

CPA Competency Map 2.0

Reflection and comments from an academic

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In July 2021, CPA Canada and its Competency Map Task Force asked for comments by September 30, 2021 on the proposed new Competency Map (CM2.0) (CPA Canada, 2021).

This policy brief offers a reflection and some comments on the proposed Canadian Chartered Professional Accountants (CPA) Competency Map (thereafter CM2.0). This has implications for education, such as teaching, assessment and lifelong learning.

This policy brief was finalized on September 28, 2021.

Commentator

I am a Full Professor in the accounting group of the Sprott School of Business, Carleton University (Ottawa, Ontario). In the 1990s, I was the Project Leader on the development of the Professional Education Program (PEP) at the Ordre des comptables agréés du Québec (OCAQ). I participated in some of the consultation sessions for CM2.0. I have been involved in preparing future accounting students (CA, CMA, CGA, CPA) over a period of more than four decades, including through the Sprott/Carleton Master of Accounting (MAcc). The MAcc program is accredited by CPA Ontario. Students graduating from the MAcc are exempt from the CPA Canada Professional Education Program (PEP) and proceed directly to the CPA Canada Common Final Examination (CFE). The Sprott/Carleton MAcc goes beyond the CPA PEP requirements by providing students with all four competencies in the accounting field: assurance, tax, finance, and performance management. (<http://sprott.carleton.ca/macc>)

Competency Map History and Design

A Brief History of Competency Map

This brief history focuses only on the first version of the CPA Competency Map (CPA Canada, 2012a) and the Knowledge Supplement (CPA Canada, 2012b). I do not look at the complete history of competency maps for the previous professional accounting designations (CA, CGA, CMA), even if these maps may be relevant.

There is no comparison between the previous version of the Competency Map (including Knowledge supplement) and the new version (CM2.0). The difference in number of pages is striking: 160 pages for the 2020 version (CPA Canada, 2019) vs 25 pages for CM2.0 (CPA Canada, 2021).

In the present form, CM2.0 is not really a Competency map, but mainly a framework. The reason for the inclusion of extended information in the previous version was the need to inform the reader (educators, students, CFE Board of Examiners) about the level of depth and breadth required in different areas of knowledge. This level of detail is not the case in CM2.0, however, it is essential for teaching.

