making
4.2 Internal and External Audit Requirements										
4.2.2	Explains the implications of current trends, emerging issues and technologies in assurance standards	C	No DAIS changes to the learning outcomes					B		No DAIS changes to the learning outcomes
4.3 Internal Audit Projects and External Assurance Engagements										
4.3.6	Develops appropriate procedures, including Audit Data Analytics (ADA), based on the identified risk of material misstatement	B	b) Identifies opportunities to deploy audit data analytics enabled procedures	B	b) Identifies opportunities to deploy audit data analytics enabled procedures			A		i) Determines the appropriate sampling approach utilizing audit data analytics procedures where appropriate

Competency	Entry	Learning Outcomes	Core		Learning Outcomes	Electives				Learning Outcomes
			C1	C2		PM	FIN	AS	Tax	
4.3.11 Prepares or interprets information and reports for stakeholders using data visualization where appropriate	B	b) Analyzes whether information communicated via visual means (graphs) is misleading	B		b) Analyzes representational faithfulness of information communicated via visual means (graphs)			A		h) Evaluates representational faithfulness of information communicated via visual means (graphs)

5 FINANCE

5.1 Financial Analysis and Planning										
5.1.3 Assesses data quality and the analytical models used to support financial analysis and decision-making	C	a) Understands the inputs in analytical models b) Explains the objectives and output of the model		B	a) Identifies and analyzes the underlying inputs in analytical models b) Analyzes the quality of the inputs in analytical models c) Develops simple analytical models d) Analyzes the output from the models in the context of the entity		A			a) Assesses the underlying alternative inputs in analytical models b) Evaluates the quality of the alternative inputs and determines the most appropriate inputs c) Develops analytical models d) Evaluates the outputs from analytical models in the context of the entity e) Explains the limitations of the specific analytical models used

6 TAXATION

6.1 General Income Tax Concepts										
6.1.3 Assesses reporting systems, data requirements and business processes to support reliable tax compliance	C	b) Explains the importance of reliable tax data obtained from transaction processing systems	B		a) Identifies key tax data inputs and systems controls to ensure compliance with regulatory requirements				A	a) Assesses adequacy of data inputs and systems reliability controls to ensure tax compliance

Data Analytics and Information Systems (DAIS)

Data Analytics and Information Systems (DAIS): Includes concepts associated with data analytics and information technology and is pervasive throughout the competency map. Note that there is not a separate section for these knowledge items within the competency map itself but rather the competencies, learning outcomes and knowledge items are integrated throughout the existing six technical competency areas.

Topic
1. Systems concepts
a) Systems theory b) Data organization and distribution (systems and output) c) People, hardware/devices, software, data, networks, processes that make up the system d) Stakeholders and their interests in systems
2. Information representation for decision making
a) Data visualization of financial and nonfinancial data b) Dashboard, graphs, tables, report design c) Communication of information for quality decision making d) Framing information recognizing uncertainty
3. Value of information and information systems to organizations
a) What is the value of information in the decision making process? b) Transformation of data to decision relevant information c) Creation of intellectual property and knowledge development d) Business process improvement e) Alignment with organizational strategy f) Information technology costing, budgeting and chargeback models g) Ethical use of information
4. Types of systems organizations need to provide information to meet their objectives.
The following list of examples is not a comprehensive list: <ul style="list-style-type: none">• AIS/ERP/transaction processing systems• Business intelligence systems and analytics (descriptive, predictive, prescriptive, model fit)• Supply chain management• Customer relationship management• Digital payment systems (cryptocurrencies)
5. Quality of information for decision making
a) Dimensions of information quality — relevance, ease of use, integrity, timeliness b) Types of data and their attributes (nature, sources, format, timing, extent and level of aggregation) c) Professional skepticism regarding data d) Information quality and the impact of processing models thereon e) Data cleaning

Topic

6. Data and information modelling

- a) Data structure and standards
- b) Data life cycle
- c) Database management systems
- d) Understanding user information requirements
- e) Analytics and model building (descriptive, diagnostic, predictive, prescriptive)
- f) Standards for data tagging and reporting (XML, XBRL)
- g) Business intelligence, artificial intelligence and machine learning
- h) Model versus data-driven decision-making
- i) Model validation
- j) Interpretation and professional skepticism of models and analytics

7. Management of information systems infrastructure and architecture

- a) Information systems architecture alignment with business strategy
- b) Information systems planning and management
- c) Information technology infrastructure:
 - Information technology infrastructure components
 - Insourcing vs outsourcing
 - Cloud computing (private, public, hybrid; SaaS, PaaS, IaaS)
 - Vendor relationship management — service level agreements and integration challenges
 - Information technology asset management
 - Information technology project risk and business case development
 - Audit implications

8. Systems life cycle

- a) Role of the accountant/business advisor/auditor and typical steps in the systems life cycle
- b) Acquisition, in-house development, customization, assembly and integration options — (buy vs. build)
- c) Vendor selection and management (especially user requirements, testing, change management and risk management)
- d) Impact on processes and risks of implementation on all users (e.g., external auditor, other vendors)
- e) Systems testing (external and internal audit function) and management of data conversion
- f) System changes and system maintenance (including patch management)

9. Risks and Controls

- a) Impact of IS risk on enterprise risk
- b) Threat and risk exposure identification (including, but not limited to, cyber and fraud risk)
- c) The Fraud Triangle and fraud detection responsibilities
- d) Risk management objectives and strategies
- e) Systems reliability – privacy, confidentiality, security, integrity, availability
- f) Internal control mix – preventive, detective, corrective, and cost assessment
- g) IT governance and control frameworks (e.g., COSO, COBIT, ITIL)
- h) Compliance with regulatory requirements (e.g., privacy, freedom of information, and anti-spam legislation)
- i) Impact of new/changing technologies on risk exposure

Appendix C: Taxation

An entry level CPA must develop competencies in taxation. The changes proposed include:

- some reorganization of the competencies to improve clarity;
- more guidance on the expectations related to GST/HST (it had been at Level A with little detail provided); and
- reduction in the expectation related to tax planning.

