



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS

ATLANTIC
SCHOOL
OF BUSINESS

CPA Technical Competency Guide for Experience Verification

Guidance to enhance your responses to the technical competencies for PERT reporting

CPA Technical Competency Guidance

FINANCIAL REPORTING (FR).....2
MANAGEMENT ACCOUNTING (MA)4
AUDIT & ASSURANCE (AA)7
FINANCE (FN)7
STRATEGY & GOVERNANCE (SG)10
TAXATION (TX)13

Note to Students/Candidates:

The questions provided here are intended to assist you with reporting your work experience and ensuring it is allocated to the correct competency/sub-competency area. This framework only provides a starting point to your documented response. For each applicable competency or sub-competency, make sure to identify the frequency that the task is being completed and provide two or more work examples that best illustrate the skills you’ve developed with an emphasis on consistency. It is imperative that you use your own words when presenting your examples and information to CPA. **Plagiarism is completely unacceptable.**

FINANCIAL REPORTING (FR)

- Are you in a traditional external financial reporting role?
- Do you do research to evaluate policies and transactions for financial reporting purposes in accordance within an applicable reporting framework?
- Do you prepare or review financial statements and/or note disclosures for external stakeholders?
- Do you analyze financial statements?

If you answered yes to any of the above questions, you may want to report under the FR competency area. Review the following sub-competencies and identify those that align with your experience and knowledge.

FINANCIAL REPORTING NEEDS AND SYSTEMS (FR1)

- Do you assess the financial reporting needs of a stakeholder?
- Are you required to adjust your approach or process to ensure that these needs are being met?

Alternatively, do you assess the appropriateness of the financial reporting framework that's in place at a given organization?

If so, you may want to report under FR1. Be sure to clearly describe your stakeholder's needs, how they are using the information and the financial reporting framework you are working within. Then:

- a) Describe how you ensure that this information is accurate or reliable
- Or
- b) Describe the tasks that you carry out to identify the basis of financial reporting and why it's appropriate.

Include any alternatives you considered in your analysis and any conclusions or recommendations you came up with.

ACCOUNTING POLICIES AND TRANSACTIONS (FR2)

- Do you prepare or review journal entries, assess the treatment of transactions or analyze accounting policies?
- Do you do research to evaluate policies or transactions for financial reporting purposes in accordance with an applicable reporting framework?
- Are you involved in regular monthly, quarterly or year-end financial closing processes?

If so, you may want to report under FR2. You should indicate how frequently you perform this type of work and provide two examples that demonstrate your knowledge in researching and/or reviewing accounting policies, procedures or transactions.

Also document the financial analysis you've completed and the resulting recommendations you made. Please indicate the percentage of your entries that are routine versus those which are non-routine. You should also indicate the resources you used, the financial reporting framework that you worked within, any alternatives you considered and any recommendations you made.

FINANCIAL REPORT PREPARATION (FR3)

- Do you prepare or review external financial statements
- or the sections of financial statements and/or note disclosures?

If so, you may want to report under FR3. You should describe your role in preparing external financial statements, identifying which financial statements or sections of the statements you prepare or review, your process for doing so (including examples of adjustments made) and the financial reporting framework you work within.

Please also specify which note disclosures you prepare or review. Indicate how frequently you prepare or review these statements (i.e. monthly, quarterly or annually) and if they are then subsequently audited or reviewed. Be sure to indicate what factors make the financial statements or the areas that you worked on complex.

FINANCIAL STATEMENT ANALYSIS (FR4)

- Do you complete any analysis of external financial statements, such as variance analysis, trend analysis or ratio analysis?
- Do you explain financial statement results or implications to stakeholders?

If so, you may want to report under FR4. You will need to provide at least two examples of financial statements you've analyzed along with how this analysis was communicated and to whom. Please also indicate how often you've performed these analyses and identify any interrelationships or recommendations you made that were part of this work.

MANAGEMENT ACCOUNTING (MA)

- Do you prepare internal reports for the purpose of management decision-making?
- Are you involved in planning, budgeting or forecasting?
- Do you analyze cost, revenue or profitability for an organization?
- Do you monitor the performance of this organization?

If you answer yes to any of the above questions, you may want to report under the MA competency area. Review the following sub-competencies and identify those that align with your experience and knowledge.

MANAGEMENT REPORTING NEEDS AND SYSTEMS (MA1)

- Does your work require an understanding of the different reporting systems used by management?
- Do you modify or prepare reports or do the same to systems to better meet the information needs of management?

If so, you may want to report under MA1. In your response, please indicate who your internal stakeholders are, what information they need and the business purposes they're using this information for.

Also outline the types of information systems you've analyzed, the tasks you've performed as part of this analysis and any resulting recommendations you made. Describe how these recommendations improved management decision-making. Finally, discuss any ethical, privacy or data integrity issues you encountered, analyzed or considered.