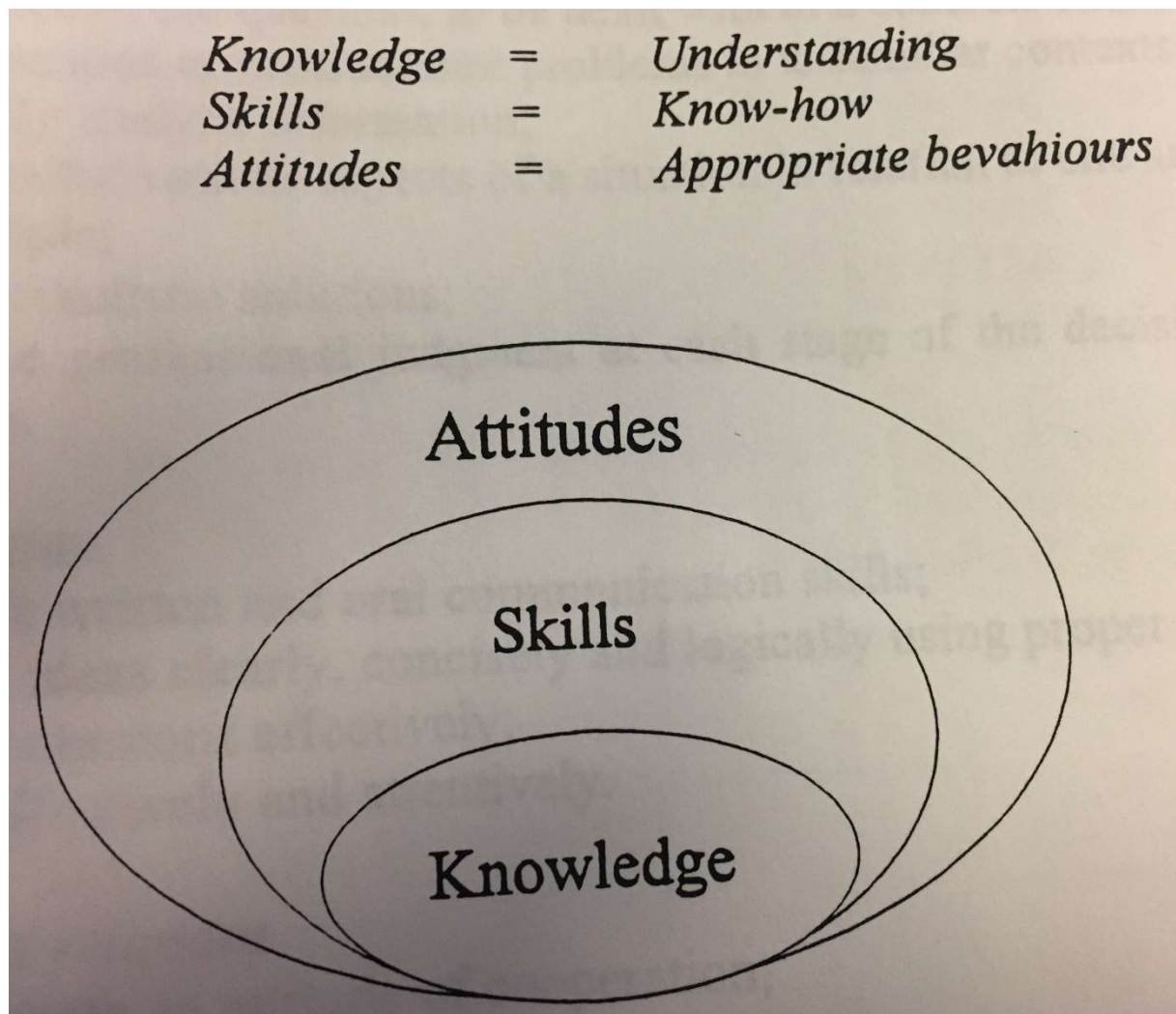
Competency Map Design

It is unclear why the designers of CM2.0 decided to “start from scratch” and begin with a “blank sheet” (CPA Canada, 2021, p.2-3). This is not explained and is assumed to be a good idea, rejecting the previous version. Thus it appears that the ‘baby has been thrown out with the bathwater’.

As a researcher, I understand it is always a good idea to build on previous knowledge. According to CPA Canada, “CM2.0 is underpinned by extensive research and stakeholder engagement” (CPA Canada, 2021, p.6). However, the research reports used during the CM2.0 development are not publicly available (apparently 15 research projects and 9 literature reviews). Therefore, it is difficult to evaluate the quality and quantity of research used. Further, my sense is that some of the consultations were not really open consultations. Rather they appear externally to have been an exercise to legitimate a pre-defined trajectory. These points bring the development process for CM2.0 into question.

“... CM2.0 is presented in a way that allows it to adapt and transform as things evolve” (CPA Canada, 2021, p.6). As an example, Figure A presents knowledge, skills and attitudes circles prepared for the development of the Chartered Accountant Professional Education Program in Québec (OCAQ, 1995). Appendix A provides more detail on each group. Skills are categorized as intellectual abilities, communication and interpersonal relations. Attitudes are categorized as professional and personal attitudes. The circles are aligned with the International Federation of Accountants and more specifically the International Accounting Education Standards Board publications (IAESB, 2019). In particular, knowledge (IES2), skills (IES3) and attitudes (IES4).

Figure A – Knowledge, skills and attitudes circles
(Source: OCAQ, 1995, p.7)



Per IAESB (2019, p.22):

“Professional knowledge—Those topics that make up the subject of accountancy as well as other business disciplines that, together, constitute the essential body of knowledge for professional accountants.”

“Professional skills—Intellectual, interpersonal and communication, personal, and organizational skills that a professional accountant integrates with technical competence and professional values, ethics, and attitudes to demonstrate professional competence.”

“Professional values, ethics, and attitudes—The characteristics that identify professional accountants as members of a profession. They include the principles of conduct (e.g., ethical principles) generally associated with and considered essential in defining the distinctive characteristics of, professional behavior.”

