

# CGA Competency List

The following list defines and provides examples of the competencies required of a newly certified CGA. It is derived from the results of the Association's 2002-03 large-scale practice analysis. These competency statements are used to guide changes and updates to the education, examinations, and experience requirements of the CGA Program of Professional Studies. Of the 147 competencies on the list, 126 are rated as core competencies required of a newly certified CGA. The 21 competencies not designated as core (indicated by an asterisk) are developed through the career option courses at the professional (PACE) level of the program.

## Competency Statements and Examples

### TECHNICAL KNOWLEDGE: Financial Accounting & Reporting

Formulates, analyzes, and processes transactions in accordance with professional standards and policies

- revenue and expense recognition
- amortization of leaseholds
- foreign exchange transactions
- disposals, exchanges, and retirements of capital assets
- accounting for grants, subsidies, contributions, and loans

Researches, evaluates, and advises on the appropriate accounting treatment for complex transactions

- step-by-step acquisitions
- hedging, encumbrances, and endowment trusts
- compliance with GAAP
- new financial instruments
- derivatives

Interprets and advises on the organization's reporting obligations

- to shareholders, security commissions, and regulatory agencies

Ensures the reliability of financial information

- pension plan reconciliations
- vendor/customer reconciliations
- accuracy, existence, and completeness of information

Documents and maintains supporting information for transactions and events

- receipts and invoices

Prepares financial statements appropriate for the users

- interim financial statements
- consolidated financial statements of integrated and self-sustaining foreign subsidiaries
- financial statements for not-for-profit organizations
- pro-forma statements
- budgets and long-range forecasts
- year-end financial statements and notes

Prepares, analyzes, and interprets financial performance measures

- comparative financial results
- trend analyses

Evaluates and advises on accounting policies and procedures in accordance with professional standards

- appropriate accounting standards for business combinations
- joint ventures
- international activities
- research and development

Adapts policies and procedures in accordance with professional standards

- accounting for capital assets
- accounting and authorization for reserves

Designs financial accounting and related systems

- cash management
- accounts payable system
- accounts receivable system
- credit control system
- inventory control system

Evaluates and advises on financial accounting and related systems

Adapts financial accounting systems in response to current and emerging developments

- differential accounting
- stock options
- environmental regulations

## **TECHNICAL KNOWLEDGE: Management Accounting**

Assesses and advises on performance measurement requirements

- reports requirements for making a product pricing decision
- advertising and marketing programs
- human resources planning
- financial ratios

Designs, evaluates, and advises on the organization's performance measurement system

- designs an activity-based costing system

Adapts performance measures

- benchmarks
- service standards
- outcome measurements
- scorecard concepts
- industry standards
- key performance indicators

Monitors accuracy of performance measures with respect to corporate strategy and orientation and proposes adjustments, if required

Recommends organizational improvements based on results from performance measurement system

- advises on cost reduction strategies
- advises on revenue acquisition or pricing strategies
- business process re-engineering

Designs and prepares special reports for decision-making purposes

- creates an activity-based cost reporting system

### **TECHNICAL KNOWLEDGE: Assurance**

Evaluates and consults on the organization's assurance needs

- level of assurance required
- attestation versus direct reporting
- audit or review engagement

Determines the scope of the engagement

- contents of engagement letter
- foreign reporting requirements
- responsibility for annual report
- MD&A
- environmental issues
- not-for-profit assurance engagement

Determines or advises on whether to accept the engagement \*

- evaluates potential clients
- communicates with previous auditor
- checks for conflict of interest

Determines the assurance engagement resource requirements \*

- staffing, specialists, time requirements, and technological tools

Adapts programs or plans in response to new and/or emerging professional standards

Evaluates risks and business issues to determine their impact on the engagement

- materiality, nature, extent, and timing of engagement

Identifies, evaluates, and advises on internal control system, and communicates weaknesses to the appropriate level of the organization

- financial approval authority
- perpetual inventory system
- credit control segregation of duties
- evaluation of fraud risk factors
- writing management letter