The first draft of the proposed changes follow:

Excerpts from Proposed Competency Map

The CPA Competency Map by Competency Area

Taxation — Major Changes and Additions

Competency		Entry	Core		Electives			Capstone		
			C1	C2	Core	E1 PM	E2 FIN	E3 AS	E4 TAX	Cap 1
TECHNICAL COMPETENCIES										
6. TAXATION										
6.1 General Income Tax Concepts										
6.1.1	Discusses general concepts and principles of income taxation	C	B		B			B	>	>
6.1.2	Assesses reporting systems, data requirements and business processes to support reliable tax compliance	C	B		B			A	>	>
6.2 Corporate Tax										
6.2.1	Evaluates general tax issues for a corporate entity	B	B		B			A	>	>
6.2.2	Advises on taxes payable for a corporation	B	B		B			A	>	>
6.3 Personal Tax										
6.3.1	Assesses general tax issues for an individual	B	B		B			B	>	>
6.3.2	Evaluates incomes taxes payable for an individual	B	B		B			A	>	>
6.3.3	Analyzes specific tax-planning opportunities for individuals	B	B		B			B	>	>
6.4 Income Tax Administration										
6.4.1	Evaluates adherence to compliance requirements	B	B		B			A	>	>
6.5 Taxation of Non-Residents and Part-Year Residents										
6.5.1	Analyzes residency of a taxpayer	C	C		C			B	>	>
6.5.2	Analyzes the taxation of Canadian sources of income for non-residents and part-year residents	C			C			B	>	>
6.6 Other Income Tax Matters										
6.6.1	Analyzes income tax implications of death		C		C			B	>	>
6.6.2	Analyzes income tax implications of compensation planning between a shareholder and a closely-held corporation	C	C		C			B	>	>

Competency	Core			Electives				Capstone		
	Entry	C1	C2	Core	E1 PM	E2 FIN	E3 AS	E4 TAX	Cap 1	Cap 2
6.6.3 Analyzes income tax implications of the purchase and sale of a CCPC	C	B		B				B	>	>
6.6.4 Explains the basic tax considerations of corporate reorganizations								C	>	>
6.7 GST Matters										
6.7.1 Discusses the GST system in Canada	C	C		C				B	>	>
6.7.2 Analyzes GST obligations of a person	C	C		C				B	>	>
6.7.3 Calculates net tax for a person	C	C		C				B	>	>
6.7.4 Discusses GST compliance requirements	B	B		B				B	>	>
6.7.5 Analyzes GST implications from tax planning for shareholders and a closely held corporation	C			C				B	>	>
6.7.6 Explains GST obligations arising from other transactions								C	>	>

> Indicates coverage and progressive development of professional skills and behaviour.

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Learning Outcomes – Taxation

Core					Electives					
Competency	Entry	Learning Outcomes	C1	C2	Learning Outcomes	PM	FIN	AS	Tax	Learning Outcomes
6 TAXATION										
6.1 General Income Tax Concepts										
6.1.1	Discusses general concepts and principles of income taxation	C	a) Describes the Federal Canadian tax system b) Explains the concept of integration and the mechanisms in place to support it c) Explains tax advantages and disadvantages of various legal forms and structures	B	a) Analyzes the impact of integration in actual or planned transactions				B	a) Discusses tax advantages and disadvantages of various legal forms and structures
6.1.2	Assesses reporting systems, data requirements and business processes to support reliable tax compliance	C	a) Explains the importance of reliable tax data obtained from transaction processing systems	B	a) Identifies key tax data inputs and systems controls to ensure compliance with regulatory requirements				A	a) Assesses adequacy of data inputs and systems reliability controls to ensure tax compliance
6.2 Corporate Tax										
6.2.1	Evaluates general tax issues for a corporate entity	B	a) Analyzes the corporation's tax profile	B	a) Analyzes the corporation's tax profile				A	a) Evaluates the corporation's tax profile

Competency	Entry	Learning Outcomes	Core		Learning Outcomes	Electives				Learning Outcomes
			C1	C2		PM	FIN	AS	Tax	
6.2.2 Advises on taxes payable for a corporation	B	b) Analyzes the tax impact of the different sources and types of income b) Analyzes transactions to prepare the reconciliation of accounting income to income for tax purposes c) Analyzes the impact of rules related to capital property d) Analyzes adjustments necessary to calculate taxable income e) Analyzes the elements of taxes payable f) Explains the tax implications of non-arm's length transactions with corporations g) Analyzes the tax implications of dividends paid	B		c) Analyzes the tax impact of the different sources and types of income b) Analyzes transactions to prepare the reconciliation of accounting income to income for tax purposes c) Analyzes the impact of rules related to capital property d) Analyzes adjustments necessary to calculate taxable income e) Analyzes the elements of taxes payable f) Explains the tax implications of non-arm's length transactions with corporations g) Analyzes the tax implications of dividends				A	a) Advises on the tax impact of different sources and types of income for a corporation b) Advises on the reconciliation of accounting income to income for tax purposes c) Advises on the impact of rules related to capital property d) Advises on adjustments necessary to calculate taxable income e) Advises on the elements of taxes payable f) Analyzes the tax implications of non-arm's length transactions with corporations g) Analyzes the tax implications of dividends paid
6.3 Personal Tax										
6.3.1 Assesses general tax issues for an individual	B	a) Analyzes an individual's tax profile	B		a) Analyzes an individual's tax profile				B	a) Analyzes an individual's tax profile

Competency	Entry	Learning Outcomes	Core		Learning Outcomes	Electives				Learning Outcomes
			C1	C2		PM	FIN	AS	Tax	
6.3.2 Evaluates income taxes payable for an individual	B	a) Analyzes the different sources and types of income for an individual including deductions and inclusions for each type b) Analyzes adjustments necessary to calculate taxable income c) Analyzes the elements of taxes payable d) Analyzes the tax implications of non-arm's length transactions	B		a) Analyzes the different sources and types of income for an individual including deductions and inclusions for each type b) Analyzes adjustments necessary to calculate taxable income c) Analyzes the elements of taxes payable d) Analyzes the tax implications of non-arm's length transactions				A	a) Evaluates the different sources and types of income for an individual including deductions and inclusions for each type b) Evaluates the adjustments necessary to calculate taxable income c) Evaluates the elements of taxes payable d) Advises on the tax implications of non-arm's length transactions
6.3.3 Analyzes specific tax-planning opportunities for individuals	B	a) Analyses possible tax planning opportunities for individuals b) Explains the tax advantages and disadvantages of self-employed versus employee status	B		a) Analyzes the individual's profile to identify, evaluate and recommend possible tax-planning opportunities b) Analyzes the tax advantages and disadvantages of self-employed versus employee status				B	a) Analyzes the individual's profile to identify, evaluate and recommend possible tax-planning opportunities b) Analyzes the tax advantages and disadvantages of self-employed versus employee status
6.4 Income Tax Administration										
6.4.1 Evaluates adherence to compliance requirements	B	a) Discusses adherence to compliance requirements including directors' liability b) Discusses instalments and final tax payments	B		a) Discusses adherence to compliance requirements including directors' liability b) Discusses instalments and final tax payments and advises on due dates				A	a) Evaluates adherence to compliance requirements including directors' liability b) Advises on instalments, final tax payments and due dates

