



Certified General  
Accountants Association  
of Canada

CGA

# CGA Competency Framework

2010 Academic Year  
Revised July 2009

---

# Contents

<b>Introduction to the CGA Competency Framework .....</b>	<b>3</b>
Purpose of the Competency Framework .....	3
Competency Groups .....	4
Required Proficiency Levels.....	5
Supporting Knowledge.....	7
Competency Development and Assessment .....	7
Find Out More .....	9
<b>CGA Program Definitions .....</b>	<b>10</b>
<b>Competency Group Definitions .....</b>	<b>11</b>
<b>CGA Competency Framework .....</b>	<b>16</b>
Leadership .....	16
Professionalism .....	19
Professional Knowledge .....	23
Knowledge Topics .....	33

---

# Introduction to the CGA Competency Framework

CGA is a dynamic, internationally recognized professional accounting designation and the fastest-growing accounting designation in Canada. It signifies financial and strategic leadership, broad-ranging expertise, and commitment to the highest standards of professional conduct. Certified General Accountants lead the way in business with this exemplary mix of professional competence. As members of senior management teams or independent advisors, they handle the varying needs of businesses across Canada and around the world. Businesses look to CGAs for more than reliable financial information – they trust CGAs to provide the analysis, insights, innovation, and leadership that go into making important financial and business decisions.

A rigorous, competency-based program of Professional Applications and Competence Evaluations (PACE) ensures that the CGA Association certifies accountants with the highest level of professional and managerial expertise. At the core of PACE is a set of professional competencies – the skills and abilities a candidate for certification must demonstrate to a specified level of proficiency. CGA competencies combine critical underlying knowledge with the skills and professional values deemed essential for professional accountants. They are organized around the roles, tasks, and responsibilities of the profession in a structure known as the CGA competency framework. (For a complete list of CGA terms used in this document, see “CGA Program Definitions” on page 10.)

## Purpose of the Competency Framework

The CGA competency framework outlines 130 specific professional competencies that CGA candidates must demonstrate in order to be certified. Competencies are written as statements that define the work of a professional accountant so that the CGA Association can assess whether candidates have met the standard expected by clients, employers, and the public. They are identified and kept up to date through professional practice analysis.

The framework specifies the proficiency level at which each competency is to be demonstrated and where it will be assessed (through education, examination, and/or practical work experience). The 130 competencies, together with specified proficiency levels, represent the minimum CGA certification requirement. Regardless of the chosen career option, all candidates must meet this requirement.

The competency framework is the foundation on which the CGA designation rests. It is used by

- **employers, other professions, and the public** to better gauge the value of CGAs as financial professionals and strategic business leaders

- **students** to understand the knowledge, skills, and proficiency levels they must demonstrate to become a CGA, and to assess their career development plans
- **experienced CGAs** to further develop competencies that will help them meet their individual career objectives
- **the academic community** to prepare students for entry into, and successful completion of, the CGA PACE program
- **CGA course developers and examiners** to ensure CGA courses and examinations develop and assess the required competencies
- **the CGA Association** to develop strategies for integrating competencies throughout the education, examination, and experience requirements of the CGA Program, and to support its position in the international community with respect to standard setting

## Competency Groups

CGA competencies are listed in 17 subject areas under three broad groups: **Leadership**, **Professionalism**, and **Professional Knowledge**. The broad competency groups reflect the major responsibility areas of contemporary accounting practice. The subject area sub-groups signify the range of activities associated with each responsibility area and, as a whole, reflect the degree of breadth offered by the PACE program. They highlight the critical non-technical skills and professional values related to leadership, strategy, communication, and ethics that are integral to a CGA's technical competence. The competency groups extend beyond certification to define the broad areas of a CGA's continuing professional development.

### CGA Competency Groups

#### Leadership

- Strategic and organizational leadership
- Organizational effectiveness
- Individual and team leadership and development

#### Professionalism

- Ethics and trust
- Stakeholder focus
- Communication
- Integrative approach
- Problem solving
- Professional development
- Professional self-evaluation

#### Professional Knowledge

- Financial accounting and reporting
- Management accounting
- Assurance and other related services
- Finance and financial planning
- Business environment
- Information technology
- Taxation

- 
- **Leadership** is an integral aspect of a CGA’s work in any business field or organizational role. Leadership competencies relate to strategic management, business activity analysis, innovation, change management, and team development at all levels of an organization. They ensure that CGAs move beyond technical mastery to develop the personal qualities and non-technical skills that are essential for senior executives and managers.
  - **Professionalism** refers to the integrity, objectivity, analytical skills, self-evaluation, social responsibility, and professional and ethical judgment that CGAs exercise in all aspects of their work. The professionalism competencies enhance a CGA’s performance as well as the reputation of the profession. Guided by the CGA Code of Ethical Principles and Rules of Conduct, they are the reason businesses hold the CGA designation in high regard.
  - **Professional knowledge** is the foundation on which CGAs build their technical expertise and meet the demand of the global business environment for specialized knowledge and skills. Competencies in financial accounting and related financial management areas ensure that CGAs are able to analyze and deliver clear, reliable financial information and develop successful business strategies.

For a complete description of the competency groups and related sub-groups, see “Competency Group Definitions” on page 11.

## Required Proficiency Levels

CGA candidates are expected to demonstrate each competency at a specified level of proficiency (level of performance). The three proficiency levels are A: Mastery, B: Comprehension, and C: Awareness.

Because candidates at the threshold of certification cannot be expected to have all the capabilities of experienced professional accountants, the proficiency level reflects what is expected of a newly-certified CGA entering professional practice. The expectations are as follows.

### Level A: Mastery

Candidates should be prepared to

- thoroughly analyze given information
- synthesize information to form a sound evaluation of a situation
- make recommendations that are well supported and add value for the decision maker
- apply and implement knowledge as a competent professional would in normal circumstances, within a reasonable time frame and without supervision

This level of proficiency includes Levels B and C proficiency.

---

### **Level B: Comprehension**

Candidates should be prepared to

- apply concepts and techniques to new situations
- analyze given information and develop preliminary conclusions
- break down information into its component parts, discriminate between relevant and irrelevant information, and differentiate facts from assumptions or inferences

This level includes Level C proficiency. Candidates are not required to provide in-depth evaluation or make complex recommendations.

### **Level C: Awareness**

Candidates should be prepared to

- recognize why information is relevant
- understand it well enough to be able to describe or explain it in their own words
- summarize the information, or provide examples

They are not required to provide in-depth analysis or evaluation.

### *Additional Depth Requirement for Career Electives*

The CGA certification model recognizes and encourages candidates' varied career interests and aptitudes. In addition to demonstrating all 130 competencies at a minimum required level of proficiency, candidates are required to demonstrate further depth in at least two areas of professional knowledge. This additional depth is intended to help further CGAs in their chosen career path, but is above and beyond what is considered essential for all newly-certified CGAs.

The additional depth is acquired and assessed through the PACE career elective courses and examinations. At this final level of professional preparation prior to certification, candidates are given the opportunity to focus on an area that supports career goals and interests. The career options are Corporate and Small-Medium Enterprise, Information Technology, Government and Not-for-Profit, and Public Practice.

Candidates are required to either demonstrate a higher level of proficiency for specified professional knowledge competencies related to their career option, or acquire additional related knowledge (or depth of knowledge). For example, all candidates must demonstrate a minimum proficiency level for competencies in the professional knowledge areas of Taxation and Assurance and Other Related Services; however, candidates who choose the public practice career option will be required to show either an increased level of proficiency in specified Taxation and Assurance competencies or additional technical knowledge related to Taxation and Assurance.

---

## Supporting Knowledge

CGAs bring to any task essential knowledge of the business environment, laws, regulations, standards, and practices. They acquire this knowledge through formal education and training, on the job experience, and continuing professional development. This knowledge is essential to the development of professional competencies and is a critical element of the CGA competency framework.

