The National Standard for Public Accounting for Certified Management Accountants

Approved by the CMA Canada National Board of Directors

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The National Standard for Public Accounting for Certified Management Accountants

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The National Standard for Public Accounting for Certified Management Accountants

Introduction

CMA Canada, a partnership of The Society of Management Accountants of Canada and The Societies/Ordre of Management Accountants of each province and region, established **The National Standard for Public Accounting for Certified Management Accountants** (National Standard). This National Standard includes each element of the CMA Public Accountant process, defining the purpose, attributes and specifications of each element and describing what is required to complete each successfully.

Through its published National Standard, CMA Canada provides assurance that its public accounting practice regulations integrate the features and characteristics necessary to meet the high quality standards demanded of public accountants. Further demonstrating this high quality is the National Standard's adherence to the International Federation of Accountants (IFAC) standards and specifically, International Education Standard, Competence Requirements for Audit Professionals (IES 8)[1].

In order to provide greater specificity, definitions of key terms and interpretations of selected specifications used in the National Standard are incorporated in this standards document.

This National Standard has been developed with reference to **The National Standard for Granting the CMA Designation** (Accreditation Standard). Accordingly, any changes to the Accreditation Standard will be reviewed and, if appropriate, adopted in the National Standard.

The CMA Canada requirements to be eligible for the practice of public accounting are positioned as a post CMA designation area of practice. They are built on the foundation of professional accounting and management expertise and high standards of professionalism and ethics already established in the awarding of the CMA designation. Therefore, the requirements are focused on the incremental knowledge, skills and attributes required to perform public accounting at an equally high standard for an entry-level public accounting practitioner.

[1] In August 2012, an Exposure Draft was issued on revisions proposed for IES 8, which included a title change to, *Professional Development for Engagement Partners Responsible for Audits of Financial Statements (Revised)*. The International Accounting Education Standards Board (IAESB) is expecting to finalize IES 8 in Q3 of 2013 and has provisionally agreed that IES 8 will be effective for implementation for periods beginning on or after July 1st, 2015.

It is important that the CMA designation continue as the pre-eminent designation for management accounting, with the addition of the public accounting area of practice being a logical step into an area of specialization. All CMAs should have the opportunity to undertake this public accounting area of specialization should they choose.

While the National Standard established by CMA Canada for CMAs to practise public accounting is designed to meet or exceed legislated requirements across the country and thus to ensure it meets the requirements of the Agreement on Internal Trade (AIT), should legislation change and exceed the standard defined by CMA Canada, applicable legislation must take precedence. Members are encouraged to confer with their Provincial/Regional Society/Ordre on local legislative or policy requirements.

Entrance into the CMA Public Accountant Process

CMA Canada members seeking to pursue the practice of public accounting shall have the required professional, academic and residence attributes.

Attributes	Specifications	Interpretation Guideline
1. Eligibility		
1.1 Professional Standing	1.1.1 Certified member in good standing of CMA Canada and of the Provincial/ Regional Society/Ordre in the province/region in which seeking to become eligible for public accounting practice.	1.1.1.1 No fees or assessments are in arrears. Member is in compliance with the Continuous Professional Learning and Development requirements. There are no outstanding matters of misconduct. 1.1.1.2 Member shall complete the CMA Public Accountant Practice Requirements through the Provincial/Regional Society/Ordre of which s/he is a certified member.
1.2 Academic	1.2.1 Holds a university baccalaureate level or graduate degree or a degree deemed to be equivalent from a tertiary educational institution authorized by a Canadian provincial government educational authority having jurisdiction; or a non- Canadian degree that is deemed equivalent to a Canadian provincial degree, or as defined by Provincial/Regional Society/Ordre legislation.	1.2.1.1 A list of provincial government educational authorities having jurisdiction will be maintained by each Provincial/Regional Society/Ordre.
1.3 Transition Provisions	1.3.1 CMAs already practising public accounting (including as employees) at the date of approval of the National Standard will be eligible to continue to practise provided they meet Provincial/Regional Society/Ordre requirements and comply with local legislation.	

Entrance into the CMA Public Accountant Process (*continued*)

Attributes	Specifications	Interpretation Guideline
2. Applicability		
2.1 Scope of Practice	2.1.1 The requirements to become eligible to practise public accounting shall be commensurate with the nature of public accounting services to be provided, i.e. assurance-based services as distinct from compilation services only.	2.1.1.1 CMAs seeking to become eligible to provide assurance services shall fulfil the Education, Examination and Practical Experience Components of the CMA Public Accountant Practice Requirements as defined in the National Standard, or as defined by their Provincial/Regional Society/Ordre. 2.1.1.2 CMAs seeking to become eligible to provide compilation services only shall fulfil the CMA Public Accountant Practice Requirements for CMAs Providing Compilation Services Only as defined in Appendix B to the National Standard, or as defined by their Provincial/Regional Society/Ordre.

Education Component of the CMA Public Accountant Practice Requirements

Prior to attaining eligibility to practise the full scope of public accounting, CMAs shall gain the incremental knowledge, skills and attributes required to perform public accounting at a high standard as defined in the *Incremental Syllabus for CMAs to Practise Public Accounting* found in Appendix C.

