

Technical Competencies – PERT blue question mark information
 Appendix A + Corporate and Firm examples (PER – September 1, 2017)
 Examples are the start of a suggested framework and not a full response.

Financial Reporting

Financial reporting needs and systems (FR1)

Level 2	Level 1	Level 0
<p>Analyze/identify financial reporting information required by various stakeholders, including regulatory requirements (can include specialized financial reporting requirements); plus (a) Evaluate/review the appropriateness of the basis of financial reporting; or (b) Evaluate/review reporting processes to support reliable financial reporting</p> <p>Examples: Corporate Example Identify the financial reporting needs of various stakeholders (other departments, Board of Directors, banks, shareholders, audit committee etc.); plus Evaluate the Company's information system(s) for accuracy and ensure content meets the stakeholders' needs - recommend changes if needed. Firm Example Identify the needs of clients vs. those of internal and external users, legal and regulatory requirements, type of entity; plus Evaluate financial reporting process used to prepare the entity's financial statements, including significant accounting estimates and disclosures (such as analytical review and understanding internal control processes). Evaluates the reporting processes to ensure the information can be relied upon.</p>	<p>Explain the financial reporting information required by various stakeholders, including regulatory requirements (can include specialized financial reporting requirements); plus (a) Analyze/identify the appropriateness of the basis of financial reporting; or (b) Analyze the accuracy and reliability of financial information</p> <p>Examples: Corporate Example Explain the financial reporting needs of some stakeholders (other departments, Board of Directors, banks, shareholders, audit committee etc.); plus Identify the basis of financial reporting (International Financial Reporting Standards (IFRS), Accounting Standards for Private Enterprises (ASPE), Not-for-Profit Accounting or Public Sector) and analyze why it was chosen. Firm Example Explain the financial reporting needs of some stakeholders (other departments, Board of Directors, banks, shareholders, audit committee etc.); plus Identify the basis of financial reporting (International Financial Reporting Standards (IFRS), Accounting Standards for Private Enterprises (ASPE), Not-for-Profit Accounting or Public Sector) and analyze why it was chosen.</p>	<p>Uses the accounting system to process transactions and/or generate reports. Verifies mathematical accuracy of financial information (sub-totals, totals). Performs simple reconciliations.</p>

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Accounting policies and transactions (FR2)

Level 2	Level 1	Level 0
<p>Evaluate/review appropriate accounting policies and procedures; or Evaluate/review treatment for routine and non-routine transactions; or Analyze/research treatment for complex events/transactions.</p> <p>Examples: Corporate Example Prepare/review non-routine and/or complex journal entries - (i.e. judgement required), such as goodwill impairment, revenue accounting for multiple years, tax provision, business acquisition accounting and financial instruments, etc. Corporate 2 Example Research and summarize the new accounting standards that need to be implemented and provide alternatives, with the impact on financial results and recommendations. This may include communicating the impact of these standards to others. Firm Example Review the client's non-routine and/or complex journal entries - (i.e. judgement required), such as equity accounting, impairment, purchase accounting, development cost and wind-ups, financial instruments, etc. Then recommend any required adjustments. Firm 2 Example Evaluate the client's implementation of new accounting standards required including assessing alternatives, impact on financial results and recommendations for changes if required.</p>	<p>Analyze/research the appropriate accounting policies and procedures (or explains the basis in which they were selected and applied to an organization); or Analyze/research treatment for routine transactions.</p> <p>Examples: Corporate Example Prepare/review routine journal entries (i.e. low judgement required), such as working capital reserves & accruals. Corporate 2 Example Analyze the accounting policy and impact on results through day-to-day responsibilities, monthly and quarterly close process. The accounting policy decision would be made by another group/individual. Firm Example Analyze the client's routine journal entries (i.e. low judgement required), such as working capital reserves and accruals. Firm 2 Example Analyze the client's accounting policies and impact on results through completion of audit/review work.</p>	<p>Record accounting entries for routine transactions.</p> <p>Rollforward provisions from prior years.</p>

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Financial report preparation (FR3)

Level 2	Level 1	Level 0
<p>Analyze/prepare financial statements, including note disclosures.</p> <p>Examples: Corporate Example Prepare several components (such as sections of the balance sheet, income statement, cash flow statement & notes) of the financial statements for a complex company. For example, debt classification, interest expense, long-term debt note and accounting for debt movement in the cash flow statement. NOTE: For a smaller company, expectation would be to prepare the majority of the entity's financial statements and applicable notes.</p> <p>Firm Example Through audit/review process, identify possible adjustments to the financial statements including note disclosures. The focus may be on several components (such as sections of the balance sheet, income statement, cash flow statement & notes) of the financial statements for a complex company (for example, debt classification, interest expense, long-term debt note and accounting for debt movement in the cash flow statement), or the majority of the financial statements and applicable notes for a smaller company, for fair presentation.</p>	<p>Explain financial statements, including note disclosures</p> <p>Examples: Corporate Example Assist with preparing sections (such as Financial Instruments) of the financial statements for a complex company or prepare the majority of the statements for a smaller non-complex company. Corporate 2 Example Explain components (such as sections of the balance sheet, income statement, cash flow statement & notes) of the financial statements for a complex company. For example, how debt is accounted for and integrated into the financial statements. Such as debt classification and interest expense; ideally includes related long-term debt note and accounting for debt movement in the cash flow statement.</p> <p>Firm Example Through audit/review process, explain possible adjustments to the financial statements including note disclosures. The focus may be on several components (such as sections of the balance sheet, income statement, cash flow statement & notes) of the financial statements for a complex company (for example, debt classification, interest expense, long-term debt note and accounting for debt movement in the cash flow statement), or the majority of the financial statements and applicable notes for a smaller company, for fair presentation.</p>	<p>Verify mathematical accuracy of the financial statements and note disclosures.</p>