To ensure that students acquire the appropriate knowledge to develop and demonstrate competencies, a list of knowledge topics is provided for each professional knowledge sub-group. They are drawn from CGA course topics, textbooks, and related reference materials. Currently, there are 196 identified knowledge topics associated with the professional knowledge competencies. Each competency is linked to one or more knowledge topics, validated through practice analysis.

Knowledge acquisition is the focus of the CGA Foundation and Advanced Studies. To indicate the required depth of understanding and application of knowledge for students, CGA course topics are identified as Essential, Important, or Background Knowledge.

## Competency Development and Assessment

The CGA education, examination, and experience requirements are designed to provide students with appropriate opportunities to develop and demonstrate the required CGA competencies. To earn the CGA designation, a candidate must successfully complete all three requirements, as outlined in the CGA Syllabus. Measuring and assessing student performance, and providing feedback on that performance, is a critical part of competency development. The competency framework specifies where each competency is assessed (through education, examination, and/or practical work experience).

### Education

Competency development and assessment begins at the Education level of CGA studies, where academic course work focuses on the acquisition of technical knowledge and skills, and students are required to meet specific, performance-based objectives. PACE courses require students to apply advanced-level content to real-world problems and situations. In addition to sector-specific technical competencies, students are assessed on broader non-technical competencies in critical areas such as leadership, strategic management, communication, and ethics and trust. They develop these competencies through online teamwork, in-depth case studies, and simulations of business projects or engagements CGAs are likely to encounter in practice. In the process, they hone knowledge and skills they've learned over their entire studies.

---

### **Examination**

Candidates for certification complete two career elective courses plus two capstone professional applications courses (each with a four-hour certification examination). PACE examinations focus on ensuring that candidates are able to synthesize knowledge and skills at an appropriate level. For the capstone professional applications examinations – the final stage in the certification process leading to the granting of the CGA designation – the objective is to measure how candidates will perform in the business world. Questions are based on work-related professional accounting situations in which demonstration of a competency would be required. The requirements are framed around key tasks and important outcomes of the situation.

In evaluating the level of performance, assessors consider the candidate’s ability to recognize issues; draw on knowledge and apply it to specific facts and requirements; and apply a systematic method of defining, analyzing, and solving problems. Candidates are expected to focus on the interests of clients, provide advice on ethical standards, develop business strategies, and produce professional responses such as reports, letters, and projects.

### **Practical Experience**

Practical experience in performing the work of a professional accountant is a key part of developing professional competence. As students move from Foundation and Advanced Studies to the professional PACE courses, they must be employed in positions of increasing responsibility. A CGA’s pre-certification work experience – or initial professional development – fosters understanding of organizations and business functions. In addition to applying the concepts, skills, and judgmental abilities learned through the program, it provides the opportunity to develop and demonstrate important communication and leadership competencies.

### **Professional Development**

Competency development continues throughout a CGA’s career. CGAs take responsibility for developing and maintaining their professional competence through education, research, professional networking, and mentoring. The CGA Association’s dedicated professional development website, PD Net, brings together a variety of tools for CGAs to conduct online research and gives them access to the latest professional development opportunities.

Through their commitment to continuing professional development, CGAs stay at the forefront of innovative business strategies and technologies, maintain their professional edge, and fulfill the CGA commitment to lifelong learning.

---

## **Find Out More**

For more information on the CGA competency-based model of professional qualification, visit the CGA-Canada website at [www.cga-canada.org](http://www.cga-canada.org).

For information on how to become a CGA, including flexible study and career options, contact your local provincial/territorial affiliate office at [www.cga-canada.org](http://www.cga-canada.org).

---

## CGA Program Definitions

This document uses various terms in both the general context of the accounting profession and the specific context of the CGA competency-based model of professional qualification.

- A **competency** is a specific behavior whereby a professional applies knowledge, skills, and/or professional values in a work environment; the behavior can be defined, demonstrated, observed, and assessed.
- **Competency groups** are the major responsibility areas that make up professional practice. The major areas are exhaustive and encompass all work activities.
- **Competence** is “being able to perform a work role to a defined standard, with reference to real working environments.” International Federation of Accountants (IFAC), 2008.
- **Knowledge** is an organized body of information, usually of a factual or procedural nature of subject matter, facts, and principles, that when applied makes successful performance of the task possible (in other words, what a practitioner needs to know).
- A **knowledge topic** is a specific area of knowledge that supports the development of professional knowledge competencies.
- **PACE** (Professional Applications and Competence Evaluations) is the final professional level of the CGA Program prior to certification. It prepares students for the business world through sector-specific professional education. PACE career elective and capstone examinations assess students’ ability to demonstrate the competencies required for certification.
- **Practice analysis** is the systematic process that embraces the collection, compilation, verification, and application of all pertinent information about the nature of practice in a profession. The results of a practice analysis can be used to guide curriculum development, examination development, and/or continuing competency initiatives.
- **Professional skills** are “the various types of abilities required to apply professional knowledge, and professional values, ethics, and attitudes appropriately and effectively in a professional context.” International Federation of Accountants (IFAC), 2008.
- A **proficiency level** is the level of performance or degree of expertise expected for each required competency.

---

# Competency Group Definitions

The CGA competency framework, revised through the 2008 CGA practice analysis, defines a total of 130 professional competencies. The competencies are listed in 17 subject areas under three broad groups: Leadership, Professionalism, and Professional Knowledge.

## Leadership

Leadership is an integral aspect of a CGA's work in any business field or organizational role. CGAs promote organizational effectiveness, manage change, and lead high-performance teams that help an organization meet its goals. They fill leadership and strategic roles, and are recognized worldwide as financial leaders who influence the strategic direction and growth of the organizations they serve. The leadership competencies ensure that CGAs move beyond technical mastery to develop the personal qualities and non-technical skills that are essential for successful leaders.

- **Strategic and Organizational Leadership**

CGAs bring strategic- ing and decision-making abilities to all levels of an organization. As senior executives – Presidents, CEOs, CFOs, Directors, and Partners – they play an important role in setting the organization's goals and developing the plans for achieving them. They evaluate strengths, weaknesses, opportunities, and threats, and the impact of changes in these areas. They also develop the organization's strategic plan and operational plan, communicating these plans in a way that motivates employees and establishes legitimacy with external groups. CGAs recognize the social costs and benefits of meeting the organization's objectives, including the environmental impact of business decisions.

- **Organizational Effectiveness**

Management measures organizational effectiveness to gauge the organization's success in achieving its goals and to improve performance. As part of an organization's internal management team, CGAs analyze business activities and processes against established objectives and benchmarks. They develop performance measures that align with strategic goals and conduct business process reviews of existing systems, processes, and controls. They also ensure that sound corporate governance practices are in place.

---

- **Individual and Team Leadership and Development**

Achieving results through a team approach is an important part of every manager's job. As senior executives and managers, CGAs build high-performance teams whose goals are aligned with those of the organization. They understand how team dynamics and factors such as stress, conflict, motivation, and empowerment affect individual and team development. They strive to maximize the growth and contributions of individuals and groups through coaching and mentoring. They encourage different approaches to work and build support for organizational change.

## **Professionalism**

A hallmark of the CGA profession is the commitment by CGAs to uphold the highest standards of ethical and professional conduct. CGAs are required to exercise integrity, objectivity, independence, and professional judgment in all aspects of their work. They maintain a high level of professionalism by being innovative, taking initiative, managing the expectations of clients and stakeholders, applying an integrative approach to problem solving, and committing to continuous self-improvement. The professionalism competencies apply to all areas of CGA professional conduct, enhancing a CGA's performance as well as the reputation of the profession.

