

A Step into the Future of the Profession: In Their Own Words...

By Gundi Jeffrey, Managing Editor

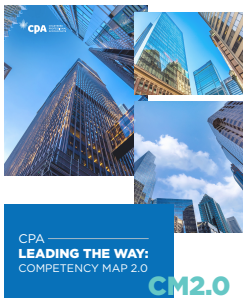


Gundi Jeffrey is an award-winning business journalist specializing in writing about the accounting profession for various publications. In 1985, she co-founded The Bottom Line, then Canada's only independent publication for the accounting and financial professions.

CPA Canada recently released a new competency map to help prepare CPAs for a changing future. In its accompanying press release, CPA Canada noted that “The new competency map is intended to serve as a guide that will inform the profession’s approach to ongoing growth and development for all CPAs.”

According to the press release, “as the pace of change accelerates, the CPA profession must adapt accordingly. After more than two years of consultations with employers, educators, students/candidates and members across the country, the profession has introduced [Leading the Way – Competency Map 2.0 – the path forward for our profession](#), which lays the foundation for the new CPA certification program.”

Developed under the guidance of the [Competency Map Task Force](#), the new CM2.0 is meant to ensure current and future CPAs are equipped to move forward with the skills, resilience and knowledge necessary to thrive in a constantly evolving marketplace. Tim Jackson, FCPA, the president and CEO of Shad Canada and chair of the [Competency Map Task Force](#) (CMTF), believes that “it is essential that CPAs continue to be leaders in Canada’s economy and society, but we must be cognizant of the fact that our work takes place in a rapidly evolving environment. CM2.0 strives to balance our traditional professional competencies with the need to understand broader societal issues.”



ThinkTWENTY20 decided to interview Mr. Jackson to explore the issues that led to the new competency map and its current form and presentation. Editor-In-Chief, Gerald Trites, and Managing Editor, Gundi Jeffrey, conducted the interview jointly.

ThinkTWENTY20: We were told that the new competency map (CM 2.0) basically describes the future of the profession in Canada. Would you agree? Or is it simply one important step along the way?

Jackson: I think, for me, it’s more the guide posts for the future of the profession. So, when we tried to pull this map together, we tried to look to the future but without being overly prescriptive.

ThinkTWENTY20: *The new map is much shorter than the previous one, presumably because of the principles-based approach. Why did the CMTF move to a principles-based approach?*



Jackson: What we've done is produce a map that we hope is more nimble and more adaptable than the previous one. We considered what might be appropriate for a rapidly changing world. So, I think it's more a reflection of the world today and where we see the profession going. We need to make sure that the profession stays relevant. For that reason, this is more a guide than prescriptive rules. We went from about 160 pages and 180 competencies to 30 pages and 35 competencies.

It took us two years to develop this new competency map and it will take at least another two years for the profession to implement it. But the in the world we now live in is changing very rapidly. If you need five years to process the changes happening, I just don't think that is very realistic for keeping up with what is occurring. We were told, when we started this process, to take a blank-page approach – don't amend the map, start from scratch. Then we did a lot of consultation during literally hundreds of meetings, engaging thousands of people. Yes, the world is changing so rapidly and we wanted to have a map that was adaptable and principles based, instead of prescriptive.

I think the reality is that the new map is more flexible and reflects the way people work today. An example I often give is that we think it is important that a new CPA understands what a tax credit is. But we didn't think it was important for them to memorize a list of a 100 different tax credits that exist in a certain period of time. What is more important is to learn "where do I need to go to learn about a certain tax credit."

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When I went through my studies, I memorized the *Handbook* and I memorized the tax act and then you went in and wrote the exam. What we're saying now is that you need to know where to look, instead of memorizing those specific things.

ThinkTWENTY20: *Years ago, the profession starting using comprehensive questions in the exams. Those were also designed to move away from the idea of requiring students to*

memorize a lot of material and think of issues in a situational sense. But now the competency map is more principles based. So, one of the things we were wondering about, when we embrace areas, such as data, do we then go to the universities and ask them to train people in data and data management, which is a huge subject? How do we keep the educators in the system from shooting off into all sorts of different directions?