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Financial statement analysis (FR4)

Level 2	Level 1	Level 0
<p>Analyze/prepare management communication (e.g., MD&A), or Analyze/prepare financial reporting results for stakeholders (internal or external), or Analyze/prepare/predict the impact of strategic, and operational decision on financial results (external or internal).</p> <p>Examples: Corporate Example Responsible for preparation and/or interpretation of financial statement analysis (including considering interrelationships). Depending on the complexity of the business, it may be sections rather than the entire results (e.g. revenue and cost of goods sold). Also discusses the results to the external auditors or to internal management. Firm Example Responsible for preparation and/or interpretation of financial statement analysis (including considering interrelationships). Depending on the complexity of the business, it may be sections rather than the entire results (e.g. revenue and cost of goods sold). Also discuss with management to understand the results.</p>	<p>Explain the management communication (e.g., MD&A), or Explain financial reporting results for stakeholders (external or internal), or Explain the impact of strategic and operational decision on financial results (external or internal).</p> <p>Examples: Corporate Example Explain the results to external auditors or internal management but the analysis itself is prepared by another group or employee. Firm Example Explain the results to the client, partner or manager on the team but the analysis itself is prepared by the client.</p>	<p>Calculate ratios and/or % changes in account balances.</p>

Audit & Assurance

Internal control (AA1)

Level 2	Level 1	Level 0
<p>Evaluate/review the entity's risk assessment processes; or Evaluate/review the information system, including related processes.</p> <p>Examples: Corporate Example</p>	<p>Analyze/prepare the entity's risk assessment processes; or Analyze the information system, including related processes.</p> <p>Examples: Corporate Example</p>	<p>Execute procedures that relates to existing internal controls.</p>

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<p>Evaluate the design and operating effectiveness of the information system, which will involve a detailed understanding of both the general and application controls (e.g. segregation of duties, access controls, processing controls, disaster recovery plan). Provide recommendations to address deficiencies and/or risks identified, as well as inefficiencies and opportunities within the process.</p> <p>Firm Example Evaluate control activities relevant to the audit in order to assess the risk of material misstatement at the assertion level and design further audit procedures responsive to assessed risks.</p> <p>Firm 2 Example Evaluate the entity's information system (e.g. segregation of duties, access control, disaster recovery plan, processing controls, etc.) and related processes, and how it impacts the risk of material misstatement. This analysis is then used to provide a recommendation on the audit approach being mainly substantive or control-based.</p>	<p>Analyze the general computer controls and application controls of the company. Also involved in testing the application controls, such as access controls.</p> <p>Firm Example Analyze control activities relevant to the audit in order to assess the risk of material misstatement at the assertion level and design further audit procedures responsive to assessed risks.</p> <p>Firm 2 Example Analyze the general computer controls and application controls of the company under review/audit. Also involved in testing the application controls, such as access controls.</p>	

Internal audit or external assurance requirements, basis and risk assessment (AA2)

Level 2	Level 1	Level 0
<p>Analyze an entity's assurance needs or explain the implications of pending changes in assurance standards, plus</p> <p>Basis: Analyze which set of criteria to apply to the subject matter being evaluated, or analyze which standards/guidelines to apply based on the nature and expectations of the assurance engagement/project, plus</p> <p>Risk assessment: Evaluate issues related to the undertaking of the engagement or project, or evaluate materiality for the assurance engagement/project, or evaluate the risks of the project</p>	<p>Explain an entity's assurance needs or explain the implications of pending changes in assurance standards, plus</p> <p>Basis: Explain which set of criteria to apply to the subject matter being evaluated, or explain which standards/guidelines to apply based on the nature and expectations of the assurance engagement/project, plus</p> <p>Risk assessment: Explain issues related to the undertaking of the engagement or project, explain/calculate materiality for the assurance engagement/project, or explain the risks of the project (for audit engagements, explain the risks of material misstatement at the financial statement level and at the assertion level for classes of</p>	<p>Assemble information about the business (external), or department (internal).</p>