- **Ethics and Trust**

Ethics is the foundation on which all sound professions build their reputation and instill trust in those they serve. A key component of the CGA Association's commitment to professionalism is CGA-Canada's Code of Ethical Principles and Rules of Conduct (CEPROC), a comprehensive set of rules and guidelines designed to protect the public interest and ensure that CGAs maintain the highest ethical standards. All CGA courses provide instruction in professional business ethics. CGAs are pledged to adhere to CEPROC, which means they are committed to act with integrity and honesty, avoid conflicts of interest, maintain confidentiality, exercise due diligence, and ensure that management is accountable for its decisions. By doing so, they retain the trust of clients, employers, and the public.

- **Stakeholder Focus**

The ability to anticipate and meet the needs of an organization's internal and external stakeholders is critical to maintaining a high level of professionalism. CGAs understand the organization and its business environment and act in the best interests of stakeholders. They provide relevant and timely information for decision making, identify current and potential issues, and develop solutions. As external professionals or experts, CGAs foster effective relationships with clients and their organizations, while maintaining independence and objectivity.

---

- **Communication**

Clear, effective communication is a universally accepted expectation of the professional environment in which CGAs work. Given the higher profile that financial professionals have within organizations today, strong communication skills are vital for CGAs. All of the valued outcomes of a CGA's work – reports, observations, analyses, opinions, conclusions, and recommendations – must be well-organized, error-free, and communicated in clear, unambiguous language. Diplomacy, persuasion, and the ability to act as a mediator in complex negotiations are critical for CGAs in senior management positions.

- **Integrative Approach**

CGAs possess a wide range of cross-functional knowledge and skills, which enhances their ability to take a value-added, integrative approach to solving complex business problems. In assessing a problem, they consider information from a variety of sources and perspectives. They explore interrelationships among issues, and evaluate issues from various functional and departmental perspectives. They develop integrative solutions and carefully evaluate the implications of those solutions, including short-term and long-term effects, on all areas of the organization.

- **Problem Solving**

Professionalism connotes an ability to apply a rational approach to problem solving. Whether making a strategic decision or providing technical expertise, CGAs bring to any business issue the ability to recognize the problem, analyze data, identify alternatives, apply decision criteria, and make recommendations. Prioritizing multiple problems is vital, as is recognizing their scope. CGAs look for both the cause and the effect of the problem. They accept responsibility for their recommendations and decisions.

- **Professional Development**

Today's global business environment of rapid change and increased complexity means even greater demands for professional accountants to stay current – whether to acquire new leadership and managerial skills, keep pace with changing professional standards and regulations, or keep abreast of developments in new disciplines such as forensic and environmental accounting. Continuing professional development is a lifelong commitment for CGAs. CGAs take responsibility for developing and maintaining their professional competence through education, research, professional networking, and mentoring.

- **Professional Self-evaluation**

The CGA commitment to continuous improvement includes exercising professional self-evaluation. CGAs know their own limitations and provide expert advice only in areas of their own specialized knowledge. They use professional judgment in deciding when to refer to other business experts and professionals. In evaluating information and evidence, they guard vigilantly against

---

misstatements and they monitor potential problems. They are open to feedback from clients, team members, and other professionals in their field.

## **Professional Knowledge**

Professional knowledge is the foundation on which CGAs build their technical expertise and become business leaders. It enables them to meet the demand of today's global, complex, and quickly-evolving business environment for financial professionals with specialized knowledge and a wide range of skills. The professional knowledge competencies ensure that CGAs are able to analyze and deliver clear, transparent, and reliable financial information and, more importantly, develop successful business strategies based on that information.

- **Financial Accounting and Reporting**

Organizations record and report on their performance to satisfy the needs of investors, creditors, regulatory agencies, and their own internal decision makers. As part of an internal or external accounting team, CGAs advise on and interpret an organization's external reporting requirements, then select and implement appropriate accounting and reporting methods in accordance with generally accepted accounting principles. They also serve in roles such as Controller and CFO, using financial information to identify trends and anomalies, substantiate forecasts, and provide strategic advice that will help the organization achieve its goals.

- **Management Accounting**

To effectively plan and control operations and to make decisions, management needs relevant, timely, and accurate information. As part of a cross-functional management team, CGAs design and evaluate management accounting and performance measurement systems that align with corporate strategy. They use the information generated from these systems to recommend and implement improvements to business operations. They advise on issues related to business functions such as production, resource allocation, pricing/costing, marketing, cash flow, and employee compensation.

- **Assurance and Other Related Services**

CGAs perform many types of internal and external assurance activities in public practice, industry, and the public sector. These activities are designed to enhance the reliability of financial information and the ways it is gathered and reported. The most common assurance activity is the independent external audit. As external auditors, CGAs attest to the fairness and accuracy of an organization's financial statements – ensuring that investors, creditors, boards of directors, audit committees, and the public are fully informed. CGAs also evaluate and consult on an organization's internal and external reporting requirements; compliance with rules, regulations, and standards; development of audit plans; design of internal controls; and the environmental impacts of business activities.

---

- **Finance and Financial Planning**

Planning, acquiring, and controlling the use of funds is at the heart of an organization's efforts to meet its goals and maximize its value. As part of the senior management team, CGAs provide strategic advice on corporate transactions such as capital investments, mergers, and acquisitions. They also advise on financing to meet short-term and long-term goals, financing tools, the capital structure of the organization, and resource management. CGAs build and implement financial plans that support the strategic plan, and they play a key role in developing risk management strategies and policies.

- **Business Environment**

General knowledge of the business environment provides the context in which financial professionals work. CGAs bring to any task essential knowledge of economics and law; business, government, and not-for-profit organizations and how they are organized, financed, managed, and governed; and the competitive, global environment in which organizations operate. This knowledge enhances their ability to provide integrated business services, advise on business operations and decisions in different organizational contexts, develop business plans that encompass all aspects of an organization, and evaluate an array of risk factors and risk management policies.

- **Information Technology**

Information systems and information technology exist at all levels of an organization. They support business processes and assist organizations with financial reporting, decision making, and control needs. CGAs are skilled in managing technology changes and using IT as both an accounting and management tool. They advise on the development of IT strategy in all areas of the business, from accounting and reporting to end-user computing. They also evaluate and advise on the choice of technology tools and platforms to serve information needs, the impact of new technologies on business processes, and the development and implementation of IT projects.

- **Taxation**

Taxation planning is part of an organization's overall business strategy. All businesses look for opportunities to minimize tax, while for larger companies, tax strategies play an important role in the structuring of major transactions. As external advisors or members of an internal management team, CGAs recommend tax strategies that align with the organization's business plan. They advise on the tax consequences of specific decisions, compare and make after tax determinations, and write tax opinions. They ensure that an organization is in compliance with tax laws and regulations by interpreting and communicating complex tax laws and staying current with tax rules and regulations.

