

Sample Mapping Tool – External Audit Path in CA Firms

Example 1 - Tasks		COMPETENCIES		COMPETENCIES (continued)			
Audit engagement (based on Professional Engagement Manual)		Performance Measurement and Reporting	Assurance	Taxation	Governance, Strategy and Risk Management	Management Decision-Making	Finance
Ensure the tasks increase in complexity and responsibility as the CA student progresses through the career path	<i>Pre-engagement</i>						
	Identifies the needs of clients re audit engagements vs. those of internal and external users, legal and regulatory requirements, type of entity.	Identifies financial reporting information required by various stakeholders including regulatory requirements	Analyzes, evaluates and advises on assurance needs (external or internal)		Prepares information and analysis to ensure entity remains compliant with regulatory and compliance requirements		
	Identifies issues such as lack of independence or lack of management integrity that could prevent engagement acceptance/continuance, deadlines, required staff and the use of specialists.		Considers issues related to accepting an assignment		Prepares information and analysis to ensure entity remains compliant with regulatory and compliance requirements		
	Identifies the financial reporting framework for the entity, reporting requirements, significant changes to standards, changes within the entity and significant FSAs and business processes.	Identifies financial reporting information required by various stakeholders including regulatory requirements	Considers issues related to accepting an assignment	Identifies and advises on compliance and filing requirements	Identifies the factors that impact the entity's financial strategies		Performs financial analysis, interprets the results and draws conclusions on the entity's financial situation
	Establishes the overall audit strategy (scope, timing, direction), communicates it to the team and allocates resources.		Designs a work plan and assurance procedures				
	<i>Risk assessment</i>						
	Identifies business/operating risks, including the risks of fraud that could result in material misstatement at the financial statement and assertion levels; identifies relevant internal controls to mitigate the risks/determine materiality.	Develops (or evaluates) reporting processes to support the financial reporting infrastructure	Evaluates the implications of key risks for the assignment		Identifies and evaluates opportunities and risks within an entity		
	Assesses risks, designs the necessary control procedures.		Designs a work plan and assurance procedures		Identifies the factors that impact the entity's financial strategies		
	Implements the audit response (tests of controls, substantive procedures).		Executes and evaluates the results of the work plan (IT or other)				
	<i>Internal control</i>						
	Documents the design and implementation of the entity's elements of control (control environment, risk assessment, financial reporting, fraud prevention, monitoring).	Develops (or evaluates) reporting processes to support the financial reporting infrastructure	Evaluates internal control (IT or other)				
	Documents the design and implementation of general IT controls that support the operating effectiveness of accounting application controls.	Develops (or evaluates) reporting processes to support the financial reporting infrastructure	Evaluates internal control (IT or other)		Helps develop or manage courses of action to manage risks, including information systems risk		
	Evaluates control design and develops an appropriate audit response; identifies weaknesses, key controls, compensating controls; performs tests of controls: F/S preparation/payroll/revenues, receivables, receipts/purchases, payables, payments.	Develops (or evaluates) reporting processes to support the financial reporting infrastructure	Evaluates internal control (IT or other)		Identifies the factors that impact the entity's financial strategies		
	<i>Response to assessed risks</i>						
	Based on the results of the pre-engagement activities, engagement planning and the preliminary risk assessment, evaluates whether the initial audit plan is appropriate or whether modifications are needed. Changes may include adjusting the testing of internal controls and adjusting certain procedures for specific account balances (i.e., substantive testing) for specific risks identified.	Evaluates the impact of alternative and/or new accounting standards/policies	Executes and evaluates the results of the work plan (IT or other)		Identifies and evaluates opportunities and risks within an entity		Performs financial analysis, interprets the results and draws conclusions on the entity's financial situation
	<i>Audit plan and procedures</i>						