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Level 2	Level 1	Level 0
<p>(for audit engagements, evaluate the risks of material misstatement at the financial statement level and at the assertion level for classes of transactions, account balances, and disclosures).</p> <p>Examples: Corporate Example Analyze the assurance needs of the Board of Directors/Audit Committee and what criteria is used for scoping decisions; plus Follow the Institute of Internal Auditors Professional Practices Framework which includes guidelines on analyzing independence, competence and objectivity for audit assignments; plus Perform the risk assessment of the project and conclude on areas of concern. Firm Example Analyze the assurance needs of the Shareholders/Audit Committee; plus Analyze what is expected for the type of engagement in accordance with Generally Accepted Auditing Standards (review, special purpose, audit, specified audit procedures, etc.); plus Analyze risks of material misstatement at the financial statement and assertion level that could prevent engagement acceptance/continuance. Considerations may include lack of independence, risk of fraud, aggressive deadlines, and the need/availability of specialists.</p>	<p>transactions, account balances, and disclosures).</p> <p>Examples: Corporate Example Explain the assurance needs of the Board of Directors/Audit Committee for Internal Audit and what criteria is used for scoping decisions; plus Explain the Institute of Internal Auditors Professional Practices Framework which includes guidelines on assessing independence, competence and objectivity for audit assignments; plus Explain the risks of the project they are doing and understand how it impacts the audit plan. Firm Example Explain the assurance needs of the Shareholders/Audit Committee; plus Explain what is expected for the type of engagement in accordance with Generally Accepted Auditing Standards (GAAS); plus</p> <p>Explain the risk assessment which was performed by another member of the team and understand how it impacts the audit plan.</p>	

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Internal audit projects or external assurance engagements (AA3)

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<p>Work plan: Evaluate/develop/review appropriate procedures based on the identified risk of material misstatement, analyze/perform the work plan, evaluate the evidence and results of analysis, documents the work performed and its results, plus Draw conclusions, communicate results, and contribute to a report for stakeholders.</p> <p>Examples: Corporate Example Develop or modify the audit program including determining the most efficient and effective testing procedures (i.e. Test of Controls vs. Substantive Testing and Nature/Timing & Extent of procedures). This includes integrating the knowledge obtained from the risk assessment and the assurance needs of the stakeholders with audit testing procedures to achieve a sufficient amount of testing coverage; plus Perform the audit program, evaluate the results and conclude on next steps for more complex areas such as the manufacturing process, financial close for financial instruments or material subjective accruals. If control testing, assess if the items found are a deficiency, significant deficiency or material weakness, including how the weakness could impact the accuracy of the results and identify any compensating controls. Must communicate the results to the manager or department being audited. Also, required to ensure the audit working paper file meets Internal Audit's documentation standards and the International Standards for the Professional Practice of Internal Auditing.</p> <p>Firm Example Develop or modify the audit program including determining the most efficient and effective testing procedures (i.e. Test of Controls vs. Substantive Testing and Nature/Timing & Extent of procedures). This includes integrating the knowledge obtained from the risk assessment and the assurance needs of the stakeholders with audit testing procedures to achieve a sufficient amount of testing coverage; plus</p>	<p>Work plan: Analyze/perform the work plan on less complex/riskier areas, evaluate the evidence and results of analysis, documents the work performed and its results, plus Draw conclusion, communicate results, and contribute to a report for stakeholders.</p> <p>Examples: Corporate Example Perform the work plan prepared by senior internal auditor of less complex areas, such as cash, accounts payables, selling, general & administrative expenses (SG&A) or low risk business unit processes (e.g. clerical focus), document the results, evaluate the evidence obtained; plus Draw a conclusion to be included in the Internal Audit report or communicated to management.</p> <p>Firm Example Perform the work plan prepared by senior auditor of less complex areas, such as cash, accounts payables, selling, general & administrative expenses (SG&A) or low risk business unit processes (e.g. clerical focus), document the results, evaluate the evidence obtained; plus Draw a conclusion to be included in the Audit Committee report or Management closing report.</p>	<p>Compile planning documentation. Coordinate third party confirmations; identify outstanding items.</p>

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<p>Perform the audit program and evaluate the results, and conclude on next steps for more complex areas, such as inventory, financial instruments and gross margin. If an error in the results is found, draft what the adjusting entry should be, document how it happened and whether there is a control point to communicate to Management. If control testing, assess whether the items found are a deficiency, significant deficiency or material weakness, including an evaluation of how the weakness could impact the accuracy of the results, and identify any compensating controls.</p>		

Finance

Financial analysis & planning (FN1)

Level 2	Level 1	Level 0
<p>Evaluate/review the entity's financial state, or Evaluate/review financial proposals and financing plans</p> <p>Examples: Corporate Example Perform financial analysis including a combination of ratio analysis, industry benchmarking, trend analysis, cash flow analysis, or capital structure assessment. This analysis would be used to evaluate the entity's financial state. Corporate 2 Example Evaluate financial proposals from the business unit. This includes validating the underlying assumptions used, evaluating the alternatives including sensitivity analysis, evaluating the risks/opportunities and when appropriate consider financing options. When the analysis is completed, provide a recommendation. Firm Example Perform financial analysis as part of audit/review or consulting work. This would include a combination of ratio</p>	<p>Analyze the entity's financial state, or Analyze/prepare financial proposals and financing plans</p> <p>Examples: Corporate Example Review ratio analysis, industry benchmarking and trend analysis prepared by the business unit and analyze how it affects the entity's financial state. Corporate 2 Example Analyze financial proposals from the business unit. This would include reviewing their underlying assumptions used and understanding the alternatives including the risks/opportunities. May assist with the recommendation. Firm Example Analyze financial analysis as part of audit/review or consulting work and understand how it affects the entity's financial state. This would include reviewing the client's ratio analysis, industry benchmarking, trend analysis and cash flow analysis.</p>	<p>Perform calculations to support analysis (ratios and/or % changes in account balances).</p>