# CGA Competency Framework

Competency Statements, Proficiency Levels, and Assessment Strategies

<b>GROUP 1: LEADERSHIP</b> Sub-group: Strategic and Organizational Leadership  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Develops organizational vision and mission	B	1, 2
2. Evaluates the organization's strengths, weaknesses, opportunities, and threats (reputation, process, finances, human resources, location, brand recognition, competition)	A	1, 2, 3
3. Develops, implements, and updates the organization's strategic plan (identifies strategic goals and objectives, implements initiatives to achieve them)	B	1, 2
4. Evaluates and advises on the impact of specific changes in strengths, weaknesses, opportunities, and threats (credible reputation, high employee turnover, competitor going out of business, new competitor entering market)	A	1, 2, 3
5. Manages change in the organization caused by internal and external factors (continuous process improvement)	A	1, 2
6. Develops, implements, and updates the organization's operational plan in alignment with the strategic plan (business, financial, and IT plans; pricing and market share strategies; customer satisfaction; quality control; product innovation)	B	1, 2, 3
7. Communicates the requirements and expected performances of the organization's operational plan to all key stakeholders (key steps, milestones, resource requirements)	A	1, 2, 3
8. Assumes leadership at various phases of planning, implementation, and evaluation (assesses risk, identifies direction, deals with uncertainty, plans and manages projects)	A	1
9. 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, provision of new jobs)	B	1, 2
10. Contributes to the community at large (serves on boards, provides pro bono services, practices philanthropy, demonstrates social responsibility and environmental stewardship)	B	1

<b>GROUP 1: LEADERSHIP</b> Sub-group: Organizational Effectiveness  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Analyzes and evaluates results and information from business activities and processes against objectives and benchmarks, and advises on further action (conducts and reports on gap analysis)	A	1, 2, 3
2. Designs, evaluates, and reports on internal control systems to ensure organizational effectiveness	A	1, 2, 3
3. Advises on issues of corporate governance (audit committee independence, executive compensation, directors' liability, board accountability)	A	1, 2, 3
4. 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 cost containment and/or productivity improvements)	A	1, 2, 3

<b>GROUP 1: LEADERSHIP</b> Sub-group: Individual and Team Leadership and Development  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Builds and motivates high-performance individuals and teams to achieve goals and objectives (recruits high potential individuals; recognizes the value of and supports working with diverse and cross-functional teams)	A	1, 2
2. Leads and empowers individuals and teams to achieve the organization's goals and objectives (leads by example, commits self and team to achievement of goals, aligns personal and organizational interests, delegates authority and levels of decision making to team members)	A	1, 2
3. Distributes workload to balance accomplishment of work responsibilities with learning opportunities and challenges for team members	A	1, 2
4. Solicits and acts on input from individuals and teams in order to optimize individual and team effectiveness (fosters free exchange of ideas, reserves judgment, explains reasons for final decisions)	A	1, 2, 3
5. Evaluates performance of individuals and teams and provides timely and constructive feedback	A	1, 2, 3
6. Communicates need for changes in the way things are done (encourages innovation, explains reasons for planned organizational or procedural changes, provides support for changes)	A	1, 2
7. Promotes flexibility and inclusiveness in the workplace (work-life balance, workplace inclusiveness policy)	C	1
8. Manages conflict between individuals and across teams (provides conflict resolution, fosters professional conduct)	A	1
9. Aligns organizational goals and objectives with individual and team goals through the use of a performance management system (examines personal and corporate development goals, assesses performance objectives for congruity)	B	1
10. Provides career planning, coaching, training and development opportunities to facilitate staff retention and succession planning	B	1, 2

<b>GROUP 2: PROFESSIONALISM</b> Sub-group: Ethics and Trust  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Applies professional ethical standards (understands and follows the word and spirit of CGA-Canada Code of Ethical Principles and Rules of Conduct, takes action in response to situations that are contrary to the ethical code of the profession)	A	1, 2, 3
2. Exercises integrity and a high level of professional judgment	A	1, 2, 3
3. Maintains objectivity and independence in appearance and fact (avoids real and perceived conflicts of interest)	A	1, 2, 3
4. Protects the public interest (maintains and raises the visibility of the ethical nature of the profession and professional accounting standards)	A	1, 2, 3
5. Plans and exercises due diligence (plans and constructs due diligence checklist for mergers and acquisitions or public listing cases; conducts financial statement reviews with financial due diligence; conducts operations and manages with due diligence)	A	1, 2, 3
6. Ensures confidentiality of stakeholder information (protects proprietary information)	A	1, 2, 3
7. Demonstrates professional courtesy (notifies another firm that an issue has arisen about its work)	A	1, 2, 3

<b>GROUP 2: PROFESSIONALISM</b> Sub-group: Stakeholder Focus  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Anticipates and meets the needs and expectations of internal and external stakeholders (develops a sound understanding of the organization and its business environment, determines what information is needed by various stakeholders, seeks feedback from various stakeholders, provides relevant and timely information for decision making)	A	1, 2, 3
2. Acts in the best interests of the stakeholders (represents stakeholders' interests when changes are proposed to standards and regulations, informs stakeholders about anticipated changes and their potential impact)	A	1, 2

<b>GROUP 2: PROFESSIONALISM</b> Sub-group: Communication  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Selects an appropriate medium to convey information, ideas, and results considering the need for confidentiality and privacy	A	1, 2, 3
2. Prepares information in formats appropriate for specific purposes (audit reports, memos, management letters, consulting reports, financial reports)	A	1, 2, 3
3. Communicates information in a timely, clear, and concise manner (explains quantitative and qualitative information in language adapted to various stakeholders)	A	1, 2, 3
4. Projects a professional image in communications	A	1, 2, 3
5. Follows up to ensure that communications are clearly understood (both internal and external to the organization)	A	1
6. Ensures effective meetings by developing agendas and minutes, and facilitating discussions	A	1
7. Facilitates resolution between differing viewpoints (business dispute resolution, contract negotiation, mediation)	A	1

<b>GROUP 2: PROFESSIONALISM</b> Sub-group: Integrative Approach  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Aggregates information from a variety of sources and perspectives to assess the impact of issues on the organization (obtains multiple opinions when evaluating contentious issues and reconciles these various opinions)	A	1, 2, 3
2. Evaluates the interrelationship of an issue on different functions of the organization and applies concepts and approaches within and across functional areas to develop integrative solutions (coordinates the relevant accounting, assurance, finance, information technology, and taxation implications of events and transactions)	A	1, 2, 3
3. Evaluates implications and assesses the appropriateness of solutions beyond the immediate or short term (considers potential impact of decisions on other systems and processes, such as internal controls, impact on other departments, or other functional areas)	A	1, 2, 3

<b>GROUP 2: PROFESSIONALISM</b> Sub-group: Problem Solving  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Defines the scope of the problem	A	1, 2, 3
2. Collects, selects, verifies, and evaluates information relevant to the problem	A	1, 2, 3
3. Integrates and analyzes data for patterns, relationships, and trends	A	1, 2, 3
4. Generates and evaluates alternative solutions	A	1, 2, 3
5. Creates final recommendations, including an action plan	A	1, 2, 3

<b>GROUP 2: PROFESSIONALISM</b> Sub-group: Professional Development	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
<b>Competency Statements</b>		
1. Engages in continuing professional development to maintain and enhance professional knowledge and skills	A	1
2. Contributes to research and technical advancements in the profession	C	1
3. Enhances the profession's image/reputation	A	1
4. Develops and participates in professional networks to enhance service to stakeholders (communicates with other professionals, participates with the regional or national CGA association and/or other professional associations)	B	1
5. Applies new learning for the benefit of stakeholders	A	1, 2
6. Assesses professional priorities and manages own time and resources to achieve them	A	1
7. Engages in mentoring activities to enable others to learn, and to develop and improve performance	B	1

<b>GROUP 2: PROFESSIONALISM</b> Sub-group: Professional Self-evaluation	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
<b>Competency Statements</b>		
1. Acts within the scope of professional competence (does not attempt to provide expert advice in areas of specialized knowledge outside own capabilities and qualifications)	A	1, 2, 3
2. Knows when and how to refer to other professionals and experts (seeks advice or refers clients in areas such as law, IT, financial instruments, international business development)	A	1, 2, 3
3. Applies professional skepticism (maintains an inquisitive mind that is vigilant for potential misstatements, considers where problems are likely to arise and monitors these areas)	A	1, 2, 3
4. Evaluates own professionalism and professional knowledge (invites and accepts feedback from stakeholders)	A	1, 2