Attributes	Specifications	Interpretation Guideline
1. Eligibility	1.1.1 Satisfied all aspects of the National Standard described in *Entrance into the CMA Public Accountant Process*.	
2. CMA Public Accounting Syllabus		
2.1 Aim	2.1.1 Syllabus provides CMAs with the incremental knowledge, skills and attributes required to perform public accounting at a high standard.	2.1.1.1 The knowledge, skills and attributes required to perform public accounting at a high standard that are incremental to the knowledge, skills and attributes already established by the CMA designation are defined within the *Incremental Syllabus for CMAs to Practise Public Accounting* . 2.1.1.2 Some Provinces/Regional Society/Ordre may require additional knowledge, skills and attributes when regulatory or provincial requirements exceed the National Standard.
2.2 Design	2.2.1 Syllabus covers all incremental topical areas required to perform public accounting at a high standard. 2.2.2 Syllabus describes the cognitive skill levels to be attained in each topical area.	
2.3 Outcome	2.3.1 The CMA Public Accountant is proficient in the knowledge, skills and attributes required to perform public accounting at a high standard.	2.3.1.1 Proficiency is demonstrated through the completion of the education and practical experience requirements, as well as passing the Public Accounting Examination.

Education Component of the CMA Public Accountant Practice Requirements (*continued*)

Attributes	Specifications	Interpretation Guideline
2. CMA Public Accounting Syllabus (*continued*)		
2.4 Continuous Renewal	2.4.1 Syllabus is reviewed to ensure it meets the expectations of business and regulators of the practice of public accounting at a high standard.	2.4.1.1 The *Incremental Syllabus for CMAs to Practise Public Accounting* will be reviewed every three years at a minimum, to ensure it meets the expectations of business and regulators of the practice of public accounting at a high standard.

Examination Component of the CMA Public Accountant Practice Requirements

Prior to attaining eligibility to practise the full scope of public accounting, CMAs shall demonstrate proficiency in the incremental knowledge, skills and attributes required to perform public accounting at a high standard as defined in the *Incremental Syllabus for CMAs to Practise Public Accounting*.

Attributes	Specifications	Interpretation Guideline
1. Eligibility	1.1.1 Satisfied all aspects of the National Standard described in *"Education Component of the CMA Public Accountant Practice Requirements"*.	
2. CMA Public Accounting Examination		
2.1 Aim	2.1.1 CMA Public Accounting Examination provides the assurance that CMAs seeking to practise public accounting have acquired the knowledge of topics within the prescribed syllabus and at the prescribed cognitive levels.	2.1.1.1 The CMA Public Accounting Examination has the following attributes: a) The examination shall test knowledge as defined in the *Incremental Syllabus for CMAs to Practise Public Accounting.* Candidates who fail the examination will be expected to retry within a given timeframe. b) Some provinces/regions may require satisfactory completion of additional examinations beyond the CMA national examination based on the *Incremental Syllabus for CMAs to Practise Public Accounting* when regulatory or provincial requirements exceed the National Standard.
2.2 Design	2.2.1 Both the lower order cognitive skill of comprehension and the higher order cognitive skills of application, analysis, synthesis and evaluation will be assessed.	2.2.1.1 Nature of assessment is as follows: a) The examination will be a minimum of five hours in duration and entail case-based questions. b) The examination will test topics within the *Incremental Syllabus for CMAs to Practise Public Accounting.*

Examination Component of the CMA Public Accountant Practice Requirements (*continued*)

Attributes	Specifications	Interpretation Guideline
2. CMA Public Accounting Examination (*continued*)		
2.3 Outcome	2.3.1 Successful writers pass a national public accounting examination marked centrally by CMA Canada. 2.3.2 CMAs who demonstrate competency of the prescribed syllabus at the required competency level to practise as a CMA Public Accountant subject to fulfilment of the Practical Experience Component of the CMA Public Accountant Practice Requirements as defined in the National Standard.	2.3.1.1 CMAs seeking to practise public accounting will normally be permitted a maximum of four attempts at the CMA Public Accounting Examination. Additional attempts may be granted at the discretion of the Provincial/Regional Society/Ordre.
2.4 Continuous Renewal	2.4.1 The CMA Public Accounting Examination is reviewed to ensure that it continues to measure appropriately the knowledge, competencies, skills and attributes required to perform public accounting at a high standard.	2.4.1.1 The CMA Public Accounting Examination will be reviewed every year to ensure its structure is appropriate and represents the most reliable and valid testing instrument available to assess whether CMAs seeking to practise public accounting have acquired the knowledge of topics within the prescribed syllabus and at the prescribed cognitive levels.

Practical Experience Component of the CMA Public Accountant Practice Requirements

Prior to attaining eligibility to practise the full scope of public accounting, CMAs shall demonstrate proficiencies appropriate to newly qualified public accountants capable of performing public accounting at a high standard.

Attributes	Specifications	Interpretation Guideline
1. Nature	1.1.1 CMAs seeking to practise public accounting apply the required knowledge, skills and attributes to real world issues so as to perform public accounting at a high standard.	1.1.1.1 CMAs seeking to practise public accounting are able to apply the required knowledge, skills and attributes to real world issues at a level of proficiency appropriate to newly qualified public accountants capable of performing public accounting at a high standard. Complex or unusual matters may be referred to specialists in those areas of practice.
2. Duration	2.1.1 The duration of practical experience is of a sufficient duration to ensure candidates have sufficient time to develop the competencies necessary for an entry-level public accountant.	2.1.1.1 The number of chargeable hours required for practical experience may be defined by the Provincial/Regional Society/Ordre, or policy requirements. 2.1.1.2 Practical experience must be gained under the supervision of an approved training organization or individual. An approved training organization or individual must meet defined criteria prescribed for the capability to instruct, guide, supervise and evaluate the proficiencies of a CMA seeking to become eligible to practise public accounting. Each Provincial/ Regional Society/Ordre will compile a list of approved training organizations within their jurisdiction. Practical experience and the experience provider must be pre-approved by the Provincial/Regional Society/Ordre, as must any changes. 2.1.1.3 To the extent that the public accounting experience meets the criteria to qualify as a CMA, the above experience can apply to both requirements.