Advises on the design and implementation of new or enhanced internal controls

- to strengthen systems and operational controls
- to reduce exposure to business risks

Develops and/or modifies appropriate assurance procedures for an engagement

- prepares review or audit procedures
- modifies audit procedures in light of findings such as known errors or presence of fraud risk factors

Executes the assurance program or plan in accordance with professional standards

- understands the purpose of the selected procedures
- completes audit procedures as intended

Analyzes and documents the evidence and results of the assurance engagement

- prepares clear working papers with sufficient detail to support the conclusion

Develops conclusions and prepares an assurance report or letter

- prepares review or auditor's report
- prepares management letter

Develops and advises on a framework for detection of fraud

- payroll fraud, billing fraud, and computer fraud
- forensic investigation procedures

### **TECHNICAL KNOWLEDGE: Finance and Financial Planning**

Develops and administers budgets

- creates the operational budget for a fiscal period

Develops financial forecasts and plans

- creates financial plans, projections, and trend analyses
- pro forma financial statements and quarterly estimates
- projected financial statements to translate business requirements into cash requirements
- formation and execution of trusts

Manages cash flow and working capital

- sets a credit-granting policy that determines the level of accounts receivable, inventory holding, and vendors' credit approval
- bank balances
- bank interest bearing accounts
- payment strategies
- hedging foreign currencies

Identifies, analyzes, and advises on financial instruments to minimize the financial risk of the issuer, investor, or lender

Advises on financing to meet the organization's goals

- ensures credit facilities are available and determines rate needed to implement strategic goals
- evaluates loans
- ensures cash availability to meet repayment terms and conditions
- manages relationships with organization's banks

Advises on the capital structure of the organization to maximize the organization's value \*

- determines the correct arrangement for dividing up partnership profits and for financial leverage
- determines the appropriate debt-to-equity ratio
- advises on public share offerings

Identifies financial implications of operational strategies

- analyzes plan to acquire intellectual property assets

Prepares or evaluates business cases or financial proposals \*

- develops a business case for asset securitization strategy

Assesses the value of a business \*

- assesses tangible and intangible assets, Internet business
- documents valuation
- prepares reports for potential acquisition or sale of a business

Evaluates and advises on growth strategies of an organization or individual \*

- financial plan for a Crown corporation
- financial planning for an individual

Evaluates and advises on capital investments, mergers and acquisitions, or sale of a business \*

- analyzes potential acquisitions
- projects post-acquisition synergies
- prepares and reviews valuation reports
- formulates plans for joint ventures with overseas partner

Identifies financial risk strategy and challenges in the organization's environment

- analyzes counterparty transactions to monitor credit risk

Develops and assesses financial benchmarks \*

- determines an appropriate ROE for an organization

Assesses or designs a financial risk management strategy \*

- determines an appropriate risk measurement and management strategy for a commodity-based organization \*

Identifies, analyzes, and advises on financial instruments to minimize risk and their impact on the organization \*

- analyzes a futures contract to mitigate foreign exchange risk
- determines the correct accounting treatment for economic hedges in accordance with GAAP

Monitors the financial risk management, and recommends and implements changes \*

### **TECHNICAL KNOWLEDGE: General Business**

Develops and prepares business plans

- creates a four-year plan for the business by identifying the main functional areas and the strategic vision for these areas

Analyzes, advises on, and implements business processes and functions

- supply-chain management
- customer-relationship management
- activity-based costing
- marketing
- human resources

Advises on business decisions in the context of the legal framework

- business registration
- incorporation
- labour laws

Prepares and advises on contracts structure and enforcement \*

- acceptance
- intention
- consideration
- frustration
- breach of contract

Leads and manages various business systems and process improvements

- initiates redesign to promote increased efficiencies and reduce overall costs
- implements improvements to automation of process

Recognizes market factors and adapts business decisions to the context of the organization's sector and industry

Advises on business decisions in the context of larger economic and geo-political conditions \*

- local, national, world economic conditions
- government priorities
- financial markets