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Financial Accounting and Reporting  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Formulates, analyzes, and processes transactions in accordance with applicable professional standards (standards for not-for-profit, public and private corporations, and the public sector)	A	1, 2, 3
2. Evaluates, interprets, and advises on accounting policies and procedures in accordance with professional standards (standards for not-for-profit, public and private corporations, and the public sector)	A	1, 2, 3
3. Researches, evaluates, and advises on the appropriate accounting treatment for complex transactions (step-by-step acquisitions, fair value determinations, encumbrances, endowment trusts, financial instruments)	A	1, 2, 3
4. Implements and updates accounting policies and procedures in accordance with professional standards (appropriate accounting policies for amortization and inventory valuation, revenue recognition, and capitalization)	A	1, 2, 3
5. Interprets and advises on the organization's reporting obligations (determining appropriate basis of accounting, determining required reporting to shareholders and to government and regulatory agencies)	A	1, 2, 3
6. Ensures the preparation of timely, reliable, and relevant financial information (financial system design, quality control systems for financial reporting, internal controls)	A	1, 2, 3
7. Develops policies and procedures for documenting and maintaining supporting information for transactions and events (record retention policy, preservation of the audit trail)	A	1, 2, 3
8. Prepares financial statements and related disclosures appropriate for external users and in compliance with regulatory standards (interim financial statements, pro forma statements, environmental impact, long-range forecasts, management discussion and analysis [MD&A])	A	1, 2, 3
9. Develops, prepares, analyzes, and interprets relevant financial and non-financial performance measures (comparative financial results, trend/ratio/industry analysis, key performance indicators)	A	1, 2, 3
10. Evaluates and adapts financial accounting systems and processes in response to emerging developments (exposure drafts, Emerging Issues Committee, International Financial Reporting Standards)	B	1, 2

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Financial Accounting and Reporting  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
11. Designs financial accounting and related systems (cash management, accounts payable, accounts receivable, credit control, payroll, inventory management system)	A	1, 2
12. Evaluates and advises on financial accounting and related systems (cash management, accounts payable, accounts receivable, credit control, inventory)	A	1, 2, 3

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Management Accounting  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Designs, evaluates, and advises on the organization's performance measures to ensure alignment with corporate strategy, and recommends changes as required (KPIs and balanced scorecards)	B	1, 2, 3
2. Develops, analyzes, and monitors operational plans and budgets, and recommends corrective action as needed (annual budgets, special project budgets, budget variance analysis)	A	1, 2, 3
3. Identifies, assesses, and advises on information required for management decision making (cost-volume-profit relationships, cost classifications and flows, market or industry data, non-financial factors)	A	1, 2, 3
4. Designs, evaluates, and advises on the organization's management accounting systems to ensure that information is relevant, accurate, and timely (costing models, non-financial reporting, planning and forecasting, activity-based cost models, KPIs and balanced scorecards, responsibility accounting)	A	1, 2, 3
5. Implements, monitors, and updates management accounting systems (costing models, non-financial reporting, planning and forecasting, activity-based cost models, KPIs and balanced scorecards, responsibility accounting)	A	1, 2, 3
6. Analyzes and evaluates information from management accounting systems, and makes decisions (pricing and costing decisions, transfer pricing decisions, make or buy decisions, performance-based compensation plans)	A	1, 2, 3
7. Recommends organizational improvements based on results from management accounting systems (cost reduction strategies, revenue growth, business process re-engineering, compensation criteria)	B	1, 2, 3

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Assurance and Other Related Services  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Evaluates and consults on the organization's internal and external reporting needs and related assurance requirements (level of assurance required, attestation versus direct reporting audit, review or compilation engagement, special report engagement)	A	1, 2, 3
2. Determines and advises on whether to accept an engagement consistent with professional standards (evaluates potential clients, communicates with predecessor auditor, checks for conflict of interest)	B	1, 2, 3
3. Determines the scope of the engagement or management audit (contents of engagement letter, client expectation, limitations on scope, timing, sign-offs)	B	1, 2, 3
4. Evaluates risks and business issues (nature of organization, control environment) to determine their impact on the engagement or management audit (extent, materiality, nature, and timing of engagement)	A	1, 2, 3
5. Develops a plan for the engagement or management audit (staffing, use of specialists, time budget, technological tools, timing of the engagement, timing of the management audit)	B	1, 2, 3
6. Develops and/or modifies procedures for the engagement or management audit (prepares review or audit procedures, modifies audit procedures in the presence of fraud risk factors or known errors)	A	1, 2, 3
7. Executes the engagement or management audit in accordance with professional standards (understands the purpose of the selected procedures, completes audit procedures as intended)	B	1, 2, 3
8. Identifies, evaluates, and advises on internal control systems, and communicates weaknesses to the appropriate level of the organization (financial approval authority, credit control, segregation of duties, evaluation of fraud risk factors)	A	1, 2, 3
9. Advises on the design and implementation of new or enhanced internal controls (to strengthen systems and operational controls, to reduce exposure to business risks, to enhance operating effectiveness, to comply with rules and regulations)	A	1, 2, 3

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Assurance and Other Related Services  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
10. Analyzes and documents the evidence and results of the engagement or management audit to develop conclusions (prepares working papers with sufficient detail and clarity to support the conclusion)	B	1, 2, 3
11. Develops and advises on a framework for detection of fraud (payroll fraud, billing fraud, computer fraud, forensic investigation procedures)	A	1, 2, 3
12. Summarizes conclusions and prepares a report, letter, or memo (appropriate review or auditor's report, management letter, comfort letter, representation letter, memo to partner, exit interview, internal audit report)	B	1, 2, 3
13. Evaluates and reports on programs using comprehensive auditing (value-for-money audits, government program evaluations, operational audits)	C	2
14. Evaluates and reports on the environmental impacts of business activities (compliance with environmental regulations and required accounting standards)	C	2

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Finance and Financial Planning  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Advises on financing to meet the organization's goals (ensures adequate credit facilities, determines pricing needed to implement strategic goals, evaluates loans, ensures liquidity and solvency and conditions, manages relationships with the organization's banks)	A	1, 2, 3
2. Advises on the capital structure of the organization to maximize the organization's value (determines the appropriate debt-to-equity ratio; advises on public share offerings, debt structure, asset securitization strategy; assesses lease versus buy decisions)	B	1, 2, 3
3. Develops financial risk management policies and monitors exposure in order to manage the level of financial risk (hedging policy, investment policy, insurance coverage)	B	1, 2, 3
4. Monitors changes in the economy (changes in interest rates, foreign exchange) and the business for their impact on organizational finances	B	2
5. Recommends changes to risk management policies in line with economic and business changes (assesses impact on liquidity, cash flows, and financial condition)	B	1, 2, 3
6. Develops financial plans and monitors forecasts in alignment with strategic and operational plans of organizations and/or individuals (financial plans, projections, proposals, and trend analyses; pro forma and projected financial statements; translates operational plans into cash requirement plans)	A	1, 2, 3
7. Manages cash flow and working capital (sets working capital levels including bank balances, receivable balances, and payable balances; formulates policies for granting credit to customers and making payments to suppliers; hedges market risks — interest rates, foreign exchange, commodity risks)	A	1, 2, 3
8. Analyzes and advises on financial instruments to meet the organization's need (advises on the appropriate mix of equity, debt, and derivative instruments)	B	1, 2, 3
9. Develops and assesses financial KPIs (determines an appropriate cost of capital for an organization, determines economic value added [EVA])	B	2, 3

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Finance and Financial Planning  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
10. 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)	B	2, 3
11. Assesses the value of a business (assesses tangible and intangible assets, prepares reports for potential acquisition or sale of a business)	B	2, 3