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Level 2	Level 1	Level 0
<p>analysis, industry benchmarking, trend analysis, cash flow analysis or capital structure assessment. This analysis would be used to evaluate the entity's financial state.</p>		

Treasury management (FN2)

Level 2	Level 1	Level 0
<p>Analyze the entity's cash flow and working capital, plus Evaluate/review the entity's investment portfolio, or Evaluate/review sources of financing and decisions affecting capital structure, or Evaluate/review the entity's cost of capital, or Evaluate/review decisions related to distribution of profits</p> <p>Examples: Corporate Example Analyze and monitor the entity's cash flow and working capital, including cash, accounts receivable, inventory and payable balances. This would include ensuring the entity's needs are met; plus Evaluate the entity's financial instruments (e.g. derivatives, swaps, future and forward contracts, options and convertible securities) and other investments (real estate and other businesses) including benchmarking performance and identifying risks and return of the portfolio. Corporate 2 Example Analyze and monitor the entity's cash flow and working capital, including cash, accounts receivable, inventory and payable balances. This would include ensuring the entity's needs are met; plus Evaluate the entity's financing needs and their available financing alternatives. The analysis would include cost, benefits and implications for future financing decisions</p>	<p>Explain/calculate the entity's cash flow and working capital, plus Analyze/research the entity's investment portfolio (less complex), or Analyze/research sources of financing and decisions affecting capital structure, or Analyze/research the entity's cost of capital, or Analyze/research decisions related to distribution of profits</p> <p>Examples: Corporate Example Calculate the entity's cash flow and working capital, including cash, accounts receivable, inventory and payable balances; plus Analyze the entity's investment portfolio (e.g. public equities, mutual funds, money markets and bonds) including benchmarking performance and identifying risks and return of the portfolio. Corporate 2 Example Calculate the entity's cash flow and working capital, including cash, accounts receivable, inventory and payable balances; plus Assist with researching available financing alternatives. The analysis would include cost, benefits and implications for future financing decisions (including tax implications). Firm Example Audit/review the entity's cash flow and working capital, including cash, accounts receivable, inventory and payable balances; plus</p>	<p>Record investment/FX transactions based on confirmations; update market values from third-party sources, if applicable. Reconcile differences between records and third-party statements.</p>

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<p>(including tax implications). Use this analysis to provide a recommendation for the best option.</p> <p>Firm Example Audit/review the entity's cash flow and working capital, including cash, accounts receivable, inventory and payable balances. This would include ensuring the entity's needs are met and there is no going concern risk; plus Evaluate the entity's financial instruments (e.g. derivatives, swaps, future and forward contracts, options and convertible securities) and other investments (real estate and other businesses) including benchmarking performance and identifying risks and return of the portfolio.</p>	<p>Assess the entity's investment portfolio (e.g. public equities, mutual funds, money market, bonds) including benchmarking performance and identifying risks and return of the portfolio.</p>	

Capital budgeting, Valuation, Corporate finance (FN3)

Level 2	Level 1	Level 0
<p>Analyze/prepare financial models or business plans as part of or in addition to: Evaluate/review capital budgeting processes and decisions, or Evaluate/review the value of a tangible asset or analyze/estimate the value of an intangible asset, or Analyze/estimate the value of a business, or Evaluate/review financial risk management policies, or Analyze the use of derivatives as a form of financial risk management, or Evaluate/review the purchase, expansion or sale of a business, or Evaluate/advise a financially troubled entity.</p> <p>Examples: Corporate Example Evaluate capital budget request using established criteria/policies. Consider benchmarking, feasibility, return, and</p>	<p>Analyze/prepare information to aid in the capital budgeting processes and related decisions, or Analyze/estimate the value of a tangible asset, or Explain/calculate value of a business, or Explain financial risk management policies, or Explain the use of derivatives as a form of financial risk management, or Analyze the purchase, expansion or sale of a business, or Analyze possible solutions to aid a financially troubled entity.</p> <p>Examples: Corporate Example Prepare the required information to support a capital budget request, including the cost and feasibility of the request. Corporate 2 Example Analyze the work done by another department for considering a purchase, expansion or sale of the business. This</p>	<p>Coordinate the capital budgeting process.</p> <p>Calculate market value of publicly-traded security.</p> <p>Calculate/collect multiples for market-based valuations.</p>

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<p>cost, then recommend a course of action consistent with the objectives of the company.</p> <p>Corporate 2 Example Evaluate assets (including both tangible and intangible), liabilities (existing and potential), risks and opportunities of the purchase, expansion or sale of the business. Based on the analysis, recommend a suitable course of action or items to consider.</p> <p>Firm Example Audit/review the value of a tangible asset or estimate of an intangible asset, using different methods such as replacement value, net realizable value, precedent transactions and/or discounted cash flow. This includes evaluating critical assumptions and concluding on a reasonable value.</p> <p>Firm 2 Example Evaluate critical assumptions and facts underlying the company's valuation. This would include valuing the business using asset-based, transaction-based (discounted cash flow) or market-based methods (precedent transactions). Then conclude on a plausible range of values for the business.</p>	<p>also includes assisting with inputs for the analysis or requesting further back-up to understand the report.</p> <p>Firm Example Audit/review the value of a tangible asset by using net realizable value, for example.</p> <p>Firm 2 Example Analyze less complex items of a purchase, expansion or sale of a business - e.g. valuing working capital accounts.</p>	