Practical Experience Component of the CMA Public Accountant Practice Requirements (*continued*)

Attributes	Specifications	Interpretation Guideline
3. Time Limit	3.1.1 CMAs seeking to practise public accounting are allowed a prescribed period of time from the date of passing the CMA Public Accounting Examination to satisfy the Practical Experience Requirements as defined in the National Standard.	3.1.1.1 CMAs seeking to practise public accounting are allowed five years from the date of passing the CMA Public Accounting Examination to satisfy the Practical Experience Requirements as defined in the National Standard or as defined by the Provincial/Regional Society/Ordre.
4. Evaluation	4.1.1 The approved training organization or individual provides verification of the nature and duration of the member's experience. 4.1.2 The Provincial/Regional Society/Ordre evaluates the nature and duration of the member's experience.	4.1.1.1 The member shall provide a written report on the nature and duration of the practical experience completed and to be obtained, which shall be agreed to by the approved training organization or individual. 4.1.2.1 Practical experience will be evaluated upon entrance into the CMA Public Accountant process, subsequently when the nature of the member's practice or duties change, and at the completion of the Practical Experience Requirement. 4.1.2.2 The person(s) within the Provincial/Regional Society/Ordre responsible for confirming the nature and duration of the work experience will meet when necessary with the approved training organization's representatives or the approved training individual to confirm the competencies acquired and quality of the work experience.

Practical Experience Component of the CMA Public Accountant Practice Requirements (*continued*)

Attributes	Specifications	Interpretation Guideline
5. Continuous Renewal	5.1.1 Practical Experience Requirement is reviewed to ensure it meets the expectations of business and regulators of the practice of public accounting at a high standard.	5.1.1.1 The CMA Public Accounting Practical Experience Requirement will be reviewed every three years at a minimum, or as defined by the Provincial/Regional Society/Ordre to ensure it meets the expectations of business and regulators of the practice of public accounting at a high standard.

Ongoing Practice Requirements for CMA Public Accountants

Subsequent to attaining eligibility to practise public accounting, CMA Public Accountants shall comply with ongoing incremental practice requirements designed to maintain their competency in the practice of public accounting and protect and serve the public interest.

Attributes	Specifications	Interpretation Guideline
1. Professional Liability Insurance	1.1.1 CMA Public Accountants shall carry professional liability insurance.	1.1.1.1 The minimum level of professional liability insurance will be the greater of the level set by provincial legislation and the Provincial Regional Society/Ordre in the province/region in which the CMA Public Accountant practises.
2. Rules of Professional Conduct	2.1.1 CMA Public Accountants shall be subject to rules of conduct established to protect and serve the public and ensure a uniform and high standard of professional practice and conduct.	2.1.1.1 As a supplement to the provincial/ regional ethical code, rules of professional conduct have been established to guide and regulate the conduct of members in the practice of public accounting at a high standard.
3. Practice Inspections	3.1.1 CMA Public Accountants shall be subject to practice inspections performed by qualified public accountants under the direction of the Provincial/Regional Society/Ordre. 3.1.2 A Provincial/Regional Practice Quality Review Committee shall review the findings of the practice inspections and advise the related Management and/or Board/Council on practice matters.	3.1.1.1 The first inspection of a new practice will be conducted within a two-year period of its inception. On an ongoing basis, each practice will be inspected as required by the Provincial/Regional Society/Ordre's legislation or policy requirements. 3.1.1.2 To be eligible for continued practice as a CMA Public Accountant, the member shall satisfactorily address on a timely basis any deficiencies noted in a practice inspection.

Ongoing Practice Requirements for CMA Public Accountants (*continued*)

Attributes	Specifications	Interpretation Guideline
4. Continuous Professional Learning and Development	4.1.1 CMA Public Accountants shall complete continuous professional learning and development in specified syllabus areas in order to support their ongoing professional competency in the practice of public accounting.	4.1.1.1 CMA Public Accountants shall complete a minimum number of continuous professional learning and development hours every three years or as defined by the Provincial/Regional Society/Ordre. 4.1.1.2 Professional learning and development designed to enhance the competencies of the CMA Public Accountants will be based on the nature of the public accounting services provided (e.g. compilations, assurance) and the nature of clients served (e.g. non-public entity, public entity). 4.1.1.3 Related courses will be assigned learning credits that CMA Public Accountants may apply against the Continuous Professional Learning and Development Requirement specified in the National Standard for Continuous Professional Learning and Development for Certified Management Accountants.
	4.1.2 CMA Public Accountants providing assurance services to public entities shall demonstrate their proficiency in the evolving principles, standards and practices for public accounting for public entities.	4.1.2.1 CMA Public Accountants providing assurance services for public entities will be evaluated on a continuous basis to assess their proficiency in the evolving principles, standards and practices for public accounting for public entities, relating but not limited to accounting, assurance, taxation and professional orientation as defined by the Provincial/ Regional Society/Ordre. 4.1.2.2 CMA Public Accountants providing assurance services for public entities must be registered with the Canadian Public Accountability Board (CPAB).

Ongoing Practice Requirements for CMA Public Accountants (*continued*)

Attributes	Specifications	Interpretation Guideline
5. Activity Level in Chosen Scope of Practice	5.1.1 CMA Public Accountants shall practise on a continuous basis sufficient to maintain competency in their chosen scope of practice.	5.1.1.1 The minimum level of activity to maintain continuity of practice may be 500 chargeable hours of practice per year in public accounting or as defined by the Provincial/ Regional Society/Ordre. Below this level, the Provincial/Regional Society/Ordre will grant permission to continue in practice on an exception basis where extenuating circumstances warrant. 5.1.1.2 The determination of continuity of practice may consider the critical dimensions of public accounting activity including the number and types of clients served, nature of role in the engagements, number of hours devoted to public accounting activity, and the results of prior practice inspections.