The impression given from the development process is there was a desire to reject the existing competency map. It appears CM2.0 is not a transition toward the future, but an intended revolution. No explanation was provided for why this was needed. The Foresight exercise is not sufficient to clearly justify it. The development process left an impression of trying to scrap an existing process without justifying the need for change (in other words, what was the problem that needed to be solved?). A document like a “Basis of conclusions” (used in conjunction with exposure drafts) to accompany the release of CM2.0 would have been useful to communicate the topics of debates during the development, and why they were resolved in a particular way.

“CM2.0 does not determine where in the CPA pathway, competencies are gained” (CPA Canada, 2021, p.9). There is a need to determine in which part of the professional accounting education and certification process each of those competencies will fall:

- education (entry requirements, initial professional development),
- practical experience,
- assessment of professional competence (CFE in Canadian context),
- continuing professional development.

Per IAESB (2019, p.20-21):

*“Professional accounting education—*Education and training that builds on general education, and imparts (a) professional knowledge, (b) professional skills, and (c) professional values, ethics, and attitudes.”

*“Initial professional development (IPD)—*Learning and development through which aspiring professional accountants first develop competence leading to performing a role as a professional accountant.”

*“Practical experience—*Workplace and other activities that are relevant to developing professional competence.”

*“Assessment—*Evaluation of professional competence developed through learning and development.”

*“Continuing professional development (CPD)—*Learning and development that takes place after initial professional development, and that develops and maintains professional competence to enable professional accountants to continue to perform their roles competently.”

Regarding the CM2.0 Decision Process Cycle (CPA Canada, 2021, p.13), it is a decision process that has been used in case-based courses for a long time. The problem is not the process. CPAs need to have competencies to assess situations and decide what needs to be done, and also to complete all the other steps.

The Role of Accountants and CPA

Some basic questions relevant to developing CM2.0 seem to have been overlooked. This may result in the CM2.0 having been formulated without first establishing a solid foundation about what we want to achieve. The primary questions that need to be addressed are about accounting, accountants and CPA. I identify below a number of basic questions that require discussion.

What is accounting?

Defining what accounting is will help understand the type of work accountants are doing and will do in the future.

What is an accountant and what is the role(s) of accountants/CPA?

Defining what an accountant is and identifying the role(s) of accountants and CPAs will help understand where we want to land as a profession.

Per IAESB (2019, p.21):

“Professional accountant—An individual who achieves, demonstrates, and further develops professional competence to perform a role in the accountancy profession and who is required to comply with a code of ethics as directed by a professional accountancy organization or a licensing authority.”

Per IAESB (2019, p.10):

“Professional competence is the ability to perform a role to a defined standard. Professional competence goes beyond knowledge of principles, standards, concepts, facts, and procedures; it is the integration and application of technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes.”

Per IAESB (2019, p.22):

Role—A function that has a specific set of expectations attached.

What will CPAs will be known for?

It is unclear to me from CM2.0 what CPAs will be known for in the future. It seems that it will be as a good citizen who is able to make decisions. It appears that CPAs don't want to be accountants (individuals with expertise in accounting, tax or assurance) anymore. This leads me to wonder whether the C in CPA will be replaced by 'Citizen'?

Per CPA Canada (2021, p.24 note vi)

“The CPA profession's Foresight initiative described the Foresight CPA as follows: “Each day, each CPA will bring insight about performance that enhances the ability of their organization(s) to more clearly foresee the opportunities that lie ahead, thereby ensuring their evolving work is applied more broadly and appreciated by a broader section of society” (The Way Forward report, page 9).”

If the Foresight CPAs focus is on “Performance”, as noted above, should performance be a core of the CM2.0? Presently, performance management, which is an elective in the current CPA program, is not a competency in CM2.0.

Competencies

It is correct to integrate new emerging themes into the competency map, but this should not be at the expense of the core expertise of CPAs. Table 1 presents a summary of the CM2.0 Integrated Common Core and more details.