Taxation

Income tax legislation and research (TX1)

Level 2	Level 1	Level 0
<p>Analyze/research treatment for transactions/events, plus Draw conclusion and communicate results.</p> <p>Examples: Corporate Example Research treatment for non-routine or complex tax issues. For example, scientific research and experimental development, corporate restructuring transactions (i.e. Section 85 elections, reorganization of share capital), manufacturing and processing</p>	<p>Explain the relevant section of the Income Tax Act, tax conventions and/or treaties, as it relates to specific transactions/events.</p> <p>Examples: Corporate Example Explain treatment for non-routine or complex tax issues, including assisting in research but not drawing the conclusion. For example, involved in scientific research and experimental</p>	<p>Use Income Tax Act to assemble rates, filing deadlines and requirements.</p>

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Level 2	Level 1	Level 0
<p>credits, development cost and disposition of assets; plus Draw conclusions on how it should be treated and communicate results. Firm Example Analyze the client's treatment for non-routine or complex tax issues by reviewing management's position. For example, scientific research and experimental development, Corporate restructuring transactions (i.e. Section 85 elections, reorganization of share capital), reorganization of share capital, manufacturing and processing credits, development cost and disposition of assets; plus Draw conclusions on how it should be treated and communicate results. Firm 2 Example Research treatment for non-routine or complex tax issues. For example, allocation of income/loss from a partnership, attribution rules, returns for a deceased individual or impact of distributions from a trust to a beneficiary; plus Draw conclusions on how it should be treated and communicate results.</p>	<p>development (SR&ED), corporate restructuring transactions (Section 85 elections, reorganization of share capital), manufacturing and processing credits, development cost and disposition of assets. Firm Example Explain the client's treatment for non-routine or complex tax issues by reviewing management's position. For example, involved in scientific research and experimental development (SR&ED), Corporate restructuring transactions (Section 85 elections, reorganization of share capital), manufacturing and processing credits, development cost and disposition of assets. Firm 2 Example Explain treatment for non-routine or complex tax issues, including assisting in research but not drawing the conclusion. For example, allocation of income/loss from a partnership, attribution rules, returns for a deceased individual or impact of distributions from trust to a beneficiary.</p>	

Tax compliance: corporate or personal (TX2)

Level 2	Level 1	Level 0
<p>Analyze the general tax issues (can include assessments, notice of objection and appeals), plus Analyze/prepare a tax return Examples: Corporate Example Analyze general tax issues and ensure filing position is supported, such as legal form and structure, type of corporation, sources and type of income, risk tolerance & impact to different stakeholders and relationships. Be sure to meet filing requirements; plus</p>	<p>Explain the general tax issues (can include assessments, notice of objections and appeals), plus Explain tax return or analyze/prepare information to support the preparation of the tax return Examples: Corporate Example Explains the entity's general tax issues (such as sources and type of income), including deadlines and explain how those items are treated in the tax return. Also explain filing requirements; plus Prepare relevant sections to support the tax return.</p>	<p>Assemble information for tax return and explains required information. Use tax software to process tax returns. Prepare schedule of due dates.</p>

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<p>Prepare main ASPEcts of the tax return (i.e. fixed asset, manufacturing and processing credits, scientific research and experimental development (SR&ED) claims, Corporate restructuring sections, etc.). If applicable, analyze the notice of assessment and prepare responses to notice of objections or appeals.</p> <p>Firm Example Analyze general tax issues and ensure filing position is supported, such as legal form and structure, type of corporation, sources and type of income, risk tolerance & impact to different stakeholders and relationships. Ensure filing requirements are met; plus Prepare or Audit/Review main ASPEcts of the tax return (i.e. fixed asset, manufacturing and processing credits, scientific research and experimental development (SR&ED) claims, Corporate restructuring sections). If applicable, analyze the notice of assessment and prepare responses to notice of objections or appeals.</p> <p>Firm 2 Example Analyze general tax issues such as residency, sources and types of income, dividend tax credits, personal tax credits, related persons or affiliated persons, etc. Ensure filing requirements are met; plus Prepare main ASPEcts of the tax return. If applicable, analyze the notice of assessment and prepare responses to notice of objections or appeals.</p>	<p>Firm Example Explains the entity's general tax issues (such as sources and type of income), including deadlines and explain how those items are treated in the tax return. As well, explain filing requirements; plus Prepare or Audit/Review relevant sections to support the tax return.</p> <p>Firm 2 Example Explain general tax issues such as residency, sources and types of income, dividend tax credits, personal tax credits, related persons or affiliated persons etc., including deadlines and explain how those items are treated in the tax return. As well, explain filing requirements; plus Prepare sections of the tax return.</p>	

Tax planning: corporate or personal (TX3)

Level 2	Level 1	Level 0
<p>Analyze/estimate tax consequences or specific tax-planning opportunities for: (a) shareholders and/or corporations, or (b) complex corporate</p>	<p>Explain/calculate the tax consequences or specific tax planning opportunities for: (a) shareholders and/or corporations,</p>	<p>Use information prepared internally/externally to explain changes arising</p>