Ongoing Practice Requirements for CMA Public Accountants (*continued*)

Attributes	Specifications	Interpretation Guideline
6. Discipline	6.1.1 Following due process, CMA Public Accountants who are found guilty of professional misconduct under the Provincial/Regional Society/Ordre ethical code or Rules of Professional Conduct shall be subject to disciplinary action by the governing Provincial/Regional Society/ Ordre. 6.1.2 The decision of the disciplinary body shall specify the conditions for reinstatement of eligibility to practise public accounting, if applicable.	6.1.1.1 Disciplinary and discovery hearings for CMA Public Accountants should include one CMA Public Accountant, at a minimum, on the hearing committee. At least one member of the hearing committee must be well versed and competent in public accounting matters. Composition of the hearing committee is subject to the governing Provincial/ Regional Society/Ordre.

Appendix A

The National Standard

for Public Accounting for Certified Management Accountants

Glossary

February 2013

The National Standard for Public Accounting for Certified Management Accountants

Glossary

Accreditation Process

CMA Canada's accreditation process is a post-graduate learning program that develops proficiencies in the knowledge and skills expected of newly qualified professional management accountants. The accreditation process is based on a dynamic curriculum guided by an application-based philosophy of learning and governed by continuous improvement principles. Graduates of the CMA accreditation process have satisfied academic, professional and practical experience performance measures that provide assurance they conform to a pre-determined standard.

Approved Training Organization or Individual

An approved training organization or individual is an organization or individual that has met the defined criteria prescribed by an authorized Provincial/Regional Society/Ordre for the capability to instruct, guide, supervise and evaluate the proficiencies of a CMA seeking to become eligible to practise public accounting.

Attributes

Attributes are those elements within each component of the National Standard recognized as necessary to attaining the standard. They are further amplified by specifications (see Specifications).

Audit

As per the Canadian Auditing Standard 200, the purpose of an audit is to enhance the degree of confidence of intended users in the financial statements. This is achieved by the expression of an opinion by the auditor on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. In the case of most general purpose frameworks, that opinion is on whether the financial statements are presented fairly, in all material respects, or give a true and fair view in accordance with the framework.

Centrally Marked

The process of conducting performance evaluations at one location using a marking guide common to all evaluators.

Certified Management Accountant

A professional deemed by CMA Canada to be proficient in that part of the management process that develops and uses both financial and non-financial information to add long-term value by:

- Informing the process of strategic planning,
- Guiding and implementing strategic plans, and
- Monitoring the results of implemented strategies.

Chargeable Hours

Chargeable hours are public accountant-supervised hours normally chargeable to clients, excluding time spent on work of routine clerical nature. Routine clerical work does not include the research, deliberation and development of input into manual, mechanized or electronic systems up to and including the preparation of a trial balance.

Competency

Competency represents a measurable set of skills, level of knowledge and behavioural practices obtained through formal education, and practical experience. It is the ability to perform occupational/ professional tasks and duties. However, competency is a term that has many descriptions, definitions and shades of meaning, both in general literature and in application. This lack of precision limits the application of the term and may create confusion.

By way of illustration, the term has been used to mean knowledge, skills and attributes. It has also been described as the ability and willingness to perform a task. Often, it is described or defined as a characteristic of an individual that underlies performance, including not only knowledge and skills, but also personal characteristics such as principles, values, beliefs, attitudes, personality traits and motives.

In light of the many shades of meaning attributed to competency, CMA Canada has chosen to place emphasis on the term “proficiency” in framing the National Standard.

Compilation

As per CICA Handbook Section 9200, a compilation engagement is one which applies to engagements in which the public accountant compiles financial statements which present or could be considered to present the financial position, results of operations and cash flows of an enterprise or a part thereof (for example, a division of a company) or part of a complete set of financial statements. This includes circumstances in which, for example, a complete set of financial statements prepared for general-purpose use is incorporated by reference in a tax return.

Continuous Professional Learning and Development

Through continuous professional learning and development, Certified Management Accountants maintain proficiencies in knowledge and skills previously accredited and advance their understanding of evolving knowledge and skills. Also referred to as Post-Designation Learning.

Degree

A degree is a certificate issued by a tertiary (post-secondary) educational institution to recognize the successful completion of an organized program of academic studies, which normally extends over the course of three or four years.

Locally Marked

The process of conducting performance evaluations at multiple locations using marking guides developed in each location.

Profession

A profession is an occupation that typically requires a bachelor's degree from a university, and in most cases a period of post-graduate study. Professions are normally self-regulating, with members adhering to a code of ethics and discipline.

Professional Accountant

An individual who has met the academic, professional and practical experience criteria established by a recognized professional accounting body for the awarding of that body's professional credential. Furthermore, this person continues to meet all the criteria for remaining a member in good standing in that body.

Professional Conduct

Professional conduct is anchored in ethics, the explicit reflection on moral beliefs and practices. All professionals are guided by codes of conduct embodying the ethical principles that govern their performance and behaviour.

A code of conduct must be treated as setting out the minimum standard of behaviour. Where rules are silent, an even greater sense of responsibility is demanded to ensure the course of action followed reflects the general standards established by members of the profession.

For Certified Management Accountants, the code of ethics and professional conduct is an important element in their formation as Certified Management Accountants and a continuing guide to their behaviour as professionals.

As a professional organization, CMA Canada is obligated to ensure that its members meet a high standard of professional conduct.