PLANNING, BUDGETING AND FORECASTING (MA2)

- Are you involved in planning, budgeting or forecasting for your organization?

If so, you may want to report under MA2. In your response, describe how you analyzed and assessed the various inputs into a given budget, plan or forecast, including how you performed your analysis. Identify the sources of your information, the assumptions you made and your approach for assessing the reasonability of the budget inputs.

Be sure to outline your specific role in the preparation of the plans, budgets or forecasts and identify if you were responsible for the entire budget or for specific sections within it. Discuss your role in any variance analysis, providing examples and any recommendations you made. Finally, make sure you specify how many forecasts, plans and/or annual budgets you have been involved in to date.

COST/REVENUE/PROFITABILITY MANAGEMENT (MA3)

- Do you analyze cost, revenue or profitability for an organization?
- Does your work contribute to management decision-making in any of these three areas?

If so, you may want to report under MA3. For this sub-competency, you need to demonstrate proficiency in one of the three requirements (i.e. cost OR revenue OR profitability management) rather than all three.

Please indicate which one of the following three areas you will be targeting:

i. Cost management:

Using applicable examples, discuss what cost management techniques (i.e. fixed/variable, direct/indirect, standard costing, activity-based costing, job costing, etc.) you've applied in your role. Be sure to outline how your work supported specific business decisions, outlining the steps you took to perform your analysis and how frequently you completed this work. Document any process improvements or potential changes you recommended to the cost management techniques (and the analysis that went into this) and any conclusions you developed. Describe the impact your recommendations had on the business.

ii. Revenue management:

Outline the tasks you've performed when analyzing sources of revenue and revenue drivers and the recommendations or conclusions you came up with. Indicate who your stakeholders were and the frequency with which you performed these tasks and the impact of this analysis on the business (if any).

iii. Profitability management:

Document any sensitivity analyses you performed and the resulting recommendations, providing examples where possible. Outline the tasks involved in analyzing alternatives for profit maximization or capacity management performance (i.e. break-even analysis, contribution margin analysis, etc.), providing relevant examples to support your case. Include any recommendations and conclusions you developed, explaining the impact these recommendations had on the business.

ORGANIZATIONAL/INDIVIDUAL PERFORMANCE MANAGEMENT (MA4)

- Do you analyze the performance of your organization or department?
- Is your work considered part of an overarching performance improvement strategy?

If so, you may want to report under MA4. In your response, describe the performance issues the organization is facing and what you're doing to determine their root cause. In your response, you will need to select one of the three areas you will be targeting.

Please indicate how you'll meet one of the following three requirements:

i. Management Incentive Programs and Employee Compensation:

Explain how you were able to enhance or optimize a business' management incentive programs and/or employee compensation (excluding payroll), outlining how these performance-based pay structures improved business performance.

ii. Accepted Frameworks or Key Performance Indicators (KPIs):

Describe your analysis around KPIs, providing examples where possible. Make mention of the recommendations you came up with to improve performance and how and why they were able to have a positive impact

iii. Responsibility Centres:

Define how you were able to improve performance within specific responsibility centres, outlining the factors you took into consideration as part of your analysis along with the recommendations and conclusions that you developed.

AUDIT & ASSURANCE (AA)

- Do you perform internal audit or external assurance engagements?
- Do you assess the control environment and its impact on information systems and related internal control processes?
- Do you perform audit planning and/or testing procedures?

If you answered yes to any of the above questions, you may want to report under the AA competency area. Review the following sub-competencies and identify those that align with your experience and knowledge.

INTERNAL CONTROL (AA1)

- Have you assessed the control environment and its impact on information systems and related processes?
- Do you evaluate or review the existing internal controls?

If so, you may want to report under AA1. Provide examples of situations where you've analyzed internal controls processes and any related risk assessment or information system processes. Clearly describe the analysis you performed, any alternatives you considered and the conclusions you reached and for whom this work was prepared for.

INTERNAL AUDIT OR EXTERNAL ASSURANCE REQUIREMENTS, BASIS AND RISK ASSESSMENT (AA2)

- Do you work in external or internal audit? Do you prepare or assess audit plans?
- Do you assess the risks in undertaking an audit engagement?
- Do you conduct a materiality assessment?

If so, you may want to report under AA2. You will need to provide examples of situations where you've analyzed a business' assurance needs or the implications of changes in assurance standards, along with analyzing the criteria/standards involved and performing a risk assessment. You will also need to explain how you identified any high-risk areas and what considerations you included to address these risks.

INTERNAL AUDIT PROJECTS OR EXTERNAL ASSURANCE ENGAGEMENTS (AA3)

- Do you work in external or internal audit?
- Do you conduct audit testing where you are required to draw conclusions and communicate your results?