		Core				Electives								
Competency		Entry	Learning Outcomes		C1	C2	Learning Outcomes		PM	FIN	AS	Tax	Learning Outcomes	
6.5 Taxation of Non-Residents and Part-Year Residents														
6.5.1	Analyzes residency of a taxpayer	C	a) Explains factors to determine residency status of an individual	C		a) Explains factors to determine residency status of an individual						B	a) Analyzes factors to determine residency status of an individual	
6.5.2	Analyzes the taxation of Canadian sources of income for non-residents and part-year residents	C	a) Explains the tax consequences of becoming or ceasing to be a Canadian resident	C		a) Explains the tax consequences of becoming or ceasing to be a Canadian resident						B	a) Explains income taxable under Part I and Part XIII b) Analyzes the tax consequences of becoming or ceasing to be a Canadian resident	
6.6 Other Income Tax Matters														
6.6.1	Analyzes income tax implications of death			C		a) Explains tax implications of deceased individuals						B	a) Explains income tax payable for graduated rate estates and testamentary trusts b) Analyzes tax implications of deceased individuals	
6.6.2	Analyzes income tax implications of compensation planning between a shareholder and a closely-held corporation	C	a) Explains tax implications of compensation planning between a shareholder and a closely-held corporation	C		a) Explains tax implications of compensation planning between a shareholder and a closely-held corporation						B	a) Analyzes tax implications of compensation planning between a shareholder and a closely-held corporation	
6.6.3	Analyzes income tax implications of the purchase and sale of a CCPC	C	a) Explains tax implications of asset sale b) Explains tax implications of share sale	B		a) Analyzes tax implications of asset sale b) Analyzes tax implications of share sale c) Explains the tax consequences of an acquisition of control						B	a) Analyzes tax implications of asset sale b) Analyzes tax implications of share sale c) Explains the tax consequences of an acquisition of control	

Competency	Entry	Learning Outcomes	Core		Learning Outcomes	Electives				Learning Outcomes
			C1	C2		PM	FIN	AS	Tax	
6.6.4 Explains the basic tax considerations of corporate reorganizations									C	a) Explains potential uses, and the tax consequences of tax-deferred transactions that utilize sections 51, 85 and 86
6.7 GST Matters										
6.7.1 Discusses the GST system in Canada	C	a) Explains GST and when it is applicable	C		a) Explains GST and when it is applicable				B	a) Discusses GST and when it is applicable
6.7.2 Analyzes GST obligations of a person	C	a) Explains the transaction: (i.e. Who, What, Why, When and Where) b) Explains the different types of supplies c) Explains the GST obligations of a person	C		a) Explains the transaction: (i.e. Who, What, Why, When and Where) b) Explains the different types of supplies c) Explains the GST obligations of a person				B	a) Analyzes the transaction: (i.e. Who, What, Why, When and Where) b) Analyzes the different types of supplies c) Discusses the GST obligations of a person
6.7.3 Calculates net tax for a person	C	a) Explains the components of net tax	C		a) Explains the components of net tax				B	a) Calculates the components of net tax
6.7.4 Discusses GST compliance requirements	B	a) Discusses adherence to compliance requirements including directors' liability b) Discusses instalments and final tax payments and advises on due dates	B		a) Discusses adherence to compliance requirements including directors' liability b) Discusses instalments and final tax payments and advises on due dates				B	a) Discusses adherence to compliance requirements including directors' liability b) Discusses instalments and final tax payments and advises on due dates

Competency	Entry	Learning Outcomes	Core		Learning Outcomes	Electives				Learning Outcomes
			C1	C2		PM	FIN	AS	Tax	
6.7.5 Analyzes GST implications from tax planning for shareholders and a closely held corporation	C	a) Explains the GST implications associated with taxable benefits b) Explains the GST implications associated with purchase and sale of a business (section 167 election)							B	a) Analyzes the GST implications associated with taxable benefits b) Identifies GST implications of intercompany transactions (Section 156 election) c) Analyzes the GST implications associated with purchase and sale of a business (section 167 election)
6.7.6 Explains GST obligations arising from other transactions									C	a) Explains when a supply is considered incurred in Canada when transacting with non-residents b) Explains the GST implications for real property transactions c) Explains possible scenarios / requirements to self-assess on imports and real property

Taxation: Examples of Relevant Knowledge

Taxation: Includes tax compliance and reporting, and some tax planning and implementation strategies for both corporate and personal tax payers, and an understanding of the administrative processes in Canadian taxation.

Competency	Examples of Relevant Knowledge
6.1.1 Discusses general concepts and principles of income taxation	General Income Tax Concepts <ul style="list-style-type: none"> a) How and why tax legislation exists; various revenue sources; responsibilities of taxpayers, their advisors, and CRA b) Integration concept c) Legal forms and structures : Sole proprietorship, corporation, partnership d) Existence and purpose of GAAR and anti-avoidance provisions e) Preparer penalties f) Tax research
6.1.2 Assesses reporting systems, data requirements and business processes to support reliable tax compliance	Reporting Systems and Data Requirements <ul style="list-style-type: none"> a) Types of systems organizations need to provide information to meet their objectives b) Dimensions of information quality – relevance, ease of use, integrity, timeliness c) Types of data and their attributes (nature, sources, format, timing, extent and level of aggregation) d) Tax compliance technologies
6.2.1 Evaluates general tax issues for a corporate entity	Corporation's Tax Profile <ul style="list-style-type: none"> a) Corporate types (private, CCPC, public), residency and tax risk tolerance b) Basic stakeholder relationships (affiliated, associated, connected, non-arm's length, related)
6.2.2 Advises on taxes payable for a corporation	Sources and Computation of Taxable Income <ul style="list-style-type: none"> a) Sources and types of income b) Reconciling income c) Capital property considerations d) Taxable income adjustments e) Elements of taxes payable f) Non-arm's length transactions g) Tax implications of dividends
6.3.1 Analyzes general tax issues for an individual	Individual's Tax Profile <ul style="list-style-type: none"> a) Individual residency b) Basic stakeholder relationships (affiliated, non-arm's length, related) c) Tax risk tolerance
6.3.2 Evaluates income taxes payable for an individual	Taxes Payable for an Individual <ul style="list-style-type: none"> a) Sources and types of income including deductions b) Taxable income adjustments c) Elements of taxes payable d) Non-arm's length transactions e) Spousal rollovers, attribution (spouses and children) and tax on split income
6.3.3 Analyzes specific tax-planning opportunities for individuals	Individual Tax Planning <ul style="list-style-type: none"> a) Income splitting opportunities with family members b) Tax deferral and saving opportunities with e.g. RRSPs, RRIAs, TFSAs c) Employed vs. self-employed status
6.4.1 Evaluates adherence to compliance requirements	Compliance <ul style="list-style-type: none"> a) Basic compliance requirements