Proficiency

The term proficiency refers to the three interrelated dimensions of knowledge, skills, and practical experience needed by CMAs practising as public accountants to fulfil the requirements of their professional roles and responsibilities.

Knowledge

- Knowledge refers to the information that the practising public accountant has in specific content areas. Knowledge can be obtained in a number of ways – through formal education and training, learning from others, and practical experience.
- There are three levels of knowledge: basic knowledge, working knowledge and in-depth knowledge.
  - Basic knowledge means having a passing familiarity with basic issues, practices and developments, with a general understanding and appreciation of their broad implications.
  - Working knowledge means having a good knowledge of related concepts, theories, principles, standards, frameworks and procedures.
  - In-depth knowledge means having a thorough understanding as to why and how things operate.

Skill

- Skill refers to the ability of the practising public accountant to perform a physical or mental task. There are three levels of skill: basic, intermediate and accomplished.
  - Basic means having the ability to operate effectively in relation to straightforward matters and within well-established practice or procedure parameters.
  - Intermediate indicates having the ability to operate effectively in relation to complex matters and to be able to bring to these matters an element of innovation.
  - Accomplished is defined as having the ability to operate effectively in relation to highly complex matters that can be contentious and/or test conventional modes of thinking or practice.

Proficiency (*continued*)

Practical Experience

- Practical experience refers to the practising public accountant's application of knowledge and skills. There are three aspects of practical experience that are pertinent:
  - Amount or extent of practical experience,
  - Role in which practical experience has been gained, and
  - Context in which practical experience has been gained.

Program Element

A fundamental, essential, or irreducible part of a program that together with other program elements makes up an entire program.

Public Accountant

A person who provides, or offers to provide, the following types of services:

- Audit or review engagements which may or may not include the rendering of an opinion or other positive or negative statement by the service provider as to the correctness, fairness, completeness or reasonableness of a financial accounting statement or any statement attached or related thereto, and
- Compilation services where it can be reasonably expected that all or any portion of the work product prepared by the service provider will be relied upon and/or used by a third party; provided however that compilation services which would otherwise be within the scope of this paragraph (b) will be excluded from the definition if the work product prepared by the service provider includes a Notice to Reader which provides that any assurance given by the service provider is limited to the accuracy of the computations required in order to complete the compilation (the specific wording of the Notice to Reader would be as set forth under CICA Handbook Section 9200, unless and until alternative wording is approved).

Public Accounting

For the purpose of this National Standard, public accounting includes the provision of review and audit services, relating to a financial accounting statement or any statement attached or related thereto, by an independent party where the information is for third party use. The definition of public accounting may vary by Province/Regional Society/Ordre which could include compilation services.

Public Entity

A public entity is an entity whose securities are publicly traded, either on a stock exchange or on the over-the-counter market.

Quality Control

Quality control refers to the organization's systems and processes employed to ensure that its output or product consistently meets specifications. CMA Canada exercises quality control in its accreditation process, public accounting practice requirements, professional conduct and discipline processes, and post-designation learning policies.

Quality Growth

Quality growth is a conscious policy of developing a critical mass of Certified Management Accountants capable of superior performance in the differentiated region claimed by CMA Canada and related areas of specialization, including public accounting.

Review

As per CICA Handbook Section 8100.05, reviews are distinguishable from audits in that the scope of a review is less than that of an audit and therefore the level of assurance provided is lower. A review consists primarily of enquiry, analytical procedures and discussion related to information supplied to the public accountant by the enterprise with the limited objective of assessing whether the information being reported on is plausible within the framework of appropriate criteria. The word “plausible” is used in the sense of appearing to be worthy of belief based on the information obtained by the public accountant in connection with the review.

Specifications

Specifications are the specific requirements that must be met for each attribute of the National Standard (see Attributes).

Standard

A standard is defined by the International Standardization Organization (ISO) as a documented agreement containing technical specifications or other precise criteria to be used consistently as rules, guidelines, or definitions of characteristics, to ensure that materials, products, processes and services are fit for their purpose. A standard, however, is not framed with the intent to act as a restraint on programming nor to limit innovation or freedom in design to meet the requirements of the standard. Rather, it is a benchmark for knowledge, skills and practical experience against which the practice of a profession is measured and as such does not limit the properties of a program or service to those expressed in the standard.

Standard Setting for CMA Public Accountants

Standard setting is the process of identifying the knowledge and skills within a profession and establishing the required achievement levels in performance of those tasks in a practical environment. Standard setting is an obligation of all professional organizations.

Through its accreditation process, its public accounting eligibility process, its belief in life-long learning for its members, and its commitment to ethical behaviour under a code of professional conduct, CMA Canada establishes and maintains the standards for CMAs practising public accounting. While the National Standard established by CMA Canada for CMAs to practise public accounting is designed to meet or exceed IFAC and legislated requirements across the country, should provincial legislation change and exceed the standard defined by CMA Canada, such provincial legislation or policy requirements must take precedence.

Strategic Financial Management Professional

A professional deemed to be proficient by CMA Canada in that part of the management process that develops and uses both financial and non-financial information to add long-term value by:

- Informing the process of strategic planning,
- Guiding and implementing strategic plans, and
- Monitoring the results of implemented strategies.

Syllabus

A syllabus is a summary outline of examination requirements.

Appendix B

The National Standard for Public Accounting

for Certified Management Accountants

CMA Public Accountant Practice Requirements for CMAs Providing Compilation Services Only [1]

[1] Not applicable in all provinces.

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CMA Public Accountant Practice Requirements for CMAs Providing Compilation Services Only

Prior to attaining eligibility to provide compilation services only, CMAs shall gain the incremental knowledge, skills and attributes required to perform compilations for third party use as defined by the governing Provincial/Regional Society/Ordre. They shall demonstrate proficiencies appropriate to newly qualified public accountants capable of performing compilations for third party use at a high standard.