If so, you may want to report under AA3. You must provide a minimum of two examples of external or internal assurance engagements you have conducted. Clearly describe your involvement with respect to the procedures performed, the evidence analyzed, and the conclusions drawn and communicated to the respective stakeholders. Please also indicate the type of audit testing you completed.

FINANCE (FN)

- Do you assess risk that could impact the overall health of an organization?
- Do you evaluate or review financial risk management policies and/or recovery plans?
- Do you assess the financial viability of business proposals?
- Do you analyze financial models and evaluate the feasibility of capital projects?
- Do you analyze cash flows and make recommendations?

If you answered yes to any of the above questions, you may want to report under the FN competency area. Review the following sub-competencies and identify any that align with your experience and knowledge.

FINANCIAL ANALYSIS AND PLANNING (FN1)

- Are you involved in assessing the overall financial well-being of an organization, including competitive analysis?
- Do you review or perform financial analysis such as industry benchmarking or trend analysis that assists with this assessment?
- Alternatively, do you review or evaluate financial proposals?
- Do you perform analyses that validate underlining assumptions, alternatives, risks and opportunities of these proposals?
- Do you provide recommendations on the best course of action?

If so, you may want to report under FN1. You will need to document the tasks you've performed when analyzing the financial health of an organization, providing examples to substantiate your experience. Also include any recommendations you made and to whom they were made. For financial proposals and financing plans, outline the analysis you've performed and its frequency, the number of proposals you've analyzed and the recommendations you made and to whom. Be sure to identify any underlying assumptions while also denoting the inherent risks or opportunities.

TREASURY MANAGEMENT (FN2)

- Are you involved in managing the cash flow and working capital of a business?
- Do you develop strategies to monitor working capital (i.e. bank balances, inventory levels, accounts payables/receivables, etc.)?
- Do you make recommendations regarding an organization's cash flow, investments or capital structure?

If so, you may want to report under FN2. You should describe your role in the calculation and analysis of a business' working capital and cash flow and how you've met one of the four additional criteria listed below, including examples of your work and any recommendations you made.

Please indicate which one of the following four additional areas will you be targeting:

- i. Investment Portfolio:
Outline the work you've done to evaluate and assess a business' assets and securities, along with what you've done to identify opportunities and mitigate any associated risks.
- ii. Financing Availability/Impact on Capital Structure:
Describe the tasks you've performed to assess a business' financing needs based on their strategic and operational business plan. Outline the alternatives you identified and explain how you evaluated the consequences, benefits and operational impact of these based on the overall state of the business.
- iii. Cost of Capital:
Outline the work you've done to evaluate changes within the market and/or operations and how you've assessed the risk factors that could impact an entity's capital structure.
- iv. Profit Distribution:
Describe your process for evaluating risk and opportunities and how you identified the appropriate method for allocating the entity's profits.

CAPITAL BUDGETING/VALUATION/CORPORATE FINANCE (FN3)

- Are you involved in evaluating and reviewing an entity's capital budgeting decisions and processes?
- Have you valued a tangible or intangible asset or assessed a business' strategies and risk decision-making impact on a purchase, expansion or sale of an entity?
- Have you identified a business' financial struggles and provided recommendations on their long-term health?

If so, you may want to report under FN3. Be sure to describe your role in the analysis of financial models as it relates to capital budgeting, valuation or related items. If you are performing valuation work, you need to indicate the methods (i.e. DCF, ABV, multiples, etc.) you've used for this work. Include how often you've conducted this analysis and to whom you made your recommendations. You also need to outline how you've met one of the additional seven criteria you will be targeting as listed below.

Please indicate which one of the following seven additional areas you will be targeting:

- i. Capital Budgeting - Process and Decisions:
Describe the work you've done around reviewing and evaluating the feasibility of capital projects and the recommendations you've made based on a specific financial model.
- ii. Valuation of Tangible and Intangible Assets:
Outline the methods you've used to define, quantify and justify the value of a tangible and/or intangible asset, specifying the pros and cons of each alternative you've utilized. Explain what work you've done to determine the value of these asset(s) through analysis.
- iii. Business Valuation:
Explain the methods you've used to define, quantify and justify the value of a business and identify the pros and cons of each alternative utilized. Outline the analysis you've performed to determine the value of a business.
- iv. Financial Risk Management:
Define how you developed or revised policies that helped a business monitor and better

manage their financial risk. Explain how you evaluated changes in the economy and business model in order to assess any potential impact on financial risk and the need for changes in policies and procedures. Outline how you came to the recommendations you proposed.

v. Financial Risk Management - Evaluating and Analyzing the Use of Derivatives:

Describe the tasks you've completed in order to evaluate and analyze the use of derivatives as a form of financial risk management. Explain how you evaluated changes in the economy and business model in order to assess any potential impact on financial risk and the need for changes in a business' policies and procedures. Outline how you came to the recommendations you proposed.

vi. Purchase, Expansion, or Sale of a Business:

Describe how you have evaluated risk, opportunities and the financial implications for the purchase, expansion or sale of a business. Explain how you analyzed and assessed the alternatives in order to recommend an appropriate course of action for management.

vii. Assisting a Financially Troubled Entity:

Describe the work you've done to provide input on a business recovery plan, specifically addressing your analysis on the entity's financial difficulties. Explain how you analyzed and assessed the various alternatives in order to recommend a preferred course of action.