Jackson: There is a process now in place on how to best implement this map and provide guidance to institutions, employers and firms. One of the things we don't address in the map is: where do you learn the specific competencies, which should be learned in schools, in internships, etc. We heard, during our consultations, from one of the firms, that new employees didn't know how to assess data properly, so much so that they partnered with Simon Fraser University to offer a course so that their new hires could supplement that knowledge.

ThinkTWENTY20: *What were the key drivers of change that influenced the structure and content of the new map?*

Jackson: I think part of it is that the world is changing so rapidly, and we wanted a map that was flexible and adaptable. But we also didn't want to take four or five years to develop the map. We were doing a lot of research and were given significant resources from CPA Canada and the provinces to do that. We did a literature scan, we looked at competency maps in other jurisdictions and other professions and then we looked at other research. For example, we looked at the work done by the World Economic Forum, particularly their surveys on jobs of the future. In the last two surveys, among the highest-ranking jobs that are disappearing were accountants, bookkeepers and auditors. The jobs that are emerging deal with data. We saw that the traditional things that accountants are perceived to be doing were going away or morphing. And we wanted to have a map that reflected these changes – and what we think people will expect of what accountants and auditors do is also changing.

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Specifically, we see several key factors that are influencing the dramatic shifts I am talking about:

- **Data governance, artificial intelligence and machine learning:** Along with other innovative sectors, these areas are creating new opportunities for professional accountants who have, or acquire, the right skills.
- **Automation:** This continues to present challenges to the profession. Future CPAs need to be agile, adaptable and highly skilled while maintaining the assurance and ethical lenses that are essential to ensuring organizations are equipped to manage this transition.

- **Shifting expectations of businesses and society:** Already, CPAs are being required to use new skillsets and add value in non-traditional ways to analyze environmental and social performance measures, such as diversity, equity and inclusion.

ThinkTWENTY20: *In the press release about the CM 2.0, you stated: “The CM2.0 strives to balance our traditional professional competencies with the need to understand broader societal issue.” How does CM 2.0 accomplish that?*

Jackson: We believe that new CPAs need to have an understanding of issues such as equity, diversion and inclusion, they need an understanding of Canada’s history with indigenous people, need an understanding of environmental, social and governmental issues. They don’t need to be experts in those areas but they do need to understand that their work takes place in a broader context. So, we have included these areas in the sub-competencies.

We also did a consultation with auditor generals across Canada. One of them told us that they were doing diversity audits. She said she needed auditors to do that work because they understand audit skills. But if they don’t understand the concept of diversity, they don’t fully understand what they are auditing.

We also had consultations with indigenous leaders from the business community who shared with us what they thought should be included in the map.

ThinkTWENTY20: *The document also outlines new competencies such as data management, data analysis, crypto, etc. There already was a heavy curriculum for CPAs. Will this expansion make it even more difficult for educators and students? Or will this be mitigated by having separate streams depending on which area a student is interested in?*

Jackson: We came out from a common core, so everybody will obtain the same basic knowledge and then they can opt for different areas of specialization post-certification. We also heard that post-certification institutes feel like they don’t have enough latitude in what they can teach. We heard from schools of accounting and others that they were desperate to have this latitude to differentiate themselves. An example I often give is consolidations. When I went through, I took two courses on consolidation. Well, today we do consolidations by pushing a button. So, it is important that a CPA understands what a consolidation is, but they probably don’t need two undergraduate courses, using Excel spreadsheets.

Therefore, it is likely that some new things will be added to the curriculum, but by having a less prescriptive map, we can also eliminate a bunch of stuff. The map will also allow institutions to differentiate themselves a little bit. As we went through the consultations, it became very clear that they felt they couldn’t do things that might be relevant to their geography. For example, one school’s professors told us that many alumni come back to their communities to work, and they would love to offer courses that reflect the types of businesses and industries in their community. But they don’t have the opportunity to fit anything else into their curriculum. I think that the competency map, by being less prescriptive, will allow for this kind of flexibility.