Attributes	Specifications	Interpretation Guideline
1. Eligibility	1.1.1 Satisfied all aspects of the National Standard described in *Entrance into the CMA Public Accountant Process*.	
2. Education		
2.1 Aim	2.1.1 The governing Provincial/Regional Society/Ordre provides CMAs with the incremental knowledge, skills and attributes required to perform compilations for third-party use.	
2.2 Outcome	2.2.1 The CMA Public Accountant is proficient in the knowledge, skills and attributes required to perform compilations for third-party use.	
2.3 Continuous Renewal	2.3.1 Education requirements are reviewed to ensure they meet the expectations of the pubic and regulators of the provision of compilation services at a high standard.	2.3.1.1 The governing Provincial/Regional Society/Ordre will review the education requirements as necessary.

CMA Public Accountant Practice Requirements for CMAs Providing Compilation Services Only (*continued*)

Attributes	Specifications	Interpretation Guideline
3. Examination		
3.1 Applicability	3.1.1 CMAs seeking to provide compilation services only shall demonstrate proficiency in the incremental knowledge, skills and attributes required to perform compilations for third-party use at a high standard through practical experience as required by the governing Provincial/Regional Society/Ordre; an examination is not applicable.	
4. Practical Experience		
4.1 Nature	4.1.1 CMAs seeking to provide compilation services apply the required knowledge, skills and attributes to real world issues so as to perform compilations for third-party use at a high standard.	4.1.1.1 CMAs seeking to provide compilation services are able to apply the required knowledge, skills and attributes to real world issues at a level of proficiency appropriate to newly qualified public accountants capable of performing compilations for third party use at a high standard.

CMA Public Accountant Practice Requirements for CMAs Providing Compilation Services Only (*continued*)

Attributes	Specifications	Interpretation Guideline
4.2 Duration	4.2.1 The duration of practical experience is sufficient to provide assurance that a newly eligible CMA Public Accountant providing compilation services only is capable of functioning at a professional level.	4.2.1.1 Practical experience may be comprised of a minimum number of chargeable hours of approved experience as defined by the related Provincial/Regional Society/Ordre or policy requirements. 4.2.1.2 An approved training organization or individual should follow the experience requirements as defined by the related Provincial/Regional Society/Ordre or policy requirements and at a minimum be compliant on the most recent practice inspections. 4.2.1.3 Each Provincial/Regional Society/Ordre should compile a list of approved compilations only training organizations within their jurisdiction. 4.2.1.4 Practical experience and the experience provider should be pre-approved by the Provincial/Regional Society/Ordre, as must any changes. 4.2.1.5 Practical experience should be gained under the supervision of an approved training organization or individual. An approved training organization or individual must meet the defined criteria prescribed by an authorized Provincial/Regional Society/Ordre for the capability to instruct, guide, supervise and evaluate the proficiencies of a CMA seeking to become eligible to practise public accounting.

CMA Public Accountant Practice Requirements for CMAs Providing Compilation Services Only (*continued*)

Attributes	Specifications	Interpretation Guideline
4.2 Duration (*continued)*	4.2.2 Practical experience may be acquired prior to, concurrent with or subsequent to the public accounting course of study.	
4.3 Time Limit	4.3.1 CMAs seeking to provide compilation services only are allowed a prescribed period of time from the date of completing the public accounting course of study to satisfy the Practical Experience Requirements as defined in the National Standard.	4.3.1.1 CMAs seeking to provide compilation services only are allowed three years from the date of completing the public accounting course of study to satisfy the Practical Experience Requirements as defined in the National Standard, provincial legislation or policy requirements.
4.4 Evaluation	4.4.1 As necessary, the approved training organization or individual provides verification of nature and duration of the member's experience. 4.4.2 The Provincial/Regional Society/Ordre evaluates the nature and duration of the member's experience.	4.4.1 As necessary, the member shall provide a written report on the nature and duration of the practical experience completed and to be obtained, which shall be agreed to by the approved training organization or individual. 4.4.2.1 Practical experience will be evaluated upon entrance into the CMA Public Accountant process, subsequently when the nature of the member's practice or duties change, and at the completion of the Practical Experience Requirement. 4.4.2.2 The person or persons within the Provincial/Regional Society/Ordre who are responsible for confirming the nature and duration of the work experience will meet when necessary with the approved training organization's representatives or the approved training individual to confirm the duration and quality of the work experience.

CMA Public Accountant Practice Requirements for CMAs Providing Compilation Services Only (*continued*)

Attributes	Specifications	Interpretation Guideline
4.5 Continuous Renewal	4.5.1 Practical experience requirement is reviewed to ensure it meets the expectations of the public and regulators of the provision of compilation services at a high standard.	4.5.1.1 The CMA Public Accounting Practical Experience Requirement will be reviewed every three years, at a minimum, to ensure it meets the expectations of the public and regulators of the provision of compilation services at a high standard.

Ongoing Practice Requirements for CMAs Providing Compilation Services Only

CMAs who become eligible to provide compilation services only shall comply with Ongoing Practice Requirements for CMA Public Accountants to maintain their competency in the practise of public accounting and protect the public interest.