STRATEGY & GOVERNANCE (SG)

- Does your role involve analyzing and assessing an entity's risk management processes and strategies?
- Do you provide recommendations to their strategic plan, taking into consideration the various internal and external factors?
- Do you prepare information and guidelines to ensure an organization remains compliant with its regulatory requirements?

If you answered yes to any of the above questions, you may want to report under the SG competency area. Review the following sub-competencies and identify any that align with your experience and knowledge.

GOVERNANCE, MISSION, VISION, VALUES AND MANDATE (SG1)

- Do you perform analyses to evaluate a company's governance structure, including its business policies
- or processes to assess social responsibility, codes of conduct, ethical guidelines, and regulatory requirements?

If so, you may want to report under SG1. Be sure to describe your responsibilities around analyzing an entity's governance policies or processes and any analysis you've performed to ensure that the entity remains compliant with its regulatory and compliance requirements. Alternatively, you can document your responsibilities around analyzing the alignment of management decisions to an entity's mission, vision and values. In both cases, you must describe how you performed these duties as part of your role, including how often they were performed and for whom.

STRATEGY DEVELOPMENT/IMPLEMENTATION (SG2)

- Do you analyze and evaluate the internal and external factors that impact strategic objectives and strategy development, including performance measures and strategic alternatives?

If so, you may want to report under SG2. There are three distinct areas where you can gain proficiency in this sub-competency, you must select the one that will be your area of focus. Be sure to provide examples demonstrating when you've performed these tasks and how your analysis impacted the organization's overall strategy. Clearly identify who your internal stakeholders were and your level of involvement in developing the strategy, including any recommendations you made.

Please indicate which one of the following three additional areas you will be targeting:

- i. Strategic objectives and related performance measures
- ii. Internal and external factors and their impact on strategy development:

(i.e. market analysis, economic, cultural, demographic etc.), key success factors and the driving forces of competition.

iii. Analyze the key operational issues and their alignment to strategy:

(i.e. employee recruitment, training and retention, performance measurement and incentives plus best practices for strategy implementation).

ENTERPRISE RISK MANAGEMENT (SG3)

- Do you identify, assess, mitigate and/or monitor an organization's risks and risk management program(s) and the impact they may have on the organization and its shareholders?
- Do you provide advice and/or recommendations on strategic approaches to risk management?

If so, you may want to report under SG3. You will need to describe how you researched, analyzed and reviewed components of a risk management program, including its impact on stakeholder value. Profile any analysis you've performed to date and the strategies you recommended. Provide examples of risks you identified and the recommendations you put forward to mitigate these risks.

TAXATION (TX)

- Are you involved with any tax research, planning, or returns pertaining to the Income Tax Act (ITA) within your organization?
- Do you work in public practice where you prepare personal or corporate taxes for multiple clients?
- Do you work in a business' Tax Department?

If you answered yes to any of the above questions, you may want to report under the TX competency area. Review the following sub-competencies and identify any that align with your experience and knowledge.

INCOME TAX LEGISLATION AND RESEARCH (TX1)

- Do you perform research to assess transactions
- or events related to the taxes of individuals or corporations?

If so, you may want to report under TX1. You should provide examples of the tax issues you've researched and been involved in, referencing the applicable section of the ITA. Indicate any other resources you used to complete your research, including any conclusions reached or recommendations made.

TAX COMPLIANCE - CORPORATE OR PERSONAL (TX2)

- Do you assess general income tax issues for individuals and/or organizations?
- This would include filing requirements, deadlines, legal forms and structures, types of corporations, sources and types of income?
- Do you prepare or review income tax returns?

If so, you may want to report under TX2. You should provide examples of the income tax compliance issues you've been involved in, articulating your level of involvement and how these items were treated on the tax return. In addition, demonstrate how you prepared or analyzed income tax returns or their supporting information. Be sure to include examples of sections of actual returns you prepared or analyzed and the frequency with which you completed these tasks.

TAX PLANNING: CORPORATE OR PERSONAL (TX3)

- Do you do any tax planning for individuals or corporations?
- Do you calculate the tax consequences of various tax planning scenarios?
- Are you involved in estate planning?

If so, you may want to report under TX3. You will need to outline your corporate or personal tax planning experience while providing the necessary examples to support this experience. Include how often you've completed these tasks and any recommendations you've provided.