Competency	Examples of Relevant Knowledge
6.5.1 Analyses residency of a taxpayer	Residency Issues a) Full year, part-year and deemed residents
6.5.2 Analyses the taxation of Canadian sources of income for non-residents and part-year residents	Taxation on Non-Residents a) Taxation of various types of income b) Purpose of tax treaties c) Compliance requirements d) Deemed acquisition/disposition rules e) Availability of elections
6.6.1 Analyses income tax implications of death	Death of a Taxpayer a) Computation of income and taxable income b) Computation of taxes payable c) Returns - final return, elective returns d) Deemed disposition on death e) Spousal rollover f) Special carry-back rules (capital losses, charitable donations) g) Capital distributions from estate to beneficiaries
6.6.2 Analyses income tax implications of compensation planning between a shareholder and a closely-held corporation	Compensation Planning a) Employment income vs. dividends b) Shareholder loans c) Alternative compensation options - stock options, bonuses, fringe benefits d) Inter-corporate management fees
6.6.3 Analyses income tax implications of the purchase and sale of a CCPC	Purchase and Sale of a Business a) Corporate income effect on sale of assets b) Corporate tax payable on sale of assets c) Vendor Shareholder tax payable on distribution d) Calculation of taxable capital gain on share sale e) Calculation of capital gains deduction f) Vendor Shareholder tax payable g) Deemed taxation year with tax return h) Automatic recognition of accrued losses i) Election to recognize accrued gains
6.6.4 Explains the basic tax considerations of reorganizations	Corporate Reorganizations a) Basic rules of sections 51, 85 and 86 b) Paid-up Capital vs. Adjusted Cost Base c) Practical application of sections 51, 85 and 86
6.7.1 Discusses the GST system in Canada	General GST Concepts a) What the tax is and how it works (flow thru nature) b) Basics of GST – key definitions c) Legislative framework – Regulations, legislation d) Entities subject to different rules
6.7.2 Analyses GST obligations of a person	GST Obligations a) Characterization of the supplier(Corporation, Individual) b) When registration is required c) When tax is recoverable and by whom d) Place of supply (for goods, services and other types of supplies) e) Consideration for GST purposes (barter, sale, exchange) f) Characterization of supply (Intangible Personal Property, Real Property, Services, Tangible Personal Property) g) Status of supplies (taxable, zero-rated, exempt) h) Collection and remittance obligations i) Eligibility for Input Tax Credits and rebates
6.7.3 Calculates net tax for a person	GST Calculations a) GST treatment for specific items (bad debts, allowances, reimbursements, volume rebates, club dues, meals & entertainment)

Competency	Examples of Relevant Knowledge
6.7.4 Discusses GST compliance requirements	Basic GST compliance requirements including directors' liability <ul style="list-style-type: none"> a) Filing deadlines for returns and objections b) Retention of book and records c) Directors liability d) Instalments and final GST payments e) Deadlines for instalments and final GST payments f) Interest and penalties for late filed returns and payments
6.7.5 Analyses GST implications from tax planning for shareholders and their closely-held corporations	GST implications from tax planning for shareholders and a closely held corporation <ul style="list-style-type: none"> a) Intercompany transactions (section 156 election) b) Purchase and sale of a business (section 167 election) c) GST implications of taxable benefits
6.7.6 Explains GST obligations arising from other transactions	GST Obligations in other Transactions <ul style="list-style-type: none"> a) Impact of a supply being considered incurred in Canada when transacting with non-residents b) Real property transactions c) Self-assessment on imports and real property

Appendix D: Entry Level Learning Outcomes

Learning outcomes have been developed for each competency. In the current CPA Competency Map, the learning outcomes were included for the PEP level, and the 2018 project includes the development of the learning outcomes for the entry (prerequisite) level listed. The outcomes elaborate on the particular competency, providing additional information as to what is expected of the CPA candidate for each competency. The details of the outcomes may vary depending on the:

- focus of the prerequisite competency;
- focus of the particular module;
- elements on which emphasis is being placed; and
- expected proficiency level to be reached.

The separation and grouping found within each module is for the ease of managing the information and is not meant to infer a defined line between modules. For example, when exploring an accounting issue, candidates will be taught to contemplate the tax, along with other considerations, as the modules are highly integrative in nature. It is assumed that the prior knowledge with which the candidate enters the professional education program, as a result of the prerequisite requirements, can and will be used in a module even though it is not explicitly listed. In addition, anything learned in a previous common module is assumed to be retained and will be discussed and expanded upon in the elective modules.

The first draft of the proposed entry-level learning outcomes are as follows:

Entry

Competency (as revised)		Level	Learning Outcomes (New)
1. FINANCIAL REPORTING			
1.1 Financial Reporting Needs and Systems			
1.1.1	Evaluates financial reporting needs	B	<ul style="list-style-type: none"> a) Identifies the key stakeholders in the financial reporting environment and their information needs in a decision-making context b) Identifies conflicts/biases within a reporting environment
1.1.2	Evaluates the appropriateness of the basis of financial reporting	B	<ul style="list-style-type: none"> a) Explains how accounting standards are set and evolve b) Based on financial reporting needs and the economic context of the entity, analyzes the appropriateness of alternative financial reporting frameworks
1.1.3	Evaluates reporting systems, data requirements and business processes to support reliable financial reporting	B	<ul style="list-style-type: none"> a) Analyzes an existing financial reporting structure in the context of the entity's key processes b) Identifies the key internal controls that form part of the entity's financial reporting infrastructure c) Explains data integrity risks in data integration and aggregation processes
1.1.4	Explains implications of current trends and emerging issues and technologies in financial reporting	C	<ul style="list-style-type: none"> a) Explains shortcomings/limitations of current standards in the context of emerging issues b) Identifies current trends, and recent updates, in financial reporting standards c) Explains the implications of exposure drafts, impending changes, their rationale, and their impact on an entity and its financial statements d) Explains the potential impact of automated data capture, machine learning technologies and real time reporting <p>NOTE: Knowledge expectation varies depending on the level of complexity of the standard.</p>
1.1.5	Identifies financial reporting needs for the public sector	C	<ul style="list-style-type: none"> a) Recognizes the different reporting requirements for the public sector b) Recognizes the different reporting objectives for the public sector as they relate to different user objectives and information needs c) Explains the unique aspects of the <i>PSA Handbook</i>
1.1.6	Identifies specialized financial reporting requirements for specified regulatory and other filing requirements		
1.2 Accounting Policies and Transactions			
1.2.1	Develops or evaluates appropriate accounting policies and procedures	B	<ul style="list-style-type: none"> a) Analyzes the economic substance of the transaction or event b) Discusses accounting policy choices and alternatives for specific transactions and events