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<p>transactions, or (c) individuals (excluding estate-planning), or Analyze/estimate the tax consequences of other corporate and partnership restructuring transactions, or Analyze/prepare estate-planning opportunities for individuals.</p> <p>Examples: Corporate Example Analyze corporate tax planning opportunities, which could include a specific technical component such as scientific research and experimental development (SR&ED) claims, transfer pricing etc. Research different alternatives to support position and provide a recommendation including an estimate to the Manager. Corporate 2 Example Analyze corporate tax planning opportunities relating to restructuring transactions, including optimal corporate structure (use of holding companies, creditor protection), sale or acquisition of shares vs. assets, wind-ups vs. amalgamation. Research different alternatives to support position and provide a recommendation including an estimate to the Manager. Firm Example Analyze corporate tax planning opportunities, which could include a specific technical component such as scientific research and experimental development (SR&ED) claims, transfer pricing, etc. Research different alternatives to support position and provide a recommendation including an estimate to the Client. Firm 2 Example Analyze corporate tax planning opportunities relating to restructuring transactions, including optimal corporate structure (use of holding companies, creditor protection), sale or acquisition of shares vs. assets, wind-ups vs. amalgamation. Research different alternatives to support position and provide a</p>	<p>or (b) individuals (excluding estate planning), or Explain/calculate the tax consequences of other corporate and partnership restructuring transactions, or Explain/calculate the tax estate-planning opportunities for individuals.</p> <p>Examples: Corporate Example Explain the tax consequences for routine/lower complex opportunities such as of compensation options for owner-manager (employment income versus a dividend), or taxable impact to employee(s) by them receiving certain employee benefits, such as having a company car vs. car allowance, fitness allowance, and/or computing allowance. Corporate 2 Example Explain corporate tax planning opportunities relating to restructuring transactions, including items to consider such as optimal corporate structure (use of holding companies, creditor protection), sale or acquisition of shares vs. assets, wind-ups vs. amalgamation. Firm Example Explain the tax consequences for routine/lower complex opportunities such as of compensation options for owner-manager (employment income vs. a dividend), or taxable impact to employee(s) by them receiving certain employee benefits, such as having a company car vs. car allowance, fitness allowance, and/or computing allowance. Firm 2 Example Explain corporate tax planning opportunities relating to restructuring transactions, including items to consider such as optimal corporate structure (use of</p>	<p>from Federal or Provincial budgets. Use tax software to calculate pro-forma taxes payable under various tax planning opportunities.</p>

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<p>recommendation including an estimate to the Client.</p> <p>Firm 3 Example Based on the facts of the client (individual and/or family) prepare estate planning which requires understanding the client's objectives. Items include income splitting and attribution rules, capital losses in estate and transfer of property to spouse or children.</p> <p>Firm 4 Example Analyze tax-planning opportunities such as income splitting, RESP, RRSP, self-employment vs. employee or incorporating vs. non-incorporated businesses.</p>	<p>holding companies, creditor protection), sale or acquisition of shares vs. assets, wind-ups vs. amalgamation).</p> <p>Firm 3 Example Explain what information is required for estate planning and specific ASPEcts such as income splitting and attribution rules, capital losses in estate and transfer of property to spouse or children.</p> <p>Firm 4 Example Explain tax-planning opportunities such as income splitting, RESP, RRSP, self-employment vs. employee or incorporating vs. non-incorporated businesses.</p>	

Strategy & Governance

Governance Mission, vision, values & mandate (SG1)

Level 2	Level 1	Level 0
<p>Analyze/prepare the entity's governance policies, processes, and/or code, and analyze/prepare information and analysis to ensure entity remains compliant with regulatory/compliance requirements, or Evaluates whether management decisions align with the entity's mission, vision and values.</p> <p>Examples: Corporate Example Analyze the effectiveness of the company's governance structure, including Board of Directors, Audit Committee, External Auditor and Code of Conduct, and ensure they are in compliance with other regulatory bodies (Sarbanes-Oxley Act of 2002, Canadian Securities Administrators, etc.). This would include a detailed analysis of the structure and the effectiveness of meeting their mandate and</p>	<p>Explain describes the entity's governance policies, processes, and/or code, and prepares information to aid in the analysis to ensure entity remains compliant with regulatory/compliance requirements, or Analyze management decisions to the entity's mission, vision and values.</p> <p>Examples: Corporate Example Explain the company's governance structure, including the mandate/role of Board of Directors, Audit Committee, Code of Conduct and prepare information to ensure they are compliant with other</p>	<p>Describe the entity's governance policies, processes, and/or code.</p>

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Level 2	Level 1	Level 0
<p>evaluating if the controls are designed to ensure compliance.</p> <p>Firm Example Through entity-level control testing, understand and analyze the effectiveness of the Company's governance structure, including Board of Directors, Internal Auditor, Audit Committee, Code of Conduct and ensure they are in compliance with other regulatory bodies (Sarbanes-Oxley Act of 2002, and Canadian Securities Administrator). This would include a detailed analysis of the structure, effectiveness of meeting their mandate and evaluating if the controls are designed to ensure compliance.</p>	<p>regulatory bodies (e.g. public companies meeting filing deadlines).</p> <p>Firm Example As part of audit/review procedures explain company's governance structure, including the mandate/role of Board of Directors, Audit Committee, Code of Conduct and reviews controls to ensure they are compliant with other regulatory bodies (e.g. public companies meeting filing deadlines).</p>	

Strategy development / implementation (SG2)

