

CASB MODULE PRACTICAL APPLICATION CHECKLISTS

The Practical Application Checklists outline specific workplace tasks, by competency area, that CASB students are able to perform upon completion of each module. These Checklists strengthen the link between CASB learning and on-the-job performance, as they assist both CASB students and CA Training Offices in enabling the transfer of CASB learning to the workplace. CA Training Offices benefit from the productive use of students' abilities and CASB students benefit from a cohesive learning experience.

PRACTICAL APPLICATION CHECKLIST: MODULE 1

Areas of Focus: Client acceptance, review, compilation, financial statement analysis, personal and corporate tax

AFTER SUCCESSFULLY COMPLETING MODULE 1, CASB STUDENTS ARE ABLE TO:						
Assurance	Performance Measurement & Reporting	Taxation	Finance			
<ul style="list-style-type: none"> • Analyze, evaluate and advise on assurance needs, including: <ul style="list-style-type: none"> ○ Features of an audit vs. review engagement ○ Features of a review vs. compilation engagement • Consider issues related to accepting an assignment, including: <ul style="list-style-type: none"> ○ New client issues ○ Independence issues in relation to clients when preparing accounting entries • Determine engagement materiality • Analyze financial statements to identify accounts that need further investigation • Identify financial statement assertions validated by various review procedures • Understand the effect of a difference on the valuation of an AR balance and difficulties with the opening balance of inventory on the review engagement report • Assess basic small business internal controls relating to IT • Evaluate internal control procedures for purchases, payables, and disbursements and provide recommendations for improvement • Evaluate credit granting processes and provide recommendations for improvement • Apply the Rules of Professional Conduct to assurance engagement scenarios 	<ul style="list-style-type: none"> • Develop and evaluate accounting policies (advertising, financial instruments) • Prepare adjusting journal entries for a corporation related to: <ul style="list-style-type: none"> ○ Revenue recognition ○ Inventory cutoff ○ Capitalization of fixed assets ○ Accrued liabilities • Prepare revised financial statements • Prepare a cash flow statement • Prepare divisional income statements • Discuss accounting for income taxes using Accounting Standards for Private Enterprises • Understand the determination of fair value of long-term debt • Prepare a cash flow projection • Prepare and explain adjusting journal entries and calculate revised net income for a sole proprietor 	<ul style="list-style-type: none"> • Identify and advise on compliance and filing requirements, including deadlines, interest, penalties, and retention of records • Understand basic tax concepts related to small business, including: <ul style="list-style-type: none"> ○ T4s ○ Bonuses ○ Shareholder loans ○ Vehicle ownership benefits and charges ○ Considerations for determining an employee vs. a contractor • Calculate gross employment income for tax purposes • Reconcile corporate accounting net income to net income for income tax purposes and prepare a T2 • Calculate taxable income and taxes payable • Reconcile accounting net income to net income for income tax purposes for an individual and determine CCA, auto expense and business use of home deductions. • Prepare personal tax returns, addressing: <ul style="list-style-type: none"> ○ RRSPs ○ Childcare expenses ○ Superficial losses ○ Maximization of tax credits within a family • Prepare a final tax return for an individual, including consideration of “rights and things” for tax purposes • Advise on tax planning opportunities for individuals and shareholders of closely-held corporations, including: <ul style="list-style-type: none"> ○ Tax implications of gifting ○ Wills and the transfer of assets upon the death of a tax payer 	<ul style="list-style-type: none"> • Analyze lease vs. buy decision • Analyze cash flow and debt problems 			
			Management Decision Making			
			<ul style="list-style-type: none"> • Assess basic small business internal controls relating to IT • Analyze allocation of expenses amongst different divisions • Decide whether to lease or buy an asset, based on both quantitative and qualitative analysis • Prepare a break-even analysis • Analyze and explain cash flow and debt problems 			
Pervasive						
<ul style="list-style-type: none"> • Maintain objectivity and independence • Adhere to the Rules of Professional Conduct • Self manage • Strive to add value in an innovative manner • Obtain information • Examine and interpret information and ideas critically • Solve problems and make decisions • Consider basic legal concepts 						