Entry

Competency (as revised)	Level	Learning Outcomes (New)
1.2.2 Evaluates treatment for routine transactions	A	<ul style="list-style-type: none"> a) Identifies routine transactions by making reference to the business model and industry, knowing that a transaction that is routine in one environment may not be routine in another b) Assesses a variety of source documents or information about routine events to determine accounting implications c) Records or assesses treatment of routine transactions into an accounting system d) Explains when accounting decisions have subsequent tax consequences e) Integrates any tax, audit, and finance implications into the evaluation of treatment for routine transactions
1.2.3 Evaluates treatment for non-routine transactions	B	<ul style="list-style-type: none"> a) Identifies non-routine transactions by making reference to the business model and industry, knowing that a transaction that is non-routine in one environment may be routine in another b) Assesses a variety of source documents or information about non-routine events to determine accounting implications c) Records non-routine transactions into an accounting system d) Explains when accounting decisions have subsequent tax consequences e) Integrates any tax, audit, and finance implications into the evaluation of treatment for non-routine transactions <p>NOTE: Examples of non-routine transactions could include measurement of share-based payment (including use of option-pricing model), discontinued operations, restructuring, and fair-value estimation.</p>
1.2.4 Analyzes treatment for complex events or transactions	C	<ul style="list-style-type: none"> a) Identifies the presence of complex transactions
1.3 Financial Report Preparation		
1.3.1 Prepares financial statements	A	<ul style="list-style-type: none"> a) Prepares financial statements for various entities
1.3.2 Prepares routine financial statement note disclosure	B	<ul style="list-style-type: none"> a) Prepares preliminary note disclosure for routine financial statement elements
1.4 Financial Statement Analysis		
1.4.1 Analyzes complex financial statement note disclosure	C	<ul style="list-style-type: none"> a) Identifies and explains required information content for complex note disclosure
1.4.2 Evaluates financial statements including note disclosures	B	<ul style="list-style-type: none"> a) Analyzes whether the financial statements are complete b) Analyzes whether the underlying economic reality is fairly presented
1.4.3 Analyzes and provides input in the preparation of management communication (e.g., management discussion and analysis (MD&A))	C	<ul style="list-style-type: none"> a) Explains the purpose of an MD&A (or equivalent)
1.4.4 Interprets financial reporting results for stakeholders (external or internal)	B	<ul style="list-style-type: none"> a) Prepares and interprets financial statement analysis on a preliminary basis b) Explains results using data visualization techniques, where appropriate

Entry

Competency (as revised)	Level	Learning Outcomes (New)
1.4.5 Analyzes and predicts the impact of strategic and operational decisions on financial results	C	a) Explains the financial impact of strategic and operational decisions
2 STRATEGY AND GOVERNANCE		
2.1 Governance		
2.1.1 Evaluates the entity's governance structure (policies, processes, codes)	C	a) Explains the various forms of entities b) Explains the board's structure considering its composition, legal liability and accountability, mandate, and leadership
2.1.2 Evaluates the specific role of the audit committee in governance	C	a) Explains the mandate of the audit committee
2.1.3 Evaluates mechanisms used for compliance purposes	C	a) Explains the purpose of a code of conduct within an entity b) Explains the mechanisms used for information flow within an entity used for compliance purposes
2.1.4 Analyzes the specific role of the board in an entity's social responsibility strategy and sustainability	C	a) Explains the role of the board in an entity's social responsibility and sustainability strategy
2.2 Mission, Vision and Values		
2.2.1 Assesses whether management decisions align with the entity's mission, vision, and values	B	a) Explains that the entity's context (e.g., private versus public sector) influences the definition of its overall objective: to provide sustainable value to the entity and its stakeholders b) Assesses the alignment of the entity's mission, vision, values, and mandate with the overall objective defined c) Critiques the alignment of specific decisions and strategies with the entity's mission, vision, values, and mandate d) Analyzes the role of the board in assuring effective information systems governance e) Explains the role of the board in an entity's strategic information systems plan f) Explains the relationship between effective alignment of information system resource allocation and accomplishment of organizational strategy
2.3 Strategy Development		
2.3.1 Evaluates the entity's strategic objectives and related performance measures	B	a) Recognizes that the form of the entity may have an impact on the measures chosen b) Analyzes the nature of the entity and identifies key financial and non-financial performance indicators (KPIs) that are in line with the entity's strategies, including industry- or sector-specific tracking needs c) Identifies the leading and lagging KPIs that might be suitable for evaluating the entity's effectiveness d) Uses accepted best practices in providing input on the formulation of KPIs that fit with long-term strategies e) Assists in developing an action plan to implement the various measurement and tracking methods

Entry

Competency (as revised)	Level	Learning Outcomes (New)
2.3.2 Evaluates the entity's internal and external environment and its impact on strategy development	B	<ul style="list-style-type: none"> a) Analyzes the entity's competitive position and its impact on strategy development b) Analyzes the implications of the entity's ownership structure and its impact on strategy development c) Incorporates, where appropriate, entity-level and functional-level strategies in the evaluation of the entity's internal and external environment d) Analyzes data requirements and the roles of reporting systems, business process and information systems in supporting strategic objectives
2.3.3 Evaluates strategic alternatives	B	<ul style="list-style-type: none"> a) Analyzes the strategic alternatives presented using a set of qualitative and quantitative criteria
2.4 Strategy Implementation		
2.4.1 Analyzes key operational issues including the use of information assets and their alignment with strategy	C	<ul style="list-style-type: none"> a) Explains the roles of control systems and accountability structures in aligning resources with strategy b) Explains the key components of corporate culture and the potential impact on the entity c) Demonstrates the alternative reward and recognition systems that are available to an entity and understands their strengths and weaknesses d) Recognizes information as a corporate resource to be managed strategically
2.5 Enterprise Risk Management		
2.5.1 Designs an effective risk management program and evaluates its impact on shareholder value	C	<ul style="list-style-type: none"> a) Explains the risks that an entity may face and the various risk management policies and procedures that an entity may use
2.5.2 Assesses the impact of IT/IS risks on enterprise risk and recommends appropriate risk management strategies	C	<ul style="list-style-type: none"> a) Recognizes enterprise exposures (threats) arising from information systems activities b) Recognizes the impact of IT/IS risks on enterprise risk
3 MANAGEMENT ACCOUNTING		
3.1 Management Reporting Needs and Systems		
3.1.1 Evaluates management information requirements	B	<ul style="list-style-type: none"> a) Explains what information assets management needs to make decisions b) Identifies management and strategic uses of information assets and technology
3.1.2 Documents and assesses business processes, systems and data requirements	C	<ul style="list-style-type: none"> a) Explains the types of information that management needs to make informed decisions b) Explains alternative approaches to documenting key business processes and control features c) Explains the importance of quality data, information and knowledge management practices within an organization
3.1.3 Recommends improvements to analytical and reporting systems to meet information needs	C	<ul style="list-style-type: none"> a) Explains the potential IT solutions that may be available to meet information needs