Attributes	Specifications	Interpretation Guideline
1. Professional Liability Insurance	1.1.1 CMA Public Accountants shall carry professional liability insurance.	1.1.1.1 The minimum level of professional liability insurance will be the greater of the level set by provincial legislation and the Provincial/Regional Society/Ordre in the province/region in which the CMA Public Accountant practises.
2. Rules of Professional Conduct	2.1.1 CMA Public Accountants shall be subject to rules of conduct established to protect and serve the public and ensure a uniform and high standard of professional practice and conduct.	2.1.1.1 As a supplement to the Provincial/Regional Society/Ordre's ethical code, rules of professional conduct will be established to guide and regulate the conduct of members in the practice of public accounting at a high standard.
3. Practice Inspections	3.1.1 CMA Public Accountants shall be subject to practice inspections performed by qualified public accountants under the direction of the Provincial/Regional Society/Ordre. 3.1.2 A Provincial/Regional Society/Ordre Practice Quality Review Committee shall review the findings of the practice inspections and advise the related Management and/or Board/Council on practice matters.	3.1.1.1 The first inspection of a new practice will be conducted within a two-year period of its inception. On an ongoing basis, each practice will be inspected on a three- to four-year cycle contingent upon unqualified findings on the previous practice inspection. 3.1.1.2 To be eligible for continued practice as a CMA Public Accountant, the member shall satisfactorily address on a timely basis any deficiencies noted in a practice inspection.

Ongoing Practice Requirements for CMAs Providing Compilation Services Only (*continued*)

Attributes	Specifications	Interpretation Guideline
4. Continuous Professional Learning and Development	4.1.1 CMA Public Accountants shall complete continuous professional learning and development in specified syllabus areas in order to support their ongoing professional competency in the practice of public accounting.	4.1.1.1 CMA Public Accountants shall complete continuous professional learning and development in specified syllabus areas every three years, at a minimum. 4.1.1.2 The syllabus areas will be specified based on the nature of the public accounting services provided (e.g. compilations, assurance) and the nature of clients served (e.g. non-public entity, public entity). 4.1.1.3 Related courses will be assigned learning credits that CMA Public Accountants may apply against the continuous professional learning and development requirement specified in the National Standard for Continuous Professional Learning and Development for Certified Management Accountants.
5. Activity Level in Chosen Scope of Practice	5.1.1 CMA Public Accountants shall practise on a continuous basis sufficient to maintain competency in their chosen scope of practice.	5.1.1.1 The minimum criteria may be expressed as a composite of the critical dimensions of public accounting activity, including: number and types of clients served, nature of role in the engagements, number of hours devoted to public accounting activity, and the results of prior practice inspections.

Ongoing Practice Requirements for CMAs Providing Compilation Services Only (*continued*)

Attributes	Specifications	Interpretation Guideline
6. Discipline	6.1.1 Following due process, CMA Public Accountants who are found guilty of professional misconduct under the Provincial/Regional Society/Ordre's ethical code or Rules of Professional Conduct shall be subject to disciplinary action by the governing Provincial/Regional Society/Ordre. 6.1.2 The decision of the disciplinary body shall specify the conditions for reinstatement of eligibility to practise public accounting, if applicable.	6.1.1.1 Disciplinary and discovery hearings for CMA Public Accountants should include one CMA Public Accountant, at a minimum, on the hearing committee. At least one member of the hearing committee must be well versed and competent in public accounting matters. Composition of the hearing committee is subject to the governing Provincial/Regional Society/Ordre.

Incremental Syllabus for CMAs to Practise Public Accounting

November 2012

Incremental Syllabus for CMAs to Practise Public Accounting

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Incremental Syllabus for CMAs

to Practise Public Accounting

Introduction

In May 2004, and as subsequently updated in September 2009 and February 2013, the CMA Canada National Board of Directors approved **The National Standard for Public Accounting for Certified Management Accountants** (National Standard). The purpose of establishing this standard was to provide assurance that CMA Canada's public accounting practice regulations integrate the features and characteristics necessary to meet the high quality standards demanded for public accounting. This standard was developed with reference to **The National Standard for Granting the CMA Designation** (Accreditation Standard) and it defines the incremental requirements for designated CMA members to become eligible for the practice of public accounting.

The National Standard sets out the following education requirement:

> "Prior to attaining eligibility to practise the full scope of public accounting, CMAs shall gain the incremental knowledge, skills and attributes required to perform public accounting at a high standard as defined in the *Incremental Syllabus for CMAs to Practise Public Accounting*."

This document represents incremental syllabus content for the post-designation requirements to practise public accounting as defined in the National Standard.

November 2012

Introduction

In order to communicate the expectations of the CMA Public Accounting Examination, each topic area in the syllabus includes the following:

Overview – to provide a context as to why the topic area is included in the syllabus.

Aims – to specify general testing objectives relating to the topic content.

Objectives – to indicate the cognitive skills and learning objectives to be tested for each topic and subtopic in the syllabus. The cognitive skill level expectations are based on Bloom's Taxonomy of Educational Objectives. The cognitive skills tested are as follows:

	Knowledge	Comprehension	Application
1. **Knowledge** — This is the most basic level of learning and requires the recognition and recall of basic facts. Objectives use words such as *define, list, describe, identify*.	✓		
2. **Comprehension** — In addition to recalling the information, the candidate can demonstrate that s/he understands the material. Objectives use words such as *explain, differentiate summarize*.		✓	
3. **Application** — This level involves the use of knowledge and comprehension. After learning rules, principles and quantitative methods, the candidate applies this knowledge to problem situations. Objectives use words such as *calculate, use, formulate, determine, prepare*.			✓

The required cognitive skill level is indicated by a checkmark on a table to the right of each objective.

1. Financial Accounting

Overview

The CMA Canada Entrance Examination Syllabus defines the knowledge, skills and attributes required for CMAs in the area of Financial Accounting. Within the CMA Canada Entrance Examination Syllabus, the subject of *long-term investments and business combinations*, including *consolidations*, is identified as requiring a comprehension level of knowledge. The practice of public accounting requires a deeper level of understanding at an application level and is therefore included within the *Incremental Syllabus for CMAs to Practise Public Accounting*.

