



Uniting the Canadian Accounting Profession

THE CANADIAN CPA CERTIFICATION PROGRAM

Developing the Canadian CPA certification program would be an immediate priority of the merged organization. By drawing on the best of existing programs, we would create the certification program needed to produce Canada's pre-eminent professional accountants.

The new program would:

- Be — and be recognized as — at least as rigorous as all current programs.
- Require an undergraduate degree and specific prerequisite business and accountancy courses for admission to the professional education program.
- Include a post-graduate professional education program developed nationally and delivered provincially/regionally.
- Culminate in a comprehensive multi-day final examination.
- Appeal to the broadest possible group of potential candidates, including university graduates with non-business degrees, immigrants and career changers. The program would be attractive to all those individuals interested in developing and enhancing their business and accountancy skills.
- Appeal to employers for its development of accountancy and business skills in a high quality, cost effective professional program.
- Meet or exceed all International Federation of Accountants (IFAC) standards for education, assessment and practical experience.
- Meet or exceed the requirements of the leading global accounting bodies, ensuring the new profession can maintain existing and establish new Mutual Recognition Agreements (MRAs).

The competencies of the newly qualified Canadian CPA

At qualification, new Canadian CPAs would demonstrate the competencies expected of leading professional accountants. Specifically they would be required to demonstrate:

- **TECHNICAL COMPETENCIES** in advanced financial accounting and reporting; management accounting, planning and control, as well as in assurance, taxation, finance and performance management, including governance, strategy and risk management.
- **ENABLING COMPETENCIES** including professionalism, ethical behavior, written and oral communication, leadership, problem-solving and decision-making.

The specific competency expectations would be defined in a new CPA Competency Map. A Competency Map is a document that describes the knowledge, skills and proficiency levels expected of candidates and members. The technical competencies of the new CPA certification program would be categorized into six competency areas core to the vision of the new CPA:

- Financial accounting and reporting.
- Management accounting, planning and control.
- Assurance.
- Taxation.
- Finance.
- Performance management.

Financial accounting and management accounting, planning and control would be central to the program, but the CPA certification program would require the demonstration of competence in all six competency areas.

The design of the new Canadian CPA certification program would not simply add together the requirements of the existing programs. This would create an unwieldy and unattractive qualification process. Rather the new Canadian CPA program would be designed to meet the needs of industry, government and public practice by ensuring that all CPAs have the strong foundation of knowledge and skill as a professional accountant to succeed in whatever role or position they take on. It would recognize that not all CPAs will be trained to be auditors at the point of qualification, though it would provide that option.

Details of the Canadian CPA Certification Program

The CPA certification program would consist of:

- Academic prerequisites for admission to the CPA professional education program.
- A post-graduate CPA professional education program.
- Examinations, including a common comprehensive final evaluation.
- Relevant practical experience.

ACADEMIC PREREQUISITES FOR ADMISSION TO THE CPA PROFESSIONAL EDUCATION PROGRAM

An undergraduate degree would be required for admission to the new CPA professional education program. The CPA profession would also partner with Canadian colleges and universities to offer non-degree holders the opportunity to obtain an undergraduate degree while obtaining the required prerequisite courses.

In addition to an undergraduate degree, there would be specific prerequisite course requirements which all candidates would be required to complete. Those candidates/students who did not acquire the prerequisites as part of their undergraduate degree (for example, non-Bachelor of Commerce (Accounting) graduates) would be required to successfully complete these courses before registering in the CPA certification program. In combination, the prerequisite course requirements and the undergraduate degree requirement must add to at least 120 credit-hours of education. Prerequisite courses would be provided through universities, colleges, and/or profession developed and delivered bridging programs. The existing organizations have developed or are developing a number of programs to enable graduates from all disciplines to pursue their designations. These initiatives would continue, modified to fit the requirements of the new CPA certification program.

CPA PROFESSIONAL EDUCATION PROGRAM

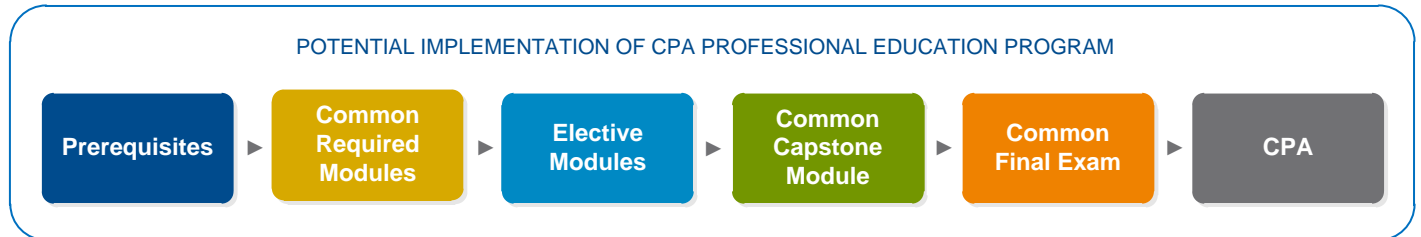
The CPA professional education program would comprise a series of modules that would focus primarily on enhancing CPA candidates' ability to apply professional knowledge, and professional values, ethics and attitudes in a professional context. The modules would also include some knowledge acquisition beyond the academic prerequisite level. The program is expected to take two years to complete on a part-time basis by candidates as they work at relevant employment. University delivery on a full time basis over one year may be considered as an option where relationships exist with universities. These university programs would be based on learning outcomes substantially equivalent to those of the profession-delivered program.

The Canadian CPA professional education program structure and content would be developed nationally and delivered provincially/regionally.