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Business Environment  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Develops, implements, and updates overall business plan encompassing operations, marketing, and human resources	B	1, 2
2. Advises on business decisions in the context of larger economic and geopolitical conditions (national and world economic conditions, government priorities, and financial markets)	C	1, 2
3. Anticipates and recognizes market factors and stakeholders' interests, and adapts business decisions and processes (changes to market share through acquisitions, diversification, or divestment of certain business units; supply chain management; customer relationship management; agency theory)	B	1, 2, 3
4. Advises on business decisions in the context of the legal framework (business registration, benefits of incorporation, labour and employment laws, corporate and securities legislation)	B	1, 2
5. Prepares and advises on contract structure and enforcement policies (acceptance, intention, consideration, frustration, breach of contract)	C	1, 2
6. Identifies, analyzes, and evaluates enterprise risk factors (market, legal, environmental, technological, operational)	A	1, 2, 3
7. Develops, evaluates, and advises on the organization's risk management policy and processes	B	1, 2, 3
8. Implements and advises on measures to mitigate enterprise risk (works with management to develop a risk management matrix)	B	1, 2, 3
9. Advises on the development of business continuity planning (critical business functions, business continuity management, disaster recovery, liability insurance, contingency planning, key-person insurance, staff succession plan, product life cycle planning)	B	1, 2, 3
10. Advises on organizational structure (levels of responsibility and authority)	B	1, 2

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Information Technology  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Advises on the development of IT strategy (IT strategic plans for 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, green IT)	B	1, 2, 3
2. Selects and uses appropriate business technology tools in the workplace (spreadsheets, tax compliance software, generalized audit software, online knowledge bases)	A	1, 2, 3
3. Aligns financial and related information systems with the organization's strategic and business plans (advises on systems that monitor and report on organizational performance, manages or controls the organizational information system as it relates to financial information)	B	1, 2, 3
4. Evaluates and advises on the impact of new technologies on business processes (e-commerce; Internet, intranet, and extranet technologies; biometrics)	B	1, 2, 3
5. Advises on the design, development, and implementation of IT projects including specific applications software (enterprise resource planning systems, user-acceptance testing, business requirements definition, installation upgrades; systems, methods, and procedures design; processing, data storage, input, and output design; conversion strategies for system delivery, design for application controls)	B	1, 2, 3
6. Advises on 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)	B	1, 2, 3
7. Evaluates and advises on the safeguarding of IT assets to ensure organizational ability to meet business objectives (analyzes and evaluates IT controls, control environment, systems acquisition and/or development)	B	1, 2, 3
8. Evaluates and advises on the development of IT disaster recovery plans (written procedures for off-site backup of data and system, order of recovery, succession plan)	C	2

<b>GROUP 3: PROFESSIONAL KNOWLEDGE</b> Sub-group: Taxation  <b>Competency Statements</b>	<b>Proficiency Level</b> A = Mastery B = Comprehension C = Awareness	<b>Assessment Strategy</b> 1 = Experience 2 = Education 3 = Examination
1. Determines and advises on taxpayer's regulatory requirements and exposure (filings, use of special elections, reporting requirements)	A	1, 2, 3
2. Determines and advises on taxpayer's tax liability (taxes related to income, consumption, payroll, property)	A	1, 2, 3
3. Ensures compliance with all taxation reporting and filing requirements (timely filing of income tax returns and elections, appropriate withholding and remittances)	A	1, 2, 3
4. Reviews, advises on, and replies to assessments and reassessments	B	1, 2, 3
5. Advises on and provides support for objections, appeals, and litigation	C	1, 2
6. Analyzes and advises on tax-planning issues (purchase or sale of shares or assets, succession planning, reorganizations)	B	1, 2, 3
7. Designs and advises on trusts and estates (family trusts, inter vivos trusts, taxation of distributions)	C	1, 2
8. Evaluates and advises on tax implications of alternative business decisions (lease versus buy, dividend versus salary, sharing small-business deductions, contract versus employee)	A	1, 2, 3
9. Designs and advises on international tax planning (evaluates and updates international tax plan, use of offshore corporations, excise and duty obligations, tax treaties, transfer pricing)	C	1, 2

---

# Knowledge Topics

## Financial Accounting and Reporting

- K1.1 Sources of GAAP (Accounting Handbook, Accounting Guidelines, EIC abstracts, IFRS)
- K1.2 Canadian, American, and international standard setting (environmental, economic, and political issues)
- K1.3 Theories used in developing accounting standards (positive accounting theory, game theory, agency theory, efficient market hypothesis, conceptual framework)
- K1.4 Professional and accounting ethics (duties to clients and third parties, client confidentiality, obligations to profession and colleagues, conflicts of interest)
- K1.5 User and preparer objectives
- K1.6 Accounting processes (transaction analysis, account reconciliations, adjusting entries, posting, preparation of financial statements)
- K1.7 Revenue recognition (gross versus net, recognition of multiple deliverables, percentage of completion)
- K1.8 Current monetary items (cash, accounts receivable, accounts payable, notes receivable, notes payable, current portion of long-term debt)
- K1.9 Non-monetary current items (inventory, prepaids, unearned revenue)
- K1.10 Non-significant intercorporate investments (held for trading, available for sale, held to maturity investments)
- K1.11 Intercorporate investments with significant influence (equity method)
- K1.12 Intercorporate investments with control (consolidated financial statements, changes in ownership interest, goodwill, acquisition fair value allocations)
- K1.13 Business combinations (purchase business's assets or shares)
- K1.14 Translation and consolidation of foreign subsidiaries (current rate method, temporal method)
- K1.15 Joint ventures (accounting, reporting)
- K1.16 Tangible and intangible capital assets, and goodwill (acquisition, disposal, exchange, amortization and impairment)
- K1.17 Long-term liabilities (mortgage payable, bonds payable)
- K1.18 Contingent liabilities, commitments, and guarantees (warranty liabilities, pending lawsuits, environmental liabilities)
- K1.19 Leases (capital leases and operating leases)
- K1.20 Pension costs (defined contribution plans, defined benefit plans, pension plan expenses, liability recognition, disclosure requirements)
- K1.21 Employee future benefits (health retirement benefits)
- K1.22 Income taxes (tax allocation, permanent and temporary differences, future income taxes, taxes payable, tax losses)

- 
- K1.23 Complex debt and equity financial instruments (classification, convertible debt, stock options and derivatives, and presentation, disclosure, and recognition of financial instruments)
  - K1.24 Government assistance (accounting, reporting)
  - K1.25 Non-monetary transactions (accounting and reporting)
  - K1.26 Foreign currency transactions (purchases/sales in foreign currency)
  - K1.27 Fair valuation of assets and liabilities, and off-balance-sheet items (financial instruments, pension funds)
  - K1.28 Hedging and derivative instruments (forward contracts, options, swaps)
  - K1.29 Owner's equity (owner contributions, distribution to owners, changes in owners, transactions with owners [repurchase of shares, donated assets])
  - K1.30 Not-for-profit, non-publically accountable enterprises, and government entities (fund accounting, net restricted assets, differential reporting)
  - K1.31 Financial statement presentation (income statement, balance sheet, cash flow statement, statement of retained earnings, comprehensive income statement, statement of shareholder's equity)
  - K1.32 Disclosure requirements and practices (segmentation reporting, differential reporting, related party transactions and economic dependency, measurement uncertainty, extraordinary items, discontinued operations)
  - K1.33 Controlled entities (public and private sector control criteria and their application, variable interest entities)
  - K1.34 Accounting changes (retroactive treatment, prospective approach, correction of an error, prior period adjustment, change in accounting policy, and disclosure)
  - K1.35 Earnings per share (calculation of basic and fully diluted, treasury stock method and reporting requirements)
  - K1.36 Interim reporting issues
  - K1.37 Future-oriented financial information (forecasts and projections)
  - K1.38 Regulatory reporting standards and requirements (MD&A, securities exchange filings, government filings)
  - K1.39 Trends, ratios, key performance indicators (KPIs)
  - K1.40 Partnership accounting (capital contributions and drawings)