Entry

Competency (as revised)	Level	Learning Outcomes (New)
3.1.4 Identifies ethical and privacy issues related to information technology and its use	C	a) Understands the requirements of privacy legislation and its role in determining potential IT solutions for an entity
3.2 Planning, Budgeting, and Forecasting		
3.2.1 Develops or evaluates data and information inputs for operational plans, budgets, and forecasts	B	a) Analyzes the reasonableness of assumptions underlying operational plans, budgets and forecasts b) Identifies potential data quality issues
3.2.2 Prepares, analyzes, or evaluates operational plans, budgets, and forecasts	B	a) Prepares various types of operational plans, budgets and forecasts
3.2.3 Computes, analyzes, or assesses implications of variances	B	a) Analyzes actual performance against budget, or another relevant benchmark
3.3 Cost Management		
3.3.1 Evaluates cost classifications and costing methods for management of ongoing operations	A	a) Classifies and compares various types of costs and describes their behaviour within the context of their respective classifications b) Distinguishes and calculates the various types of operational costs and program costs c) Distinguishes the various types of costs when researching and analyzing particular problems and issues d) Classifies and communicates cost information according to standard conventions and uses judgment to determine which costs are relevant to the decision at hand e) Analyzes cost data using appropriate costing systems and methods f) Identifies the need for innovative costing techniques g) Describes costing systems for for-profit, not-for-profit, and public sector entities, and explains how such systems are typically applied
3.3.2 Evaluates and applies cost management techniques appropriate for specific costing decisions	B	a) Applies appropriate costing methods
3.3.3 Recommends changes identified by applying process improvement methodologies	B	a) Explains the advantages and weaknesses of continuous improvement methodologies as they relate to profitability and performance b) Critically evaluates the effectiveness of continuous improvement methodologies in improving profitability and performance c) Calculates the cost of quality initiatives d) Recognizes that public sector and not-for-profit organizations' process improvements may have different measures than profitability
3.3.4 Recommends cost management improvements across the entity	B	a) Discusses cost management processes with a view to maintaining a sustainable operation b) Analyzes operational processes based on operational cost considerations

Entry

Competency (as revised)	Level	Learning Outcomes (New)
3.4 Revenue Management		
3.4.1 Evaluates sources and drivers of revenue growth	C	a) Explains alternative revenue model options and which best meet the entity's objectives b) Identifies pricing alternatives
3.5 Profitability Management		
3.5.1 Performs sensitivity analysis	B	a) Performs a cost-volume profit analysis and discusses the results and the impact on the entity
3.5.2 Evaluates sustainable profit maximization and capacity management performance	B	a) Applies quantitative tools to analyze performance problems b) Identifies alternatives to solve potential performance problems
3.6 Organizational Performance Measurement		
3.6.1 Evaluates performance using accepted frameworks	B	a) Applies accepted frameworks and scorecards to assess performance b) Applies the measures, assesses the actual performance level against established objectives, and explains the differences c) Investigates the underlying factors that cause performance differences d) Concludes as to the financial or non-financial performance level
3.6.2 Evaluates performance of responsibility centres	B	a) Discusses the assignment of responsibility centre types b) Analyzes the performance of responsibility centres
3.6.3 Evaluates root causes of performance issues	B	a) Identifies possible impacts of unusual circumstances on performance
3.7 Individual Performance Measurement		
3.7.1 Analyzes the implications of management incentive schemes and employee compensation methods	B	a) Identifies the strengths and weaknesses of applicable incentives b) Analyzes the effectiveness of incentive schemes in contributing to achievement of the entity's objectives c) Identifies the tax consequences of the management incentive schemes; also considers the financial accounting and assurance implications d) Suggests the most appropriate scheme in the circumstances
4 AUDIT AND ASSURANCE		
4.1 The Entity and its Environment, including Internal Control		
4.1.1 Assesses the entity's risk assessment processes	B	a) Analyzes the impact of the entity's key risks and related controls on the financial reporting processes of the entity b) Documents and explains the actual operational processes in use c) Analyzes the impact of information system risks on the organization

Entry

Competency (as revised)	Level	Learning Outcomes (New)
4.1.2 Evaluates the information system, including the related processes, using knowledge of data requirements and risk exposures	C	<ul style="list-style-type: none"> a) Explains the objectives of internal controls b) Explains the implications of identified deficiencies in internal control c) Identifies the controls needed to ensure reliable financial reporting d) Explains the importance of data integrity and systems reliability in supporting effective decision making e) Explains the underlying concepts of accounting exposure (potential losses due to a weakness in internal control), threat recognition and reasonable assurance
4.2 Internal and External Audit Requirements		
4.2.1 Advises on an entity's assurance needs	B	<ul style="list-style-type: none"> a) Analyzes the various assurance requirements and options for an entity and explains the advantages and disadvantages to relevant stakeholders b) Discusses appropriate assurance projects or engagements for the entity
4.2.2 Explains the implications of current trends, emerging issues and technologies in assurance standards	C	<ul style="list-style-type: none"> a) Understands current trends in the industry and anticipated changes
4.3 Internal Audit Projects and External Assurance Engagements		
4.3.1 Assesses issues related to the undertaking of the engagement or project	B	<ul style="list-style-type: none"> a) Integrates the implications of financial reporting issues into the assessment of the engagement or project b) Describes the planning and acceptance requirements for the engagement
4.3.2 Assesses which set of criteria to apply to the subject matter being evaluated	B	<ul style="list-style-type: none"> a) For financial statement assurance engagements or projects, analyzes the acceptability of the financial reporting framework
4.3.3 Assesses or develops which standards or guidelines to apply based on the nature and expectations of the assurance engagement or project	B	<ul style="list-style-type: none"> a) Integrates the audit implications of financial reporting issues into the assessment of the standards or guidelines
4.3.4 Assesses materiality for the assurance engagement or project	B	<ul style="list-style-type: none"> a) Assesses materiality with reference to financial statement users, acknowledging the decision-making context b) Applies the concept of materiality to financial reporting