PRACTICAL APPLICATION CHECKLIST: MODULE 2

Areas of Focus: Audit, business valuation, wind-up and consolidation

AFTER SUCCESSFULLY COMPLETING MODULE 2, CASB STUDENTS ARE ABLE TO:			
Assurance		Performance Measurement & Reporting	Finance
<ul style="list-style-type: none"> Assess overall financial statement level risk and specific account and assertion level risk Analyze inherent and control risk factors Assess fraud risk factors Perform a materiality assessment Prepare a comprehensive financial statement analysis and complete an audit planning memo Identify audit planning issues arising from analysis of the financial statements Complete an analysis of AR confirmation results and identify alternative verification procedures Analyze the control risk for Revenue- Receivables-Receipts cycle and recommend audit approach Relate assertions to procedures for audit of AR Understand the requirement to control AR confirmations Calculate the likely misstatement of AR confirmation sample errors 		<ul style="list-style-type: none"> Analyze the control risk for the Purchases- Payables-Disbursements cycle Calculate the likely misstatement of inventory pricing sample errors Identify audit procedures to establish existence and completeness of inventory Identify audit procedures for capital assets Recommend useful CAAT's inquiry reports to assist in AR audit Identify issues arising from a deficient inventory count Identify issues arising from counting inventory before year end Identify specific audit procedures for the bank reconciliation Explain audit procedures related to AP including vendor statement reconciliations, confirmations, subsequent payment review and analytical procedures Identify follow up audit procedures for the legal enquiry letter Finalize the summary of identified misstatement and consider if any change to materiality is necessary Identify circumstances where a modified audit report may be necessary 	<ul style="list-style-type: none"> Prepare a financial statement analysis Identify the accounting issues arising from the audit of capital assets Prepare a capital lease analysis Analyze and explain the appropriate treatment of contingencies Prepare a consolidated balance sheet at the date of acquisition
		Taxation	Management Decision Making
		<ul style="list-style-type: none"> Identify the tax implications of an offer to purchase shares versus assets Calculate the net cash available to redeem shares from sale of assets and after tax net cash available to shareholder from sale of assets Calculate after tax net cash available to shareholder from sale of shares Explain how disposal of QSBC shares will qualify for CGE treatment Analyze and explain residency determination for tax purposes Identify the tax consequences of emigration 	<ul style="list-style-type: none"> Critique an IT systems upgrade plan
			Pervasive
			<ul style="list-style-type: none"> Maintain objectivity and independence Avoid conflicts of interest Adhere to the Rules of Professional Conduct Self manage Obtain information Examine and interpret information and ideas critically Solve problems and make decisions Communicate effectively and efficiently Understand how IT impacts a CA's daily functions and routines

PRACTICAL APPLICATION CHECKLIST: MODULE 3

Areas of Focus: Foreign currency translation, hedging, consolidation, IFRS, corporate tax, due diligence

AFTER SUCCESSFULLY COMPLETING MODULE 3, CASB STUDENTS ARE ABLE TO:						
Assurance	Performance Measurement & Reporting	Taxation	Finance			
<ul style="list-style-type: none"> Identify audit procedures for subsequent events Perform analytical review of financial statements of a potential acquisition Identify accounts of particular concern and develop due diligence audit procedures Identify effects of a proposed accounting software purchase on an audit Prepare an audit program for a consolidation Evaluate the IT-related elements of internal control with respect to a disaster recovery plan Develop audit procedures to determine whether an error exists in opening inventory Consider legal liability and negligence of auditor Evaluate and advise on whether a an audit (CAS 805) versus specified audit procedures for financial information other than financial statements (Section 9100) is more beneficial in a potential acquisition 	<ul style="list-style-type: none"> Explain accounting issues related to subsequent events Account for foreign currency, including: <ul style="list-style-type: none"> Sales Debt Interest expense Prepare adjusting entries related to consolidation Prepare tax adjusting entries Identify proper accounting treatment of preferred shares as debt and equity Account for 80% acquisition of a subsidiary Determine whether the functional currency of a foreign subsidiary is or is not the Canadian dollar Calculate goodwill and prepare the opening elimination entry relating to a foreign subsidiary Translate a foreign subsidiary's financial statements Prepare journal entries relating to different hedging methods Correctly account for an investment: available-for-sale versus equity method Prepare consolidation elimination entries and consolidated financial statements Account for inventory using IFRS Identify the effect of a potential error in opening inventory 	<ul style="list-style-type: none"> Analyze the tax consequences of issuing employee stock options for a public versus private company issuer Understand permanent establishments Allocate taxable income to provinces Calculate abatement Prepare corporate tax return Calculate marginal tax rates for dividends and tax-effective distribution of dividends to shareholders Identify the tax implications of a sale and lease opportunity Explain the tax consequences of transferring rental property to a spouse Explain integration and taxation of investment income Identify the tax implications of a preliminary divorce agreement and provide tax planning advice 	<ul style="list-style-type: none"> Analyze a sale and lease opportunity Evaluate possible hedging strategies for managing foreign exchange risk 			
						Governance, Strategy & Risk Management
						<ul style="list-style-type: none"> Recommend the most effective method for hedging against currency fluctuations Analyze a potential acquisition Analyze a disaster recovery plan
						Management Decision Making
			<ul style="list-style-type: none"> Perform variance analysis on a product line Analyze a proposed accounting software purchase Analyze a potential acquisition Improve IT systems with respect to a disaster recovery plan 			
			Pervasive			
			<ul style="list-style-type: none"> Adhere to the Rules of Professional Conduct Obtain information Examine and interpret information and ideas critically Solve problems and make decisions Communicate effectively and efficiently Understand how IT impacts a CA's daily functions and routines Consider basic legal concepts 			