## **Management Accounting**

- K2.1 Business plan components (business description, marketing analysis, financing plan)
- K2.2 Budget process (sales budgets, production budgets, flexible budgets, variable overhead performance report, fixed overhead analysis, variance analysis)
- K2.3 Pricing (cost-plus pricing, target costing, time and material pricing, quality management and quality cost reporting)

- 
- K2.4 Relevant costs for decision making (sunk costs, adding and dropping product lines, make or buy decisions, special orders, joint product costs)
  - K2.5 Relevant information and complications related to short-run decisions (joint products, decisions involving limited resources, valuation of inventory, outsourcing decisions, effects of overhead allocations)
  - K2.6 Transfer pricing (internal labour markets, internal transfer of goods and services)
  - K2.7 Theories used in developing and monitoring compensation plans (agency theory, positive accounting theory)
  - K2.8 Quantitative methods in decision making (linear programming, sensitivity analysis)
  - K2.9 Cost classifications (costs for planning, costing, decision making; fixed and variable costs; direct and overhead costs)
  - K2.10 Cost behaviour or drivers and cost-volume-profit analysis (cost behaviour patterns, analysis of mixed costs and contribution format, cost-volume-profit analysis, break-even analysis)
  - K2.11 Costing methods (absorption and variable costing, impact of JIT inventory methods, basic framework of budgeting, purchasing)
  - K2.12 Cost allocation (allocation of technology costs, service departments, overhead joint costs)
  - K2.13 Job-order costing (the flow of costs, problems of overhead application, scrap, rework)
  - K2.14 Process costing (process cost flows, equivalent units of production)
  - K2.15 Product costing (total-life-cycle product costing, target costing, Kaizen costing, cost of quality, benchmarking)
  - K2.16 Activity-based costing and service department costing (activity-based guidelines for cost allocation)
  - K2.17 Standard costs for materials, labour, and variable overhead (variance analysis and management by exception, operating performance measures)
  - K2.18 Inventory management (economic order quantity, reorder point, work-in-progress valuation, JIT, flow-through accounting, backflush accounting)
  - K2.19 Management control systems (reporting systems, organizational structure, costing models, planning and forecasting systems)
  - K2.20 Financial performance evaluation techniques (ROA, ROI, EVA)
  - K2.21 Manufacturing strategies (Total Quality Management, Return on Quality, Just-in-Time manufacturing)
  - K2.22 KPIs (Key Performance Indicators)
  - K2.23 Balanced Scorecard
  - K2.24 Profitability analysis and margins (profit centre reports, product profitability, customer profitability)

---

## Assurance and Other Related Services

### *Both External and Internal*

- K3.1 Professional standards, ethics, and legal liabilities (CEPROC)
- K3.2 Audit objectives, evidence, and documentation
- K3.3 Internal controls, including system controls (objectives and control procedures; documenting, assessing control risk; testing internal controls, application controls, and general computer controls; internal control frameworks such as COSO, CoCo; internal controls in an IT environment)
- K3.4 Audit sampling and statistical sampling techniques (sampling for tests of controls, sampling for substantive testing)
- K3.5 Computer-assisted auditing techniques
- K3.6 Analytical approach, testing and evidence (trend analysis, sufficiency and appropriateness of evidence, use of a specialist)
- K3.7 Revenue and collection cycle (substantive procedures for cash balances and accounts receivable)
- K3.8 Acquisition and expenditure cycle (substantive procedures for the audit of purchasing, accounts payable and accrued liabilities, cash disbursements, inventory, and capital assets)
- K3.9 Inventory and capital asset balances (substantive procedures for the audit of raw material and finished goods inventories and capital assets)
- K3.10 Production and payroll cycles (substantive procedures for the audit of inventory account [including work in process], overhead accounts, variance accounts, labour and material costs, cost of goods sold, accrued payroll and benefit costs)
- K3.11 Finance and investment cycle (substantive procedures for the audit of bank accounts, short-term and long-term investments, short-term and long-term debts, investment income accounts, interest expenses, accrued interest, and accrued cash)
- K3.12 Investments, long-term debt, and shareholders' equity balances (substantive procedures for the audit of investments, long-term debt, and shareholders' equity)
- K3.13 Audit communications (interviewing, audit reporting standards, presentation of the audit report, independence letter, management letter, engagement letters, representation letters)
- K3.14 Forensic audits
- K3.15 Value for Money (VFM) audits
- K3.16 Environmental audits

---

***External***

- K3.17 Auditor independence for external engagements (CGA-Canada Independence Standards for External Auditors)
- K3.18 Economic environment and demand for assurance
- K3.19 Institutional and regulatory environment
- K3.20 Audits of small businesses, consolidated financial statements, not-for-profit, and governments
- K3.21 Types of engagements (audits, reviews, compilations, special purpose engagement)
- K3.22 Client acceptance, including scope restrictions and conflict of interest
- K3.23 Client's business and industry(ies)
- K3.24 Reporting issues (comparatives, segment disclosures, foreign reporting, management letters, second opinions, MD&A)

***Internal***

- K3.25 Auditor independence for internal engagements (Standards for the Professional Practice of Internal Auditing [Standard 100] by the Institute for Internal Auditors)
- K3.26 Management auditing standards (purpose, authority, and responsibility, independence and objectivity, proficiency and due professional care, outsourcing alternative, quality assurance and improvement)
- K3.27 Planning the management audit (the management audit process, planning process, long-term planning, short-term [annual] audit planning, engagement planning)
- K3.28 Examination phase of the management audit (preparing audit programs, examining and testing operations and transactions, using software in management auditing, evaluating audit results, completing and reviewing audit files)
- K3.29 Management audit of information technology (IT auditing, risk analysis, assessment, and management in an IT environment)
- K3.30 Management audit of marketing, purchasing, and production (roles, main activities, and risks of marketing, purchasing, and production)
- K3.31 Management audit of human resources, treasury, and strategic planning
- K3.32 Management auditing in public, private, and not-for-profit sectors (roles, activities, and risks specific to the public sector, governance in the public sector, comprehensive auditing, value-for-money [VFM] auditing, governance and management auditing of not-for-profit organizations)

---

## Finance and Financial Planning

- K4.1 Role of the financial officer
- K4.2 Sources of capital (private placements, public markets, banks and other financial institutions)
- K4.3 Long-term sources of funds (bank financing, bonds, preferred shares, common shares, bond and preferred share refinancing, issuing securities)
- K4.4 Capital structure (financial leverage and related risks, effect of bankruptcy costs in selecting a capital structure)
- K4.5 Dividend policy (payment procedures, stock dividends, capital dividends, stock splits, share repurchases, corporate law requirements)
- K4.6 Cost of capital (calculating component costs and weights, weighted-average cost of capital)
- K4.7 Financial information sources (Reuters, Bloomberg)
- K4.8 Treasury risk management (types of risk, risk exposure, hedging, cost-benefit analysis of hedging)
- K4.9 Determinants of market pricing (interest and foreign exchange rates, risk premiums of bonds and shares, credit rating, bid-offer spreads, risk-free rates)
- K4.10 Portfolio diversification and optimal investment decision making (capital asset pricing model)
- K4.11 Securities valuation (lump sums and annuities, determinants of equity prices, expected and required returns, risk of common shares)
- K4.12 Derivatives (futures, forwards, options and swaps, managerial options, convertibles, rights and warrants, corporate securities valuation)
- K4.13 Terms of financial instruments (covenants, limits, standard contracts [ISDA], trade date and settlement date, normal market settlement mechanisms)
- K4.14 Issues of conflict between contracting parties (manager-investor conflict, incentive contracts, executive compensation and earnings management)
- K4.15 Financial planning (objectives and process, forecasting, pro forma financial statements, short- and long-term planning)
- K4.16 Compensation plans and incentives
- K4.17 Financial decisions: cash flow estimation, evaluation criteria, and capital budgeting
- K4.18 Operating decisions: working capital management (optimal asset levels of cash, marketable securities, credit policies and accounts receivable, inventory management, management of cash and accounts payable, cash flow planning, operating lines of credit)
- K4.19 Special financing and investment decisions (project financing, lease financing – capital and operating leases, mergers and acquisitions, and leveraged buy-outs)
- K4.20 Financial analysis techniques (discounted cash flows, net present values, internal rates of return)
- K4.21 Business valuation (discounted cash flows, net present value, earnings multiples)