Entry

Competency (as revised)	Level	Learning Outcomes (New)
4.3.5 Assesses the risks of the project, or, for audit engagements, assesses the risks of material misstatement at the financial statement level and at the assertion level for classes of transactions, account balances, and disclosures	B	<ul style="list-style-type: none"> a) Completes risk assessment procedures, obtaining sufficient understanding of the entity, its control environment, its industry, the economic environment, its objectives and strategies, and key stakeholders to accurately assess risk areas, fraud risk factors, and other issues b) With repeat audit engagements or projects, reviews the results of prior audits for problem areas or potential issues that may have an impact on risk c) Completes risk assessment procedures, such as preliminary analysis of current financial statements and other information, to identify possible risk factors, including the appropriateness of the going concern assumption and the risk of fraud d) Assesses the risk of material misstatement or exception based on relevant risks and issues e) Assesses the risk of the assertion level for classes of transactions, account balances, and disclosure f) Evaluates the impact of the risk assessment on the nature, timing, and extent of assurance work to be performed g) Identifies risks related to tax assessments
4.3.6 Develops appropriate procedures, including Audit Data Analytics (ADA), based on the identified risk of material misstatement	B	<ul style="list-style-type: none"> a) Identifies potential sources of evidence to support the reliability of financial reporting b) Identifies opportunities to deploy audit data analytics enabled procedures where appropriate
4.3.7 Performs the work plan	B	<ul style="list-style-type: none"> a) Evaluates the financial reporting components of the audit work plan and documents and performs the work with due care b) Evaluates whether the work performed address the risks identified and comply with the accounting standards
4.3.8 Evaluates the evidence and results of analysis	B	<ul style="list-style-type: none"> a) Interprets the outcome of the audit findings on financial reporting
4.3.9 Documents the work performed and its results	B	<ul style="list-style-type: none"> a) Analyzes the sufficiency, reliability, and appropriateness of the evidence obtained and the significance of the results of the analysis b) Identifies inconsistencies, unexpected circumstances, unexpected findings, or findings that indicate possible fraud, error, or illegal acts
4.3.10 Draws conclusions and communicates results	B	<ul style="list-style-type: none"> a) Analyzes the reasonableness of the conclusions on the subject matter b) Reviews the unadjusted errors/exceptions in light of materiality or significance guidelines
4.3.11 Prepares or interprets information and reports for stakeholders using data visualization where appropriate	B	<ul style="list-style-type: none"> a) Interprets assurance-related communications and their implications on financial reporting b) Analyzes whether information communicated via visual means (graphs) is misleading

Entry

Competency (as revised)	Level	Learning Outcomes (New)
4.4 Comprehensive Audit Projects		
4.4.1 Applies comprehensive auditing techniques	C	a) Explains the need and purpose of comprehensive auditing b) Explains the nature of procedures involved in a comprehensive audit
5 FINANCE		
5.1 Financial Analysis and Planning		
5.1.1 Evaluates the entity's financial state	B	a) Performs financial analysis, including ratio analysis, industry benchmarking, trend analysis, and cash flow analysis b) Analyzes the individual calculations in the specific context of the entity
5.1.2 Develops or evaluates financial proposals and financing plans	C	a) Explains financial proposals and financing plans and the importance for the entity
5.1.3 Assesses data quality and the analytical models used to support financial analysis and decision-making	C	a) Understands the inputs in analytical models b) Explains the objectives and output of the model
5.2 Treasury Management		
5.2.1 Evaluates the entity's cash flow and working capital	B	a) Identifies problems with the entity's working capital management b) Analyzes working capital balances on an ongoing basis and identifies concerns c) Explains the effects on the entity of changes to working capital policies
5.2.2 Evaluates the entity's investment portfolio	C	a) Explains the various financial instruments available for an entity when developing an investment portfolio b) Explains the differences in the financial instruments
5.2.3 Evaluates sources of financing	C	a) Explains possible sources of financing b) Explains the advantages and disadvantages of the financing options
5.2.4 Evaluates decisions affecting capital structure	C	a) Describes the capital structure of an entity b) Explains the relationship between an entity's capital structure, its debt-to-equity ratio and its financial risk
5.2.5 Evaluates the entity's cost of capital	C	a) Explains the concept and the components of the cost of capital
5.2.6 Evaluates decisions related to distribution of profits	C	a) Explains the various methods that an entity may use to distribute profits
5.3 Capital Budgeting		
5.3.1 Develops or evaluates capital budgeting processes and decisions	B	a) Classifies and applies various methods of evaluating capital projects b) Applies accepted tools and benchmarks in analyzing capital projects, incorporating the tax considerations c) Discusses an appropriate course of action, considering the entity's objectives
5.4 Valuation		
5.4.1 Determines the value of a tangible asset	C	a) Explains the various methods that are appropriate to value a tangible asset

Entry

Competency (as revised)	Level	Learning Outcomes (New)
5.4.2 Applies appropriate methods to estimate the value of a business	C	a) Explains the various methods that are appropriate to value a business
5.4.3 Estimates the value of an intangible asset	C	a) Explains the various methods that are appropriate to value an intangible asset
5.5 Financial Risk Management		
5.5.1 Develops or evaluates financial risk management policies	C	a) Explains the basics of hedging b) Describes potential hedging instruments
5.5.2 Analyzes the use of derivatives as a form of financial risk management		
5.6 Corporate Finance Transactions		
5.6.1 Evaluates the purchase, expansion, or sale of a business	C	a) Describes alternative forms of ownership
5.6.2 Advises a financially troubled entity	C	a) Explains indicators of financial difficulty for an entity
6 TAXATION		
6.1 General Income Tax Concepts		
6.1.1 Discusses general concepts and principles of income taxation	C	a) Describes the Federal Canadian tax system b) Explains the concept of integration and the mechanisms in place to support it c) Explains tax advantages and disadvantages of various legal forms and structures
6.1.2 Identifies and analyzes ethical issues related to tax matters		
6.1.3 Assesses reporting systems, data requirements and business processes to support reliable tax compliance	C	a) Explains the importance of reliable tax data obtained from transaction processing systems
6.2 Corporate Tax		
6.2.1 Evaluates general tax issues for a corporate entity	B	a) Analyzes the corporation's tax profile
6.2.2 Advises on taxes payable for a corporation	B	a) Analyzes the tax impact of the different sources and types of income b) Analyzes transactions to prepare the reconciliation of accounting income to income for tax purposes c) Analyzes the impact of rules related to capital property d) Analyzes adjustments necessary to calculate taxable income e) Analyzes the elements of taxes payable f) Explains the tax implications of non-arm's length transactions with corporations g) Analyzes the tax implications of dividends paid
6.3 Personal Tax		
6.3.1 Assesses general tax issues for an individual	B	a) Analyzes an individual's tax profile