	Establishes the types of procedures to be performed (analytical, substantive) in response to the assessment of risks at the assertion level; performs the procedures; evaluates the results; modifies the work plan for assets as needed: cash and short-term investments/accounts receivable, trade & other/inventories and inventory count/long-term investments/property, plant and equipment/deferred charges, intangibles and goodwill.	Evaluates the impact of alternative and/or new accounting standards/policies	Executes and evaluates the results of the work plan (IT or other)	Prepares information and analysis to support filing of corporate tax returns, responding to assessments or filing objections or appeals			Analyzes the entity's working capital
	Establishes the types of procedures to be performed (analytical, substantive) in response to the assessment of risks at the assertion level; performs the procedures; evaluates the results; modifies the work plan for liabilities as needed: deferred charges, intangibles and goodwill/notes payable and bank debt/accounts payable and accrued liabilities/income taxes/other.	Evaluates the impact of alternative and/or new accounting standards/policies	Executes and evaluates the results of the work plan (IT or other)	Prepares information and analysis to support filing of corporate tax returns, responding to assessments or filing objections or appeals			Identifies and performs analysis or evaluation of the entity's financing alternatives, which could include the use of financial instruments
	Establishes the types of procedures to be performed (analytical, substantive) in response to the assessment of risks at the assertion level; performs the procedures; evaluates the results; modifies the work plan for equity as needed.	Evaluates the impact of alternative and/or new accounting standards/policies	Executes and evaluates the results of the work plan (IT or other)				
	Establishes the types of procedures to be performed (analytical, substantive) in response to the assessment of risks at the assertion level; performs the procedures; evaluates the results; modifies the work plan for revenues, cost of sales, salaries and other expenses, as needed.	Evaluates the impact of alternative and/or new accounting standards/policies Performs procedures to ensure the accuracy and reliability of financial information	Designs a work plan and assurance procedures Executes and evaluates the results of the work plan (IT or other)	Prepares information and analysis to support filing of corporate tax returns, responding to assessments or filing objections or appeals			
<i>Audit completion</i>							
Identifies possible adjustments to the F/S, reviews and finalizes the audit file and management letter.	Prepares and/or reviews financial statements and accompanying notes	Draws conclusions, documents findings, contributes to a summary report and participates in presentation to stakeholders	Prepares information and analysis to support filing of corporate tax returns, responding to assessments or filing objections or appeals				
Drafts an auditor's report.		Draws conclusions, documents findings, contributes to a summary report and participates in presentation to stakeholders					
Meets with the client and with those having oversight responsibility.	Analyzes and explains financial statement results and balances to stakeholders	Draws conclusions, documents findings, contributes to a summary report and participates in presentation to stakeholders					

CA Firm—Public Accountancy Competency Progression of Tasks (for illustrative purposes only)

Ensure the tasks increase in complexity and responsibility as the CA student progresses through the career path					Ensure the tasks increase in complexity and responsibility as the CA student progresses through the career path				
CA student progression	Year 1	Year 2	Year 3	Expected level at the end of the practical experience term	CA student progression	Year 1	Year 2	Year 3	Expected level at the end of the practical experience term
Example 1—Audit engagement					Example 1—Audit engagement				
<i>Pre-engagement</i>					<i>Response to assessed risks</i>				
Identifies the needs of clients re audit engagements vs. those of internal and external users, legal and regulatory requirements, type of entity.	Reviews relevant information	Participates with engagement partner	Is or will be able to perform this work alone	Level 2	Executes the audit program for:	Understands	Participates	Performs	Level 2, with the assistance of specialists as needed for all items
Identifies issues such as lack of independence or lack of management integrity that could prevent engagement acceptance/continuance, deadlines, required staff and the use of specialists.	Attends planning meetings	Actively participates in planning meetings	Is or will be able to perform this work with the engagement partner	Level 1	Employee future benefits	X	X	X	
Identifies the financial reporting framework for the entity, reporting requirements, significant changes to standards, changes within the entity and significant FSAs and business processes.	Participates in information gathering, carries out research, makes comparisons	Performs updates, carries out analyses, asks questions, documents potential impacts	Is or will be able to perform this work alone with the client	Level 2	Estimates and fair values	X	X	X	