Aim

To test a CMA's ability to prepare an organization's consolidated financial statements in accordance with generally accepted accounting principles.

	Comprehension	Application
1. Financial Accounting		
1.1 Consolidations		
Account for unrealized profits in inventory, land and depreciable assets and the implications for future income taxes		✓
Prepare a set of consolidated financial statements		✓
Account for indirect shareholdings		✓
Account for consolidation of subsidiaries with preferred shares outstanding		✓
Calculate the gain or loss resulting from reductions in ownership		✓
Prepare a consolidation of a joint venture		✓
1.2 Revaluation of Assets and Liabilities		
Comprehensive revaluation of assets and liabilities		✓

2. Taxation

Overview

The CMA Canada Entrance Examination Syllabus defines the knowledge, skills and attributes required for CMAs in the area of taxation. The CMA Canada Entrance Examination Syllabus specifies that candidates understand tax principles and broad tax planning concepts. The practice of Public Accounting requires a more detailed level of understanding of taxation, both at a comprehension and at an application level of understanding. Taxation is therefore included within the *Incremental Syllabus for CMAs to Practise Public Accounting* as an incremental knowledge area.

The following has been adapted from The UFE Candidates' Competency Map: Understanding the professional competencies evaluated on the UFE.

Aim

To test a CMA's competency in the taxation system in Canada against the requirements of the *Incremental Syllabus for CMAs to Practise Public Accounting*.

	Comprehension	Application
1. Analyzes the entity's tax profile and identifies general tax issues		
1.1 Understands the entity's tax profile		✓
1.2 Identifies and advises on compliance and filing requirements		✓
1.3 Describes other types of filing requirements	✓	
2. Prepares necessary returns in accordance with legal requirements		
2.1 Calculates income taxes payable for an individual in routine situations		✓
2.2 Calculates income taxes payable for an individual in non-routine situations	✓	
2.3 Calculates taxes payable for a corporation in routine situations		✓
2.4 Calculates taxes payable for a corporation in non-routine situations	✓	
3. Practises effective tax-planning to optimize after-tax returns		
3.1 Identifies, analyzes, and advises on specific tax-planning opportunities for individuals		✓
3.2 Identifies, analyzes, and advises on specific tax-planning opportunities for shareholders of closely-held corporations		✓
3.3 Identifies, analyzes, and advises on financial and estate-planning opportunities for individuals and families		✓
3.4 Identifies and explains tax consequences for non-residents	✓	
3.5 Identifies, analyzes, and advises on tax consequences or planning opportunities associated with certain corporate transactions		✓
3.6 Describes the tax consequences of other corporation and partnership restructuring transactions	✓	
4. Prepares information to respond to assessments, file objections and appeals		✓

Taken from UFE Candidates' Competency Map: Understanding the professional competencies evaluated on the UFE.

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3. Assurance

Overview

This section covers knowledge of auditing and assurance.

As a public accounting practitioner, standards of conduct and professional ethics are of paramount importance. Consequently, in addition to a code of professional ethics, the conduct of practitioners in public practice must be guided by standards in the following areas:

- Competency
- Integrity
- Reputation
- Independence
- Objectivity
- Due Care
- Confidentiality
- Unlawful Activities
- Disciplinary Procedures

The following has been adopted from The UFE Candidates' Competency Map: Understanding the professional competencies evaluated on the UFE.

Aim

To test a CMA's understanding of ethics, standards of conduct, the audit environment, auditing standards (including assurance and other engagements), audit evidence, the audit process, the audit approach for specific areas and in the public sector.

	Comprehension	Application
1. Professional Ethics in Public Accounting		
1.1 Standards of Conduct – Relations		
Explain standards of conduct as it applies to the following aspects of relations with fellow members and with non-members engaged in public accounting:		
Joint engagements	✓	
Special assignments	✓	
Communication with predecessor accountant	✓	
Non-solicitation of engagements	✓	
1.2 Standards of Conduct – Professional Practice		
Explain standards of conduct that apply to a public accounting practice:		
Practice of public accounting	✓	
Practice of related functions concurrently with public accounting	✓	
Recording of work performed	✓	
Right of access to public accountant's records	✓	
Acceptance of engagements	✓	
Management of engagements	✓	
Liability insurance	✓	
2. Analyzes, evaluates and advises on assurance needs (external or internal)		✓
3. Provides assurance services (external or internal)		
3.1 Considers issues related to accepting an assignment		✓
3.2 Assesses which financial reporting framework or policies to apply to the subject matter being evaluated		✓
3.3 Evaluates the implications of risks for the assignment		✓
3.4 Develops guidelines to set the extent of assurance work, based on the scope and expectations of the assignment		✓
3.5 Designs appropriate procedures based on the assignment's scope, risk and materiality guidelines		✓
3.6 Performs the work plan		✓

3.7 Documents the results of procedures performed		✓
3.8 Evaluates the evidence and the results of analysis		✓
3.9 Draws conclusions and communicates results		✓
3.10 Prepares information for meetings with stakeholders		✓
4. Provides control-related services		
4.1 Identifies the entity's key operations		✓
4.2 Identifies the role IT plays in an entity's key operational controls		✓
4.3 Evaluates internal control		✓
4.4 Evaluates IT-related elements of internal control		✓
5. Provides comprehensive auditing services	✓	
6. Maintains awareness of proposed changes in assurance standards	✓	

Parts 2 to 6 above have been taken from The UFE Candidates' Competency Map: Understanding the professional competencies evaluated on the UFE.

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