Identifies and analyzes risk factors

Implements and advises on measures to mitigate risk

Advises on the development of business continuity planning

- IT disaster recovery
- liability insurance
- contingency planning
- key-person insurance
- staff succession plan
- impact from product life cycle planning

Advises on issues of corporate governance

- audit committee independence
- executive compensation
- director's liability
- board accountability

## **TECHNICAL KNOWLEDGE: Information Technology**

Uses technological tools in the workplace

- working paper and financial statement preparation software for assurance
- tax preparation software
- ERP software
- online knowledge bases

Designs and evaluates financial system platform

- manual system, PC-based system, multi-user LAN-based system, input mechanisms, processing capabilities, storage, outputs, backup

Aligns IT strategy with the organization's business plan

- advises on systems that monitor and report on organizational performance
- manages or controls the organizational information system as it relates to financial information

Identifies organization's IT needs to meet financial data processing, control, and reporting requirements

- identifies the key information required for the analysis and recommendation of an information system
- assesses controls within an information system

Evaluates advances in technology and their impact on the organization

- e-commerce
- Internet and intranet technologies
- XBRL

Advises on financial implications of IT acquisitions and vendor selection

- prepares requests for proposals and quotations and evaluates responses
- evaluates financial and contractual aspects of acquisition of hardware and software

Advises on the development of IT strategy

- IT strategic plans for the financial accounting, reporting, and management information systems
- strategies to support end-user computing
- standards and practices for information systems as they relate to financial information

Advises on the design, development, and implementation of IT projects

- user-acceptance testing, business requirements definition, installation upgrades
- systems, methods, and procedures design
- processing, data stores, input, and output design
- conversion strategies for system delivery

Makes recommendations to safeguard IT assets so as to ensure organizational ability to meet business objectives

- analyzes and evaluates IT controls, control environment, systems acquisition and development

Makes recommendations and develops IT disaster recovery plan

- written procedures for off-site backup of data and system
- succession plan

#### **TECHNICAL KNOWLEDGE: Taxation**

Determines taxpayer's tax liability

- prepares or reviews personal or corporate income tax returns
- determines tax installment requirements
- determines GST and PST

Determines taxpayer's taxation and regulatory requirements and exposure

- advises on ITA compliance and applicability of taxation rules and regulations

Evaluates tax implications of proposed and completed transactions

- use of special elections
- reporting requirements
- withholding taxes

Ensures compliance with all taxation reporting and filing requirements

- timely filing of income tax returns and elections
- appropriate withholding and remittances

Analyzes and advises on tax planning issues

- purchase or sale of shares or assets
- succession planning
- trusts
- estate planning

Reviews, advises on, and replies to assessments and re-assessments

Advises on and provides support for objections, appeals, and litigation \*

Designs and advises on international tax planning \*

- evaluates an international tax plan and updates it from time to time

### **GENERAL MANAGEMENT: Planning**

Identifies and evaluates strengths, weaknesses, opportunities, and threats associated with an organization's operational and administrative processes

- reputational, process, liquidity risk
- ability to hire the right people
- personnel, location, brand recognition

Prepares, analyzes, and advises on strategic information to develop an organization's operational plan \*

- market share
- customer satisfaction
- product innovation

Articulates the requirements and expected performance of the organization's operational plan to the appropriate stakeholders

- communicates material requirements, timelines, and financial and non-financial performance
- is able to look forward and anticipate new risks

Identifies key steps, milestones, and critical systems that are needed for the success of changes to business activities, processes, and operational plans \*

- ISO implementation
- use of key performance indicators

### **GENERAL MANAGEMENT: Allocating and Managing Resources**

Evaluates and advises on the implications of an organization's access to resources

- supply sources, financial markets, intellectual capital, barriers to entry, expansion, or survival

Identifies and evaluates the social costs and benefits of securing resources to meet the organization's objectives \*

- compliance with environmental legislation
- environmental impact of business decisions
- staff overtime requirements
- opening of a new manufacturing facility

Evaluates and advises on how resource availability affects the organization's business functions, processes, and administrative procedures based on planning

- adjusts the organization's operations as resource availability fluctuates, such as periods of high growth or decline