Establishes the overall audit strategy (scope, timing, direction), communicates it to the team and allocates resources.	Attends planning meetings	Actively participates in planning meetings	Is or will be able to perform this work with the engagement partner	Level 1	Environmental contingencies	X	X	X	
<i>Risk assessment</i>					Related party transactions	X	X	X	
Identifies business/operating risks, including the risks of fraud that could result in material misstatement at the financial statement and assertion levels; identifies relevant internal controls to mitigate the risks.	Reviews risk matrix, performs analytical procedures	Identifies the main risks and how they relate to the assertions, items and relevant controls	Is able to perform this work alone	Level 2	Contingencies, commitments, subsequent events	X	X	X	
Determines materiality.	Understands how to determine materiality, gathers data	Is able to establish materiality using data from the file and to make analyses	Is able to complete this work alone	Level 2	<i>Audit plan and procedures</i>				
Assesses risks, designs the necessary control procedures.	Reviews the risk matrix and the impact of the work to be performed.	Identifies the necessary control procedures, participates in the testing and evaluation of results	Is able to complete this work alone	Level 2	Establishes the types of procedures to be performed (analytical, substantive) in response to the assessment of risks at the assertion level, performs the procedures, evaluates the results, modifies the work plan as needed.	Performs procedures on a few items	Develops the procedures and performs them on several items, evaluates the results	Takes charge of all or virtually all items, reviews, evaluates the results and the impact on the work plan	Level 2 for all items
Implements the audit response (tests of controls, substantive procedures).	Performs the tests while considering the specific risks for a few sections	Performs the tests while considering the specific risks for several sections	Is able to perform the tests and analyze all the results, and adjust the program as required	Level 2	Cash and short-term investments	X	X	X	
<i>Internal control</i>					Accounts receivable, trade & other	X	X	X	
Documents the design and implementation of the entity's elements of control (control environment, risk assessment, financial reporting, fraud prevention, monitoring).	Participates in the description or updating of the controls, makes enquiries, observes, performs walk-through procedures	Documents/updates the audit file in respect of the five components of internal control	Reviews the documentation in the file, assesses the significant risks (risk/control matrix)	Level 2	Inventories and inventory count	X	X	X	
Documents the design and implementation of general IT controls that support the operating effectiveness of accounting application controls.	Participates in the description or updating of the controls, makes enquiries, observes, performs walkthrough procedures, works with the IT team if necessary	Documents/updates the audit file in respect of all general controls, documents with the support of the IT team if necessary	Reviews the documentation in the file, ensures it is complete, assesses the risks of misstatement, liaises with the IT team as necessary	Level 1 or 2 depending on the complexity of the systems	Long-term investments			X	
Evaluates the control design and develops an appropriate audit response; identifies weaknesses, key controls, compensating controls; performs tests of controls.	Performs the tests	Performs the tests and identifies weaknesses, key controls, compensating controls	Takes charge of the entire section, revises, summarizes the risk assessment and the impact on the work	Level 2	Property, plant and equipment		X	X	
F/S preparation	X	X	X	Level 2	Deferred charges, intangibles and goodwill			X	
Payroll	X	X	X	Level 2	Notes payable and bank debt	X	X	X	
Revenues, receivables, receipts	X	X	X	Level 2	Accounts payable and accrued liabilities	X	X	X	
Purchases, payables, payments	X	X	X	Level 2	Income taxes (recoverable, payable)		X	X	
					Equity		X	X	
					Revenue	X	X	X	
					Cost of sales	X	X	X	
					Payroll and other expenses	X	X	X	
					<i>Audit completion</i>				
					Identifies possible adjustments to the F/S, reviews and finalizes the audit file and management letter.	Follows up on file review notes for these sections	Assembles several sections of the final audit file, notes to the F/S	Assembles the final audit file, including the notes to the F/S	Level 1 or 2
					Drafts an auditor's report.	Understands the possible restrictions	Understands the possible restrictions	Determines the type of report (with or without reservation) and drafts it	Level 1 or 2
					Meets with the client and with those having oversight responsibility.	Observes or assists whenever possible	Participates whenever possible	Participates in or holds the meeting with the client	Level 1 or 2