Of course, there will also be some people who will say I don't see my course on that new map. We recognize that there are going to be some changes and challenges with the new map – and they will have to take some material out of their curriculum to put some new stuff in.

ThinkTWENTY20: *CAs and CPAs established the profession over the years as a highly respected profession primarily because of their deep knowledge of a few core areas – accounting, auditing, tax. As the curriculum broadens, is there a danger of losing this depth in core areas?*

Jackson: As I have mentioned, we do believe that in-depth courses on various topics can be done post-certification. For example, students need to learn some things about taxation, but they don't need to know it all or in depth as, after certification, they may never even touch tax.

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ThinkTWENTY20: *Change is continuing to take place at incredible, growing rates – Covid being responsible for so much of it so fast. How will we keep up with this change going forward? How will we carve out our space in this changing world? Do you see more reliance on experts in other fields?*

Jackson: We tried to draft the map so that the profession can make changes to what is on a test or assessment without having to go through a four-year process to change the map itself. At the end of the day, I still think that, as accountants, we will be sorting, updating, analyzing and giving opinions on data. What that data is may change, but there will usually be some financial element to that data. I think that is what we bring to the future – the idea that we are an ethical profession, that we have an ethical set of standards that we work toward and that we are a regulated profession. So, whether it is the audited financial statements or some other set of data, you can rely on CPAs to validate, assess and opine on them. I just think that we need to be adaptable so we can say that, as the world changes, we adapt! At the end of the day, whether it's cryptocurrency or whether it is bitcoin, someone is going to have to play a role. It might as well be us or someone else going to take advantage of the situation and do those things instead.

It is interesting that, when we first drafted the map, we did so by pushing some of the things that accountants do further to the back. But then people would say, “but that is what makes us accountants.” So, we re-drafted it and said that this is us. We have a body of knowledge with which we are comfortable – but we're not limited to that. People don't go to a CPA just because we know how to do an audit of a set of financial statements. We serve a broader business context. I think our goal should be to have more CPAs in the C-suites of corporations, non-profits and the public sector because we are valued for all the competencies we have. We don't just have the pure technical knowledge.

ThinkTWENTY20: *Isn't there a risk of trying to be something for everybody? Some of the work that CPAs do, such as audits are highly regulated and very, very demanding. In fact, the regulators are getting more demanding all the time. And the penalties for not performing well can be massive. The skill sets demanded of auditors can be very intensive and need to continue to be carried out intensively in order to meet those demands.*

Jackson: That's right. And that is why we put this right up front in Part 1. Those skills are what makes us accountants and defines a CPA. The fact that others rely on us to meet those standards for audits and when we give audit opinions, that adds credibility. We are a regulated profession and, in most jurisdictions, we are the only profession that can issue audit opinions that are accepted by regulators. That's why we put that up front. At the end of the day, that is what really differentiates us – CPAs versus other business professionals.

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ThinkTWENTY20: *How do you expect the educational system to change as a result of this new competency map?*

Jackson: For one thing, the map will allow post-academic institutions to differentiate themselves a little bit. They will still have to teach to a common core, but it gives them possibilities to highlight what is unique about them, their geographic area and the faculty members they have on their teams. It will hopefully allow them to offer an experience to students that has some more breadth to it than what they had before. As an example, when I went through, I was in the Faculty of Arts in Waterloo University, in what is now the School of Accounting and Finance. The course load was such that I had the ability to take non-accounting courses. But that is becoming tougher and tougher. So, one of the things that we hope will happen through this map is that we recognize that there is a need for broader education, as well as getting the specific core accounting topics.

ThinkTWENTY20: *So, what's next?*

Jackson: The profession has created a Certification 2.0 working group who will be responsible for implementation of the new map including determining what is learned where (at school vs. on the job), how assessment (i.e., the CFE) may have to change and what guidance will be provided to post-secondary institutions and employers.