Entry

Competency (as revised)	Level	Learning Outcomes (New)
6.3.2 Evaluates income taxes payable for an individual	B	a) Analyzes the different sources and types of income for an individual including deductions and inclusions for each type b) Analyzes adjustments necessary to calculate taxable income c) Analyzes the elements of taxes payable d) Analyzes the tax implications of non-arm's length transactions
6.3.3 Analyzes specific tax-planning opportunities for individuals	B	a) Analyzes possible tax planning opportunities for individuals b) Explains the tax advantages and disadvantages of self-employed versus employee status
6.4 Income Tax Administration		
6.4.1 Evaluates adherence to compliance requirements	B	a) Discusses adherence to compliance requirements including directors' liability b) Discusses instalments and final tax payments
6.5 Taxation of Non-Residents and Part-Year Residents		
6.5.1 Analyzes residency of a taxpayer	C	a) Explains factors to determine residency status of an individual
6.5.2 Analyzes the taxation of Canadian sources of income for non-residents and part-year residents	C	a) Explains the tax consequences of becoming or ceasing to be a Canadian resident
6.6 Other Income Tax Matters		
6.6.1 Analyzes income tax implications of death		
6.6.2 Analyzes income tax implications of compensation planning between a shareholder and a closely-held corporation	C	a) Explains tax implications of compensation planning between a shareholder and a closely-held corporation
6.6.3 Analyzes income tax implications of the purchase and sale of a CCPC	C	a) Explains tax implications of asset sale b) Explains tax implications of share sale
6.6.4 Explains the basic tax considerations of corporate reorganizations		
6.7 GST Matters		
6.7.1 Discusses the GST system in Canada	C	a) Explains GST and when it is applicable
6.7.2 Analyzes GST obligations of a person	C	a) Explains the transaction: (Who, What, Why, When and Where) b) Explains the different types of supplies c) Explains the GST obligations of a person
6.7.3 Calculates net tax for a person	C	a) Explains the components of net tax
6.7.4 Discusses GST compliance requirements	B	a) Discusses adherence to compliance requirements including directors' liability b) Discusses instalments and final tax payments and advises on due dates
6.7.5 Analyzes GST implications from tax planning for shareholders and a closely held corporation	C	a) Explains the GST implications associated with taxable benefits b) Explains the GST implications associated with purchase and sale of a business (section 167 election)
6.7.6 Explains GST obligations arising from other transactions		

Appendix E: Proficiency Levels and Preferred Verbs

A working document is being developed to ensure consistency in descriptions of competencies and learning outcomes and is included here for your reference only:

	Level C	Level B	Level A
Verbs that can describe the expectations	Demonstrates Explains	Analyzes Identifies Discusses Performs Designs Documents Prepares	Advises Assesses Evaluates Recommends/ Concludes
Applying Verbs	Narrow application of verbs.	Can use Level C or Level B verbs but NOT Level A, depending on the circumstance	Presumably could use all verbs from all levels, depending on the circumstance.

It is not the expectation that only these verbs will be used, as some competencies and learning outcomes need a specific verb to be understandable, but the goal is to increase the consistency in verbs through the CPA Competency Map. Though this project has been started it will be included in the 2019 release and is provided here to help understand the process.

Appendix F: CMC Terms of Reference

Role

The Competency Map Committee is a committee of the Precertification Education Directors Committee (PEDC), set up for the specific purpose of assessing, on a continuing basis *The Chartered Professional Accountants Competency Map* and or its companion documents, in accordance with policies adopted by the PEDC.

Scope

The scope of activity for this committee shall include, on an ongoing basis, the assessment of the adequacy of the CPA Competency Map. This assessment shall include the review on a tri-annual basis of competency maps of other international accounting bodies and ensure that the Canadian CPA Competency Map meets the IFAC standards.

To update, as required, the technical references in the Canadian CPA Competency Map Knowledge Supplement.

(Note: For purposes of these terms of reference, reference to or use of expressions such as 'Canada', 'national' and 'province', and their cognates should be read to apply as if Bermuda, the Yukon Territory, the Northwest Territories and Nunavut were provinces of Canada for the purposes of this Accord.)

Responsibilities

1. To assess on a continuing basis the adequacy of the *CPA Competency Map*.
2. To recommend every three years to the PEDC such changes to the Competency Map as the Committee, after review, considers desirable.

3. To identify any major changes that it deems necessary to the *CPA Competency Map* and to report to the PEDC the rationale for such changes together with its recommendations on how such changes should be managed, either by it or through the formation of another task force and/or group.
4. To undertake consultation with the CPA regional/provincial bodies as to any proposed changes to the Competency Map.
5. To issue to the CPA regional/provincial bodies, on behalf of the PEDC, the approved Competency Map.
6. To study at the request of the PEDC other matters related to the Competency Map or other competency documents.
7. To review its own membership and Terms of Reference at least once every three years to ensure that they continue to meet the Competency Map Committee's and the profession's needs and to recommend any changes to the PEDC.
8. To ensure that a CPA Canada staff member maintains a record of matters related to the Competency Map.

Accountability

The Competency Map Committee is accountable to the PEDC, the committee that helps the Competency Map Committee fulfil its governance and oversight responsibilities in Education and Qualification.

Composition and Term

The Competency Map Committee will normally comprise nine members as follows:

- a) A Chair appointed by the PEDC for a term of two years.
- b) Eight members, appointed by the CPA member regions, for a term of up to three years, as follows:
 - (i) Two members appointed jointly by the CPA provincial bodies of British Columbia, Alberta, Saskatchewan, Manitoba, and the Territories.
 - (ii) Two members appointed by Ontario.
 - (iii) Two members appointed by Québec.

- (iv) Two members appointed jointly by the CPA provincial bodies of New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Bermuda.
 - (v) Where possible, representation of members shall include firms, academia, not-for-profit, government and industry.
 - (vi) International representation can be added in the future.
- c) To ensure continuity within the committee, not more than three members will retire each year at the end of their term.

In order to ensure that the committee has the necessary level of technical capabilities to meet its responsibilities, the Chair of the Committee may identify additional non-voting members to be appointed by the PEDC.

Assistance/Advice/Operations

Staff support will be provided by CPA Canada's Education Services group. The committee may also draw on the staff resources of CPA Canada and the CPA provincial bodies or their designate, as deemed appropriate, for advice and assistance in fulfilling its role.

A representative of the Board of Examiners (BOE) and a staff representative of the CPA Professional Education Program (PEP) will attend all committee meetings as observers to:

- a) respond to questions the committee has with respect to the impact of suggested changes to the Competency Map on the PEP and Evaluation development processes and
- b) communicate the BOE's opinion on matters when sought by the committee.

The committee may appoint consultants and seek advice and guidance from the CPA provincial bodies as required.

Decision Making

The committee shall endeavour to work toward a consensus of its members on all matters of substance. Where consensus on a motion of substance is not possible, the motion and the dissenting votes will be reported to the PEDC for resolution.

Consultation and Communication

As noted in “Responsibility” item 4, the committee will expose changes it proposes to the Competency Map to the CPA provincial bodies for comment, and to consider such comments in developing revised documents for the approval of the PEDC. The PEDC will consult the CPA provincial bodies on matters of substance referred to it by the committee for resolution.

Reporting

The committee reports to the PEMC through the PEDC. By invitation, the Chair shall attend meetings of the PEDC/PEMC and report on and discuss Competency Map Committee activities.

Meetings

In addition to Competency Map Committee members, committee meetings may be attended by the CPA Canada Vice-President Education, as an observer. Other observers may be invited to attend meetings from time-to-time by the Chair.

Bilingualism

The committee is designated as English/French with accommodation as described in the CPA Canada’s bilingualism policy.

Funding

Funding for reasonable and necessary costs of the meetings of the working group is shared jointly between the budget of CPA Canada and the provincial CPA bodies as part of the budget of the PEMC.



The CPA Competency Map Update

Outreach Package



CPA

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