---

## Business Environment

- K5.1 Interrelations among various business functions (production and marketing; marketing, merchandising, and operations; legal and finance, human resources)
- K5.2 Elements of strategic planning (SWOT analysis, competitive analysis, industry/environmental change analysis)
- K5.3 Organizational behaviour (motivational techniques, group dynamics)
- K5.4 Human resources (job descriptions, performance evaluation)
- K5.5 Marketing (product, positioning, price, place, promotion)
- K5.6 Economics in society: scarcity and opportunity cost
- K5.7 Demand, supply, and price determination
- K5.8 Elasticity and price regulation
- K5.9 Production costs (marginal, fixed, total, average, short- and long-run costs; economies of scale, diminishing returns)
- K5.10 Market structures (perfect and monopolistic competition, oligopoly, monopoly)
- K5.11 Macroeconomic indicators (unemployment and inflation rates, gross domestic product, equilibrium)
- K5.12 Role of government in a market economy
- K5.13 Expenditure decisions and their impact on the economy (consumption and savings decisions, investment, government expenditure, exports and imports; multiplier effects)
- K5.14 Money, banking, monetary policy, and interest rates (banking institutions, money creation, interest rates, central bank, fiscal policy, deficits, and public debt)
- K5.15 Global environment and international trade (balance of payments, foreign exchange markets, international trade agreements, contracting out)
- K5.16 Outsourcing (offshore manufacturing, call centres)
- K5.17 Canadian legal system (Constitution and Charter of Rights, court system, sources of law, legal context of business)
- K5.18 Tort law (negligence, professional liability)
- K5.19 Contractual relationships (role of contract law, offer, acceptance, consideration, intention, breach, alternative dispute resolution [ADR])
- K5.20 Contractual defects (capacity to contract, requirement of writing, misrepresentation)
- K5.21 Contract interpretation (express terms, implied terms, effect of non-disclosure)
- K5.22 Discharge of contracts (discharge by performance, discharge by agreement)
- K5.23 Special contracts (sales, insurance, employment, lending)
- K5.24 Debtor and creditor relations (negotiable instruments, leasing, secured transactions, bankruptcy, insolvency)
- K5.25 Business organizational forms (agency, proprietorship, partnership, corporations, manufacturing/retail/service firm variations, incorporating documents)
- K5.26 Legal issues in information technology (jurisdiction, intellectual property, copyright, privacy of information, discovery procedures)

- 
- K5.27 Legal issues in human resources (employment equity, hiring and termination, related legislation, pension legislation, collective bargaining)
  - K5.28 Securities legislation and regulations
  - K5.29 Privacy legislation (protection of employee and customer data)
  - K5.30 Ethics in the public and private sectors (social responsibility, conflicts of interest, harassment in the workplace, ethics in global and multicultural business context)
  - K5.31 Enterprise risk management (risk management framework/matrix)
  - K5.32 Elements of fraud (rationalization, opportunity, pressure)
  - K5.33 Business continuity planning (disaster recovery, contingency planning, succession planning)
  - K5.34 Project management (planning, executing, reporting)
  - K5.35 Change management theories (participative, authoritative)
  - K5.36 Corporate governance (codes of conduct, disclosure obligations)

## **Information Technology**

- K6.1 Management issues related to IT (role of systems in meeting strategic goals of the organization, obsolescence, standardized versus customized)
- K6.2 Artificial intelligence (pattern recognition software, sampling tools)
- K6.3 Systems planning and analysis (feasibility and cost-benefit analysis, selection criteria, financing options, re-engineering)
- K6.4 Networks and telecommunications (models and standards, hardware, software, client/server computing, wireless communications, Internet)
- K6.5 Role of the financial professional/business analyst (designer/coordinator, implementer, auditor of management information systems)
- K6.6 Green IT (environmental technology, impact assessment, preservation)
- K6.7 E-business and e-commerce (business-to-business, business-to-consumer, consumer-to-business, consumer-to-consumer, operational systems, integrated systems, transaction processing, enterprise resource planning)
- K6.8 Computer systems overview (nature of data and information; hardware components; storage; input, processing and output; systems and application software)
- K6.9 Systems and process design (prototyping, configuration, implementation models, object-oriented design)
- K6.10 Input and output design (style and human factors for user interface design, prototyping computer input and output, internal controls for input and output design)
- K6.11 Systems development and implementation (configuration, conversion, testing, quality assurance, documentation)
- K6.12 Data and process modeling (logical data models, decision models, data flow diagrams, process models)
- K6.13 Flowcharting techniques (data flow diagram, system flowchart)

- 
- K6.14 File and database organization (data hierarchy, data and file organization, database design and management)
  - K6.15 Accounting, auditing, financial, and tax software applications
  - K6.16 Data warehousing, data mining, data analysis, and business intelligence tools (data query and reporting)
  - K6.17 Business application software (point-of-sale system, merchandising, inventory management)
  - K6.18 Systems development and project management processes (systems development life cycle, project teams, steering committees, people issues, change issues, making decisions, outsourcing)
  - K6.19 Systems maintenance, review, and audit (support, quality assurance, post-implementation performance review)
  - K6.20 Business requirements definitions (user requirements)
  - K6.21 Systems security and internal controls (risk assessment and management, vulnerability, audit trails, computer fraud)
  - K6.22 End-user computing environment (best practices, controls, security)
  - K6.23 Disaster recovery and business continuity planning

## **Taxation**

- K7.1 Canadian taxation systems (legislation, policies, and enforcement)
- K7.2 Incorporated or unincorporated businesses
- K7.3 Partnerships (computation of income and adjusted cost basis [ACB], withdrawal of partner, dissolution of a partnership, information return)
- K7.4 Employment income and benefits (definition and inclusions)
- K7.5 Benefits to shareholders (dividends versus salary, Canadian Controlled Private Corporation [CCPC], interest-free loans)
- K7.6 Business income (definition and inclusions)
- K7.7 Capital cost allowance and eligible capital property (different classes, rates, limitations on deductions)
- K7.8 Income from property, income from other sources, and other deductions (interest, dividends, rental and other income)
- K7.9 Capital gains and losses (general and special rules)
- K7.10 Taxable income and tax payable (individuals and corporations)
- K7.11 Part-year returns (year of death, bankruptcy)
- K7.12 Paid-up capital and deemed dividends
- K7.13 Estate planning and tax computations (estate freezes, use of trusts, death of a taxpayer)
- K7.14 Transfer of property to a taxable Canadian corporation (advantages, disadvantages, conditions involved, and the tax consequences)

- 
- K7.15 Corporate reorganizations (amalgamation, reorganization of capital, share-for-share exchange, winding-up of a Canadian corporation, and non-arm's-length transactions)
  - K7.16 Purchase or sale of a business (sale of shares, sale of assets)
  - K7.17 Trusts (taxation of the trust income, deemed disposition of trust property, liquidation of a trust)
  - K7.18 Transfers of property among family members (gifts, non-arm's-length transactions, attribution rules, estate freezes)
  - K7.19 Ethical issues in tax planning (tax evasion, tax avoidance and anti-avoidance rules, third-party penalties)
  - K7.20 International taxation (part-year residents, non-residents, tax conventions and treaties, transfer pricing, financing and foreign reporting)