Articulates the organization's resource requirements and implements a plan for resource allocation

- determines appropriate staffing levels
- calculates EOQ or other measures to evaluate material needs

### **GENERAL MANAGEMENT: Measuring and Monitoring**

Evaluates the outcomes of business activities and processes against objectives and benchmarks, and advises on further action

- conducts and reports on gap analysis

Researches, proposes, and implements models to enhance the effectiveness of performance measures and standards in relation to an organization's strategic plan \*

Coordinates the implementation of performance measures and standards

Establishes a performance measurement architecture to ensure that local performance measures are linked to strategic goals and corporate objectives \*

Measures, evaluates, and reports on the effects of change on business activities and processes

- new accounting technology
- organizational restructuring

Designs, evaluates, and reports on internal control systems to ensure that management information is complete and accurate

- assesses integrity of reporting system

Conducts business process reviews of existing systems, processes, and controls within the organization

- identifies, recommends, and evaluates enhancements, including policy, program, and process changes to effect significant cost containment or savings

### **GENERAL MANAGEMENT: Communicating**

Expresses and exchanges information in a clear and concise manner

- explains technical information in plain language
- is technologically proficient in software such as spreadsheets and PowerPoint presentations

Ensures that information is communicated to the appropriate people on a timely basis

- provides information to the audit committee of the board of directors

Selects an appropriate medium to convey information, ideas, and results

- adapts reports and presentations to the intended audience

Prepares a wide variety of reports for specific purposes using clear, accessible, and professional language

- audit reports, management letters, consulting reports, financial reports

Listens, encourages feedback, and follows up to ensure that communications are clearly understood

- both internally and externally in the organization

Facilitates resolution between differing viewpoints

- business dispute resolution, contract negotiation, and mediation

Maintains positive, productive relationships with clients, stakeholders, colleagues, supervisors, and staff

Structures external communications to project an appropriate corporate image

Ensures confidentiality with respect to organizational or client information and data

### **LEADERSHIP: Organizational and Strategic Leadership**

Contributes to the organization's strategic planning initiatives

- identifies strategic goals and objectives
- implements initiatives to achieve them

Assumes leadership at the appropriate phases of planning, action, and evaluation

- takes action such as assessing risk, identifying direction, and proposing plans
- recognizes team for achievement of phases in the change process

Recognizes and takes action on opportunities to combine professional resources through partnering arrangements

- multi-disciplinary practices

Contributes to development of organizational vision and mission

Implements and manages change in the organization \*

### **LEADERSHIP: Team Leadership and Development**

Leads team members to sustain and enhance the organization's vision

- leads by example
- commits self and team to achievement of goals

Builds and motivates high-performance teams to achieve goals

- recognizes the value of working with diverse, cross-functional teams
- delegates authority and levels of decision making to team members
- sets goals, objectives, high but realistic standards

Delegates work and supervises staff to maximize individual strengths and develop team members

- distributes workload to balance efficiency with learning opportunities and challenges for team members

Invites and accepts constructive input and feedback from team members

- fosters free exchange of ideas
- is open and inclusive to new ideas and alternatives
- reserves judgment
- explains reasons for rejecting an idea

Alerts others to the need for specific changes in the way things are done

- encourages staff to evaluate work and consider alternatives to the status quo
- explains to staff the reasons for planned organizational or procedural changes
- builds support for changes throughout the team

Manages stress within the team

- remains calm when faced with time and resource pressures
- mediates interpersonal tensions
- takes an active role in difficult situations to mitigate stress on team

### **LEADERSHIP: Staff Coaching and Training**

Provides guidance, direction, and motivation when assigning tasks or assisting staff

Ensures that all staff have clearly defined job descriptions, goals, and objectives to ensure that all are aware of their duties and have a basis for evaluation

Evaluates staff performance and provides constructive feedback to enable staff to achieve their potential

- takes the initiative to provide regular feedback to staff

Provides career planning and coaching resources to help prepare staff for future opportunities in the organization