Table 1 – Summary of CM2.0 Integrated Common Core

<i>Parts</i>	<i>Competencies</i>	<i>Topics</i>	<i>#</i>
Foundational Common Core	Sub-foundational competencies	Equity, diversity and inclusion (EDI) Indigenous views/ indigeneity Systems thinking and complexity theory Emerging and transformative technologies (e.g. artificial intelligence, intelligence augmentation, distributed ledgers and others)	SFC (2)
	Foundational competencies	Sustainability - including environmental, social and governance (ESG) Economics and the underlying areas of quantitative methods and probability Law and legal forms of business Organizational behaviour including human behaviour/ bias	FC (3)
	Specific competencies	Value creation Finance Financial and non-financial reporting Tax Assurance and trust Big data, data analytics Strategy, risk management and innovation Management decision making and information (data) systems/technology Ethical decision-making and organizational governance/ data governance (including privacy and security)	SC (6)
CPA Ethical Mindset	Professional competencies	?	
	Human skills/values	?	

Foundational Competencies

The first part of the competencies are divided into three groups.

Sub-foundational Competencies (2 SFC / 4 topics)

Are the sub-foundational competencies listed the only ones required? Or only the ones which are popular at this moment?

Systems thinking and complexity theory and Emerging technologies are interesting. However, I wonder if they are at the proper level as sub-foundational? For example, artificial intelligence appears more specialized. The focus in CM2.0 appears to be on new, emerging and changing concepts. However, should existing technologies also be sub-foundational competencies. For example, will students need to master Excel spreadsheet manipulation?

Foundational Competencies (3 FC / 4 topics)

Why does CM2.0 not include all aspects of management expertise, which are already included in most BCom programs in Canada? For example, entrepreneurship, international business, information systems, management, marketing, supply chain management, among other areas could be considered foundational competencies.

Why is sustainability not considered a specific competency? If we want to adopt a more global approach in organizations and select a defining expertise for CPA, sustainability could be defined as a specific competency.

Specific Competencies (6 SC / 9 topics)

Value creation is an interesting concept, but it is achieved through the intersection with and application of other specific competencies. You need to apply competencies for value creation. This specific competency also does not explore the key question of for whom is value to be created?

I find it strange to see finance at the top of the list of specific competencies for the competency map for accountants. If someone wants to specialize in finance, why would they not pursue the CFA designation, instead of a CPA designation? The order in which various specific competencies are listed in CM2.0 is important as it represents what we want to be known for as CPAs.

Management decision making and ethical decision-making are also competencies that intersect with other competencies. These relationships should be made explicit in the competency map. It is also unclear why ethical decision-making is a specific competency and not part of the CPA Ethical Mindset.

As an example, as an academic who will need to implement the CPA Competency Map in his taxation courses, it is unknown what the depth and breadth of coverage in taxation will need to be. For example, should we expect a new CPA to be able to

prepare their own tax returns? At the moment, from the detail in CM2.0 (copied below) it is impossible to know if it will be the case.

SC2 – **Apply** accounting and assurance standards, and tax requirements as needed (e.g. CPA Canada Handbooks, CPA Canada Public Sector Handbook and Canadian Income Tax Act) by researching and analyzing issues in routine situations of low to moderate levels of ambiguity, complexity and uncertainty.

SC3 – Where required, **explain** the decision-relevant features of other standards, regulations, laws and criteria (i.e. those that do not relate to accounting, assurance and tax).

SC5 – **Describe** how accounting, tax and assurance standards, regulations, criteria and laws are developed and **explain** why they are important in the context of capital markets, government and society (including when they may be lacking).

CPA Ethical Mindset

The second part of the competencies is divided in two groups. Regarding the CM2.0 CPA Ethical Mindset (CPA Canada, 2021, p.12), should it be the CPA mindset? or the CPA Ethical Mindset? The note vi from Foresight is not clear on what constitutes the Ethical Mindset.

Professional Competencies

The professional competences are not specifically defined (see Appendix A for examples and IAESB publications).

Human Skills / Values

Human skills and values are also not specifically defined (see Appendix A for examples and IAESB publications).

Implementation Issues

A number of issues surrounding the implementation of CM2.0 are noted below.