EXAMINATION

The CPA certification process would include individual examinations and team-based assessments throughout the professional education program, culminating in a common final examination in which candidates would be expected to demonstrate a depth and breadth of competency development in accordance with the CPA Competency Map. All areas of the Competency Map would be subject to examination.

An example of the potential implementation of this program is presented below. The exact design of the program would be determined by the new CPA profession's experts in education.



While the program's structure would be modular, it should be viewed as a continuous build of knowledge and skill over a two-year time frame. Moving from module to module would allow for a change in the context or emphasis, as well as for checkpoints at which progress can be evaluated; each module would end in an evaluation.

Note that the program would include both common and elective modules. The common modules would ensure all candidates develop and demonstrate the 'must have' competencies of the new CPA. They would include financial accounting and reporting; management accounting, planning and control, and certain elements of assurance, taxation, finance and performance management. The elective modules would allow candidates to focus on additional elements of two of the areas of assurance, taxation, finance and performance management. Consider, for example, a candidate interested in practicing public accounting upon certification. The candidate would develop the 'must have' competencies required of all CPAs in the common modules, and would then build on that knowledge and skill by completing elective modules in assurance and taxation.

The program's final learning module, which would focus on professional leadership and the application and integration of all of the competency development to that point, would also be common. Candidates would work on cases in small groups, sharing the various competencies learned in the previous common and elective modules, and developing additional critical professional skills such as team management and communication in a professional environment. Assessment for this module would include presentations and team-based assignments.

Upon successful completion of all required modules, all candidates would be required to pass a common final examination. An exam-preparation program would be offered by the profession. Candidates would be required to demonstrate breadth across all six competency areas but must also demonstrate depth in management or financial accounting and in at least one elective area. Candidates who want to practice public accounting would be required to demonstrate depth in financial accounting and assurance.

PRACTICAL EXPERIENCE

Practical experience must be of sufficient duration and intensity to enable candidates to demonstrate that they have gained the professional knowledge, skills, and values, ethics, and attitudes required for entry to the profession. The new CPA profession would consider a standard of three years of practical experience, consisting of a post-graduate professional education program with strong elements of practical application and 24 months of field experience. This would offer the added benefit of enabling those candidates taking the professional education program on a part-time basis over 24 months concurrent with their field experience, to be certified as CPAs on the successful completion of the common final examination. This standard would comply with IFAC standards for professional accounting bodies.

This proposed standard for practical experience would apply to certification or admission to the profession only. Practical experience requirements for public accounting are set, in some provinces, by a regulator and include specific month and engagement hour requirements, and may take longer than the proposed term required for certification.

Eligible practical experience (for certification) would be based on the following principles:

1. Candidates must be provided with the opportunity to develop ethical behavior and professionalism.
2. Candidates must have opportunities for development in accordance with the CPA Competency Map.
3. Candidates must demonstrate professional development in accordance with the CPA Competency Map.
4. Candidates must be appropriately supervised and monitored.
5. Practical experience must be subject to oversight by the profession.

These principles would be applied differently in different work environments and training structures, depending upon the needs of the profession and of employers.

Two training models are proposed:

- Approved Path Model: Training positions offered by offices/organizations in training paths that are approved by the profession.
- Experience Verification Model: Training positions supervised/mentored by a CPA who may or may not be employed by the candidate's employer.

Under the Approved Path Model, offices/organizations would apply for approval for defined paths, identifying how the required competencies would be developed. The profession would work closely with the organization upfront to ensure the appropriateness of the paths; significantly less work would then be required to assess the experience of the individual candidate. It is expected that the Approved Path Model would be appropriate for many large firms and organizations.



The Experience Verification Model would rely less on the employer and more on the supervisor/mentor to ensure the candidate developed the necessary competencies. These candidates would be required to complete detailed practical experience reports which the profession would review in detail throughout the period of practical experience. It is expected that the Experience Verification Model would be appropriate for many small and medium-sized businesses.

A SEPARATE PROGRAM FOR INDIVIDUALS ASPIRING TO A CAREER IN ACCOUNTANCY OTHER THAN THE CANADIAN CPA

The new CPA certification program is designed to develop Canada's pre-eminent professional accountants. However, not all individuals interested in accounting will become CPAs. The CPA profession would include a separate program for individuals who aspire to a career in accountancy but not as a qualified CPA. This program would have relevant entrance, education and assessment requirements to meet the market need and the goals of the profession. Education/examination bridges to the appropriate stage of the CPA certification program would also be developed.

TRANSITION TIMING

One principle of the merger is that the combined accounting body would evolve towards a new single designation with a new CPA certification program. The existing qualification programs would accept no new entrants once the CPA certification program becomes available.

We believe it would take at least 18 months to create the new CPA certification program. This would mean at the earliest, transition timing would be:

- September 2013: The new CPA certification program would be launched. All new candidates would start in this program.
- Fall 2015: The first CPA final examination would be offered.

Transition for those in current programs would need to be well defined and clearly communicated to candidates and other stakeholders on a timely basis. The magnitude of the change-over and the uncertainty caused by a merger would be considerable, but it can be managed. Implementing the transition over as short a time period as is reasonably possible would be less unsettling than an extended period of transition. Success would be built on a well communicated transition based on fairness and transparency.

Our goal would be to make the transition to the CPA final examination without having to offer concurrent legacy exams, which would be expensive. The profession would need to commit to the development of all necessary bridging programs and communications to make the transition to the new common final examination as fair, flexible and seamless as possible.

As the profession is provincially regulated, this transition timing may be affected by the timing of legislative change across the country.

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www.CPACanada.ca