Level 2	Level 1	Level 0
<p>Analyze the entity's strategic objectives and evaluate related performance measures, or</p> <p>Evaluate the entity's internal and external environment and analyze its impact on strategy development; analyze strategic alternatives, or</p> <p>Analyze the key operational issues and analyzes alignment with strategy.</p> <p>Examples: Corporate Example Evaluate an external analysis, such as analyzing competitors and identifying macro forces affecting the organization (economical, social, cultural, political, competitive, technology, legal, etc.). Also evaluate the internal analysis which could include core competence, resources, internal systems and weaknesses. The key is to use this analysis and decide how it impacts the strategy and alternatives of the company.</p> <p>Firm Example Evaluate the client's external analysis, such as analyzing competitors and identifying macro forces affecting the organization (economical, social,</p>	<p>Explain the entity's strategic objectives and analyze related performance measures, or</p> <p>Analyze the entity's internal and external environment and explain its impact on strategy development; explain strategic alternatives, or</p> <p>Explain the key operational issues and explains the alignment with strategy</p> <p>Examples: Corporate Example Analyze an already prepared external analysis, such as competitor analysis and identifying macro forces affecting the organization (economical, social, cultural, political, competitive, legal, etc.). Also analyze the internal analysis which could include core competence, resources and internal system. The key is to explain how it impacts the strategy.</p> <p>Firm Example Explain the client's external analysis, such as competitor analysis and understand macro forces affecting the</p>	<p>Explain the entity's strategic objectives. Collect information on the entity's internal and external environment.</p>

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Level 2	Level 1	Level 0
cultural, political, competitive, technology, legal, etc.). Also analyze the client's internal analysis which could include core competence analysis, resources, internal systems and weaknesses. The key is to use this analysis and conclude how it impacts the company's strategy and therefore possible audit/review implications.	organization (economical, social, cultural, political, competitive, legal, etc.). Also analyze the internal analysis which could include core competence analysis, resources and internal system. The key is to understand how it impacts the company's strategy, and therefore, possible audit/review implications.	

Enterprise risk management (SG3)

Level 2	Level 1	Level 0
<p>Evaluate/review components of an effective risk management program and evaluate its impact on shareholder value.</p> <p>Examples: Corporate Example Design the processes to identify, assess, mitigate and monitor risks of the entity. This would include advising on the entity's risk tolerance level and recommending risk management strategies (such as avoidance, transference, mitigation or acceptance). In order to recommend the strategy, shareholder value would be considered by cost vs. benefit analysis of risk approach. Firm Example Evaluates the client's processes to identify, assess, mitigate and monitor risks of the entity. This would include assessing the entities risk tolerance level and risk management strategies (such as avoidance, transference, mitigation or acceptance). This would then be used to consider impact to audit/review strategy.</p>	<p>Analyze/research components of a risk management program and analyze its impact on shareholder value</p> <p>Examples: Corporate Example Assist in the processes to identify, assess, mitigate and monitor risks of the entity, including analyzing how it impacts shareholder value (cost vs. benefit analysis of risk approach). Firm Example Would analyze the client's processes to identify, assess, mitigate and monitor risks of the entity, including explaining how it impacts shareholder value (cost vs. benefit analysis of risk approach).</p>	Record risk responses.

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Management Accounting

Management reporting needs and systems (MA1)

Level 2	Level 1	Level 0
<p>Analyze management information requirements, plus Evaluate/review the types of information systems used and the role they play in an organization or evaluate/recommend improvements to existing reporting systems to meet information needs, plus Analyze/research ethical and privacy issues related to information technology.</p> <p>Examples: Corporate Example Analyze the information requirements for other departments and/or senior management; plus Recommend improvements to existing systems to meet information needs. This could include new reporting packages or ways to analyze the information, suggesting modifications to the reporting system, or being part of an IT conversion; plus Analyze data integrity and confidentiality. Firm Example Analyze the information requirements for the client; plus Evaluate the types of information systems used and the role they play in the organization as part of Audit/Review procedures, which could include recommendations to improve the reports/systems; plus Analyze data integrity and confidentiality.</p>	<p>Explain management information requirements, plus Analyze the types of information systems used and the role they play in an organization or analyze potential improvements to existing reporting systems to meet information needs, plus Explain ethical and privacy issues related to information technology.</p> <p>Examples: Corporate Example Explain the information requirements for other departments and/or senior management; plus Analyze the different systems in the company, what the purpose is for each and how they integrate into one another (e.g. how inventory management system syncs with the reporting tool); plus Explain the importance of data integrity and confidentiality. Firm Example Explain the information requirements of the client; plus Discuss the different systems in the company, what the purpose is for each of them and how they integrate with one another (e.g. how inventory management</p>	<p>Use existing information systems to generate management reports.</p> <p>Recognize ethical and privacy issues related to information technology.</p>

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Level 2	Level 1	Level 0
	system syncs with the reporting tool); plus Explain the importance of data integrity and confidentiality.	

