

September 23, 2021

Submitted electronically

CPA Competency Map Task Force

Dear Task Force Members:

**Comments on the CPA Competency Map Consultation – Transforming to Meet the Needs of the Future:
The CPA “Way Forward” Competency Map (CM2.0)**

The Canadian Public Accountability Board (CPAB) is pleased to submit this response to your consultation on the CPA “Way Forward” Competency Map related to your deliberations on the competencies and skills required by CPAs at the pre-certification level and the goal of creating future-ready CPAs.

CPAB is Canada’s independent audit regulator responsible for overseeing firms that audit Canadian reporting issuers. Our mandate is to promote high quality, independent auditing that contributes to public confidence in the integrity of financial reporting.

Overall comment

CPAB supports the emphasis on ethics, technology and professional skepticism outlined in the draft competency map.

The development of strong and diverse skills and competencies among CPAs is critical to the performance of high-quality audits. CPAB has the opportunity, in discharging our mandate, to review the work of hundreds of CPAs each year. We see audits that are well performed and others that do not meet professional standards. While the root causes of significant deficiencies in audit files vary by circumstance, we have identified several common themes which we publish in our public reports. These themes include the importance of increased professional skepticism, critical evaluation of complex contracts or arrangements, and thoroughly understanding the business being audited as well as the need to apply critical thinking to changing business models, the significant increase in the use of technology and the paramount importance of independence and ethical behaviour.

Strong financial reporting is highly dependent on the skills and rigour applied by finance teams and we have considered this in our assessment of the draft competency map.

Our review of the competency map identified several areas that we would like to raise for your consideration.

Assessment of the full CPA qualification process

This consultation is directed at the competencies at a pre-certification level. A thorough assessment of the efficacy of the qualification process cannot be made in a vacuum; it will also be important to assess the required framework changes to the development and education process required to qualify as a CPA. Any comments made in this letter should be viewed as preliminary pending review of the anticipated Certification 2.0 material.

Competencies

We applaud the focus on an ethical mindset and professional skepticism. While we appreciate the desire to simplify the competencies, we are concerned that there may not be sufficient emphasis on the development of a deep understanding of finance, the capital markets and how businesses operate. Further, we would have liked to see specific reference to fraud prevention and detection as these are critical skillsets required by any CPA and of significant public interest.

Proficiency levels

We are concerned about the proficiency levels depicted in the paper, and in particular the ranking of “designing” and “collaborating” as higher-level competencies than “interpret” and “critical evaluation”. In our view the relative level or importance of proficiencies is role-dependent. Therefore, we wonder if an escalation level of proficiencies is necessary.

If you have any questions about our response or wish to discuss any of our observations in more detail, please contact me (carol.paradine@cpab-ccrc.ca).

Yours truly,



Carol A. Paradine, FCPA, FCA
Chief Executive Officer