- mentors and actively supports the professional development of junior staff

Encourages staff contribution of ideas to improve systems and work environments

Advises on managing performance

- performance measures
- maintaining and improving work standards
- managing performance through coaching and training

### **PROFESSIONALISM: Client Focus**

Anticipates and meets the needs and expectations of internal and external clients

- develops a sound understanding of a client's organization in order to identify its needs
- determines what information is needed by various departments and provides relevant information for decision making

Applies client focus, recognizing and observing the need for independence and objectivity

- puts the client's or organization's interests to the fore and establishes and maintains strong rapport, but ensures that independence in fact and in appearance is maintained to the degree demanded by the need to remain objective

Represents clients' interests when changes are proposed to standards and regulations

### **PROFESSIONALISM: Ethics and Trust**

Applies professional ethical standards

- understands and follows word and spirit of CGA-Canada *Code of Ethical Principles and Rules of Conduct*
- maintains confidentiality
- maintains independence where required
- identifies and avoids conflicts of interest

Exercises consistently high level of professional judgment

Protects the public interest

- is proactive in maintaining and raising the visibility of the ethical nature of the profession and professional accounting standards

Plans and exercises due diligence

- planning and constructing due diligence checklist in mergers and acquisitions or public listing cases
- conducting financial statement reviews with financial due diligence
- conducting operations and managing with due diligence

Assesses and advises on the organization's policy on privacy of personal and corporate information

- understands what information is sensitive and promotes its adequate safeguarding
- recognizes application of privacy legislation

Demonstrates professional courtesy

- treats with respect and is helpful to the successor accountant when a client chooses to engage the services of another professional

Maintains and enhances the reputation of the Association and the profession

- is proactive in dealing with situations that are contrary to the ethical code of the profession

### **PROFESSIONALISM: Integrative Approach**

Aggregates information from a variety of sources to obtain the big picture

- obtains multiple opinions when evaluating contentious issues and reconciles these various opinions

Builds relationships across functional areas and synthesizes or combines ideas and approaches

- coordinates the relevant accounting, assurance, finance, information technology, and taxation implications of events and transactions
- provides litigation support

Identifies implications and extends solutions beyond the immediate or short-term

- considers potential impact of decisions on other systems (such as internal controls), other departments (such as IT), or other functional areas (such as finance)

Applies cross-functional technical knowledge to create integrative solutions

- within and across functional areas
- "vertical" and "horizontal" integration of knowledge

### **PROFESSIONALISM: Problem Solving**

Uses a systematic approach to problem solving, from identifying the problem to developing and reporting recommendations

Defines and formulates problems within a clear purpose, frame of reference, and scope

Collects, selects, verifies, and evaluates information relevant to the defined problem

Analyzes data for patterns, relationships, and trends

Assembles findings and conclusions to form a sound basis for decision making

Considers alternative solutions and shapes recommendations

Sets in motion a process of consultation leading to decision

### **PROFESSIONALISM: Professional Development**

Engages in continuing professional development as a lifelong process

- recognizes the need to remain current on developments affecting the profession
- actively seeks learning opportunities to develop as a professional

Acquires and maintains knowledge and skills in financial and non-financial fields

- new tax legislation, world trade developments, CICA Handbook, ACSB guidelines, marketing strategies and techniques

Uses professional networks to enhance service to client or organization

- regularly communicates with other accounting professionals
- is actively involved with the regional or national CGA association
- participates in the meetings or special interest groups of other related professions or organizations

Applies new learning to the benefit of clients or the organization

Assesses professional priorities and manages own time and resources to achieve them

### **PROFESSIONALISM: Professional Self-Evaluation**

Acts within the scope of professional competence

- does not attempt to provide expert advice in areas of specialized knowledge outside one's capabilities and qualifications

Knows when and how to refer to other professionals and experts

- seeks advice or refers clients in areas such as law, IT, financial instruments, and international business development

Applies professional skepticism

- maintains a questioning mind that is vigilant for potential misstatements
- considers where problems are likely to arise and monitors these areas

Evaluates own professionalism

- invites and accepts constructive input and feedback from supervisors and staff regarding own performance and professional development
- audits client satisfaction