Planning, budgeting and forecasting (MA2)

Level 2	Level 1	Level 0
<p>Evaluate/review information inputs (including assumptions) for operational plans, budgets and forecasts, plus Analyze/prepare operational plans, budgets, and forecasts, plus Analyze implications of variances</p> <p>Examples: Corporate Example Assist in evaluating inputs for the quarterly and annual budget process, ensuring it is accurate and identify any gaps in the supporting information; plus Using the information supplied, prepare the financial or operational budget; plus Analyze actual results against the budget and explain the implications of the variances to management. NOTE: For a large company, the above would be performed for some complex sections but for a smaller company, the above would be done for the majority of the budget. Firm Example As part of the engagement, evaluate management budget process by assessing inputs for the quarterly and annual budget process, ensure it is accurate and identify any gaps in the supporting information; plus Analyze management's financial and operational budget; plus Analyze management's analysis of actual results against the budget and ensure it is reasonable. For items that require further explanation, investigate with management, including corroborating the information.</p>	<p>Analyze/prepare information inputs for operational plans, budgets and forecasts, plus Explain/calculate operational plans, budgets, and forecasts, plus Explain/calculate variances</p> <p>Examples: Corporate Example Prepare inputs for sections of the quarterly and annual budget; plus Calculate the budget and compute the variance for a section, e.g. working capital items. Firm Example Analyze management's inputs for sections of the quarterly and annual budget; plus Calculate the variance of actuals to budget for a section, e.g. working capital items.</p>	<p>Verify mathematical accuracy of plans, budgets and/or forecasts.</p>

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Cost / revenue / profitability management (MA3)

Level 2	Level 1	Level 0
<p>Cost management: Explain/apply appropriate cost classifications and costing methods for management of ongoing operations, and explain/apply cost management techniques appropriate for specific decisions, and evaluate/recommend either: (a) change identified by applying process improvement methodologies or (b) cost management improvements across the entity; or</p> <p>Revenue management: evaluate/review sources and drivers of revenue growth; or</p> <p>Profitability management: analyze/prepare sensitivity analysis, evaluate/review sustainable profit maximization and capacity management performance.</p> <p>Examples: Corporate Example Explain appropriate cost classifications (variable/fixed, direct/indirect, discretionary). Apply methods such as activity-based costing, process costing, standard costing, joint costing or job costing when appropriate to support specific costing decisions which are complex in nature, such as make vs. buy, acquisition vs. sourcing. Identify opportunities for continuous improvement for costing strategies, such as improving tracking costs or reducing waste, or improving supplier relationships. Firm Example Evaluate the sources and drivers of revenue growth, including pricing alternatives, transfer pricing to related parties, relevant costs in relation to revenue growth and understand the competitive structure of the industry.</p>	<p>Cost management: Explain/apply the appropriate cost classifications and costing methods for management of ongoing operations, explain/apply cost management techniques appropriate for specific decisions, and analyze potential changes identified by applying process improvement methodologies; or</p> <p>Revenue management: analyze/prepare information to understand the sources/drivers of revenue growth; or</p> <p>Profitability management: explain/calculate the sensitivity analysis, and analyze alternatives for sustainable profit maximization/capacity management performance.</p> <p>Examples: Corporate Example Explain appropriate cost classifications (variable/fixed, direct/indirect, discretionary). Then explain the appropriate costing methods such as activity-based costing, process costing, standard costing, joint costing or job costing. Prepare information to assist in lower in complexity/routine costing decisions, such as make vs. buy, acquisition vs. sourcing. Lastly, analyze potential other costing strategies, such as improving tracking costs or reducing waste, or improving supplier relationships. Firm Example Analyze factors contributing to the revenue growth, such as price changes or competitive advantage creating increased volumes.</p>	<p>Collect information to assist with cost, revenue or profitability management.</p>

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Organizational / individual performance measurement (MA4)

Level 2	Level 1	Level 0
<p>Evaluate/review root causes of performance issues through one of: Analyze/research the implications of management incentive schemes and employee compensation methods, or Evaluate/review performance using accepted frameworks or KPIs, or Evaluate/review performance of responsibility centers</p> <p>Examples: Corporate Example Evaluate how the key performance indicators (KPIs) are designed to identify performance issues. Evaluate the actual performance level against established targets/KPIs/balanced scorecards and explain differences. This includes investigating factors that caused variances in performance and identifying root causes of the performance issues. Firm Example Analyze the strengths and weaknesses of management's incentive plans and analyze the implications it can have on the results and performance issues, including possible fraud risk and the impact to audit/review approach. Firm 2 Example Evaluate how the key performance indicators (KPIs) are designed to identify performance issues. As part of analytics, evaluate the actual performance level against established targets/KPIs/balanced scorecards and explain the differences. This includes investigating factors that caused variances in performance and identifying the root cause of the performance issues.</p>	<p>Analyze possible root causes of performance issues, through one of: Explain the implications of management incentive schemes and employee compensation methods, or Analyze performance using accepted frameworks or KPIs; or Analyze performance of responsibility centers.</p> <p>Examples: Corporate Example Analyze how key performance indicators (KPIs) can be used to identify performance issues and then analyze the actual performance level against established targets/KPIs and explain differences. Firm Example Explain the strengths and weaknesses of management's incentive plans and understand the implications it can have on the results and performance issues, including possible fraud risk. Firm 2 Example Analyze how key performance indicators (KPIs) can be used to identify performance issues and then analyze the actual performance level against established targets/KPIs and explain or have management explain the differences.</p>	<p>Calculate/prepare performance scorecard/KPI based on information supplied by units.</p>