PRACTICAL APPLICATION CHECKLIST: MODULE 4

Areas of Focus: Governance, strategic planning, expansion of business, due diligence, NPOs, IFRS

AFTER SUCCESSFULLY COMPLETING MODULE FOUR, CASB STUDENTS ARE ABLE TO:

Assurance	Performance Measurement & Reporting	Taxation	Finance		
<ul style="list-style-type: none"> Develop audit procedures for assertions relevant to: <ul style="list-style-type: none"> Deferred development costs Asset impairment Financial instruments Evaluate the implications of a possible fraud situation at a subsidiary branch Identify fraud risk factors Evaluate internal control at an NPO Complete due diligence review of tax returns and financial statements of a potential acquisition Develop general and specific due diligence procedures for a company to be acquired Develop audit procedures for standard costs and inventory roll forward Identify internal controls that can be relied upon for Purchases-Payables-Disbursements cycle and develop relevant tests of controls Assess impact of completeness of donation revenue on audit report at an NPO Evaluate independence issues involving auditor-made financial statement adjustments to be approved by board at an NPO 	<ul style="list-style-type: none"> Complete year-end financial statements, including accounting for: <ul style="list-style-type: none"> Deferred development costs Asset impairment Asset decommissioning costs Financing costs Warranty costs Non-monetary transactions Review contracts and balance sheet accounts and identify financial instruments and fair value adjustments Calculate inventory standard costing and identify compliance with IFRS standards and disclosure requirements Explain and account for NPO contributions using deferral method and restricted method Review a deferred tax provision Evaluation of and accounting treatment for a long term sales contract, sale of good, sale of inventory and construction contract Design of performance measures by applying balanced scorecard and responsibility accounting concepts 	<ul style="list-style-type: none"> Calculate current corporate tax provision Analyze tax implications of non-capital losses Calculate deferred tax provision Analyze tax implications of proposed staff and shareholder benefits Identify basic filing requirements for NPOs Analyze tax implications of retaining insurance proceeds versus using proceeds to replace property Complete due diligence review of tax returns and financial statements of a potential acquisition 	<ul style="list-style-type: none"> Identify implications of a cash flow projection on securing additional financing and complying with current loan agreement covenants Evaluate financial health of an organization, including ability to meet loan payments and calculation of financial ratios Evaluate a long term supply contract Analyze an investment opportunity individually Recommend ways to improve cash flow and working capital, including: <ul style="list-style-type: none"> Sale of redundant assets Alternative financing 		
				Pervasive	Governance, Strategy & Risk Management
				<ul style="list-style-type: none"> Protect the public interest Adhere to the Rules of Professional Conduct Self manage Demonstrate leadership and initiative Maintain and demonstrate competence and recognize limits Strive to add value in an innovative manner Treat others in a professional manner Obtain information Examine and interpret information and ideas critically Solve problems and make decisions Communicate effectively and efficiently Manage and supervise 	<ul style="list-style-type: none"> Complete a branch performance review and evaluate risk management with respect to a possible fraud situation Evaluate board effectiveness Identify the need for strategic planning Identify fraud risk factors Evaluate governance structure and IT strategy at an NPO Review and improve management's strategic plan Provide NPO board member with advice regarding ethical issues
			Management Decision Making		
			<ul style="list-style-type: none"> Calculate the standard cost for a product Prepare a one-year cash flow projection Recommend improvements to IT strategy at an NPO Identify type of engagement needed by management for due diligence work Prepare a five year cash flow projection Develop a plan and tests for a system conversion Develop performance measures, including non-financial 		