Assessment and CFE

“In addition to formative examinations throughout the program, the CPA certification program culminates in a summative final examination that evaluates candidates on the competencies defined by the Competency Map.” (CPA Canada, 2018, p.4)

I understand that some additional work is yet to be done regarding assessment, specifically what will replace the Common Final Examination (CFE). However, it is difficult to assess the CM2.0 without being able to factor the assessment component into the equation.

What are the core competencies' depth and breadth for future CPAs?

What is the depth expectation for each competency for a future CPA?

What is the breadth expectation for each competency for a future CPA?

Are there to be decreases (or increases) in the depth and level of expertise expected for each competency for a future CPA?

What are the learning outcomes?

What are the learning outcomes regarding the competencies?

Per IAESB (2019, p.20):

“*Learning outcome*—The content and the depth of knowledge, understanding, and application required for a specified competence area.”

Proficiency spectrum of verbs

I am unclear about the level of proficiency attached to each verb (CPA Canada, 2021, p.17, 22). For example, communication is a skill. Verbs such as collect, document and communicate could be present as steps associated with other verbs.

University Education

What changes will be needed in university programs (undergraduate and graduate) to implement CM2.0?

What changes will be needed in individual university courses (undergraduate and graduate) to implement CM2.0?

At present it is difficult to know how CM2.0 would be implemented. As partners in the CPA education process, university educators are concerned about the uncertainty surrounding the new CM2.0 and its implementation.

Conclusion

I recognize the need for revising and updating the CPA Competency Map. I agree that “The world around us is changing at an ever-increasing pace” (CPA Canada, 2021, p.6). As the CPA profession will substantially change the Competency Map in the near future regardless of comments, it is important to have a solid and accepted Competency Map to ensure engagement of the educators.

CM2.0 includes a wide range of concepts and ideas. Most of these concepts and ideas are interesting and have future changes in mind. However, the focus of CM2.0 is not clear. In its present form the levels of depth and breadth expected in CM2.0 for each competency are unknown. At the moment, CM2.0 is too short to be useful to guide developments in education (either at the level of initial professional development in undergraduate or graduate programs). There is a pressing need to determine in which part of the certification process (education, work experience, evaluation/CFE) each of the competencies included in CM2.0 will fall. Additional clarification of foundational concepts and terms which underpin the competency map are also required.

Therefore, more information is needed to help guide educators and students. The CPA Competency Map should be useful to all stakeholders, including academics who are on the frontlines of preparing the future CPA, and students who need to understand clearly know what they should know as a CPA.

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Appendix A

OCAQ (1995) Knowledge, skills and attitudes

Extracts from OCAQ (1995, p.7-9)

Knowledge

- professional practice;
- information systems and control;
- audit and related professional services;
- financial accounting and reporting;
- managerial accounting and financial management;
- taxation.

Skills

Intellectual abilities

- use abilities to solve problems and make decisions;
- collect, read and interpret information;
- identify, define and rank problems and issues explicitly or implicitly presented in the question, to be dealt with in a concrete situation;
- solve various or unstructured problems in unfamiliar contexts;
- critically analyze information;
- examine the various aspects of a situation in relation to one another and as a whole;
- suggest realistic solutions;
- exercise professional judgment at each stage of the decision-making process.

Communication

- improve written and oral communication skills;
- convey ideas clearly, concisely and logically using proper English;
- present opinions effectively;
- listen effectively and attentively.

Interpersonal relations

- demonstrate an attitude of cooperation;
- display leadership abilities;
- know how to organize and delegate tasks;
- know how to motivate staff;
- know how to resolve conflicts;
- be open to the world and to different cultures.

Attitudes

Professional attitudes

- adhere to CAs' professional ethics;
- identify ethical matters and exercise judgment in analyzing them;
- display a high degree of professional scepticism and discernment;
- work effectively despite the numerous constraints;
- progressively become the master of one's own learning and education to be able to take charge of one's personal development and continuing education and be able to adapt more easily to changes that can affect the course of one's career;
- develop a proactive attitude to change.

Personal attitudes

- develop personal qualities such as integrity, curiosity, initiative, dynamism, adaptability, a sense of social responsibilities, open-mindedness and creativity.