PRACTICAL APPLICATION CHECKLIST: MODULE 5

Areas of Focus: Review of audit file, pensions, going public, IFRS, integrated UFE prep questions

AFTER SUCCESSFULLY COMPLETING MODULE 5, CASB STUDENTS ARE ABLE TO:

Assurance	Performance Measurement & Reporting	Taxation	Finance
<ul style="list-style-type: none"> Review audit planning memo, focusing on: <ul style="list-style-type: none"> Overall financial statement level risk Materiality Inherent and control risk by account and assertion Planning audit procedures for specific risks Financial instruments Identify general and application control deficiencies in Revenue-Receivables-Receipts IT cycles Assess implications of control deficiencies in IT systems and recommend improvements Review the AR, inventory, AP and revenue sections of an audit file Identify related parties, associated risks and required audit procedures Identify auditor's responsibilities on using actuary's work Evaluate user needs and advise on assurance engagement for pension fund management of assets Identify regulatory requirements to be auditor of reporting issuer Differentiate between a comfort letter and a consent letter Identify independence prohibitions for auditors of public companies Explain MD&A disclosure requirements and auditor involvement with MD&A 	<ul style="list-style-type: none"> Identify related party disclosure requirements under IFRS Account for pensions, including: <ul style="list-style-type: none"> Pension calculations Adjusting journal entries Pension disclosure Identify the financial statements required in a prospectus at various filing dates Identify accounting and disclosure requirements for a private company going public and adopting IFRS Identify deadlines for filing annual and interim public company financial statements Identify interim reporting requirements for a public company Calculate basic and diluted EPS and account for granting of stock options Identify required segment disclosures for a public company Identify accounting treatment for share issuance costs Identify forward looking financial information that can be included in prospectus and MD&A Evaluate various accounting issues: <ul style="list-style-type: none"> Financial instruments Convertible debentures Revenue recognition Asset vs. expense Capital disclosures IFRS reporting issues 	<ul style="list-style-type: none"> Assess personal tax implications of disposition of shares of CCPC going public, including: <ul style="list-style-type: none"> Election to bump up ACB Use of capital gains exemption Assess tax implications of: <ul style="list-style-type: none"> Selling a subsidiary Wind-up of a subsidiary, or Keeping a subsidiary (with an acquisition of control) Assess tax implications of transfer of shares or payment of management fees to make use of losses Identify tax treatment of share issuance costs Identify potential tax consequences of becoming a publicly traded company Calculate and explain business and personal foreign tax credits Assess tax implications of shareholder loans and interest-free employee loans Provide personal financial planning 	<ul style="list-style-type: none"> Identify issues that impact shareholders and company when going public Analyze business expansion opportunity Perform a five year NPV and incremental cost analysis Analyze an investment opportunity, including sensitivity analysis
		<p style="text-align: center;">Pervasive</p> <ul style="list-style-type: none"> Protect the public interest Adhere to the Rules of Professional Conduct Self manage Demonstrate leadership and initiative Maintain and demonstrate competence and recognize limits Obtain information Examine and interpret information and ideas critically Solve problems and make decisions Communicate effectively and efficiently Manage and supervise 	<p style="text-align: center;">Governance, Strategy & Risk Management</p> <ul style="list-style-type: none"> Assess deficiencies in IT system and make recommendations for improvement Advise on composition and responsibilities of an audit committee Assess management skills required in order to take a private company public <p style="text-align: center;">Management Decision Making</p> <ul style="list-style-type: none"> Perform contribution margin analysis, including identifying: <ul style="list-style-type: none"> Capacity constraints Opportunity costs Perform analysis of product lines and a division to determine viability Analyze an investment opportunity, including sensitivity analysis

STUDENTS COMPLETE NUMEROUS UFE PREPARATION QUESTIONS IN MODULE 5, WHICH INTEGRATE LEARNING FROM ALL FIVE PREVIOUS MODULES. CONTENT FROM THESE QUESTIONS HAS NOT BEEN SPLIT AND DETAILED IN THE ABOVE INDIVIDUAL COMPETENCY AREAS.