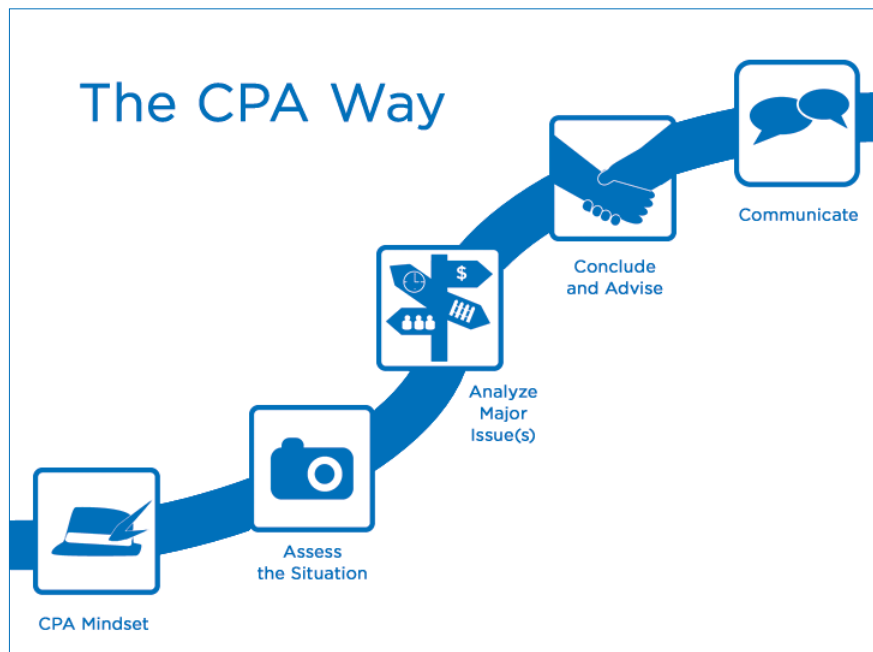


The CPA Way

2 - CPA Mindset

This document focuses on the CPA Mindset, the first part of **The CPA Way**, as shown in the following diagram:



For an Overview of the CPA Mindset, see the [video](#) that accompanies this document.



CPA Mindset

You can think of the **CPA Mindset** as a “hat” you put on when you want to demonstrate the attitudes and behaviours—especially ethics—of the CPA. The CPA Mindset distinguishes the CPA. As you begin a journey along The CPA Way, you first put on your professional hat. Then, you must ensure that the hat stays in place—that you do not become forgetful and take it off or let the wind blow it away—as you work on problem details and provide advice.



CPA Mindset and Rules of Professional Conduct

The CPA Mindset includes the ethical and independence requirements in Canada’s *Rules of Professional Conduct*. The rules provide ethical standards based on the following five key principles:

- Objectivity
- Integrity and due care
- Competence
- Confidentiality
- Professional behaviour

The rules are designed to help maintain the profession’s integrity as well as the confidence and trust of the public. Thus, the rules are part of the CPA Mindset. However, the CPA Mindset is broader than the *Rules of Professional Conduct*.

CPA Mindset and Enabling Competencies

The CPA Mindset reflects the attitudes and behaviours for all of the enabling competencies outlined in the CPA Competency Map. Below are several examples of attitudes/values that underlie the behaviours prescribed in enabling competencies.

Enabling Competency Examples	Underlying CPA Attitudes/Values
<i>1. Professional and Ethical Behaviour</i>	
1.2.2 Performs work competently and with due care.	Work should be performed with competence and due care; these attributes improve the quality work and enhance trust in the CPA and the profession
1.3.3 Contributes to the community at large through, for example, acts of philanthropy, social responsibility, and environmental stewardship.	It is desirable to contribute to the community at large; the CPA has responsibilities beyond self-interest and beyond responsibilities to clients/ customers and the profession

Enabling Competency Examples	Underlying CPA Attitudes/Values
<i>2. Problem Solving and Decision Making</i>	
2.1.4.4 Analyzes and synthesizes the views of others to develop a more complete understanding of issues and/or implications of alternatives.	Others' views are useful for obtaining a complete understanding of issues and/or implications, so the quality of a CPA's work is enhanced when others' views are actively sought and considered
2.1.6.1 Identifies and sets aside preconceived ideas that might bias or limit analyses and conclusions.	Because preconceived ideas might bias or limit analyses and conclusions, the CPA should seek ways to identify and set aside preconceived ideas
<i>3. Communication (both written and oral)</i>	
3.2.4 Exhibits professionalism in written and spoken communications.	The professionalism of a CPA's communications is a reflection of the quality and professionalism of the CPA's work, so a CPA should communicate as professionally as possible both orally and in writing
3.3.3 Identifies the need for confidentiality and considers whether the distribution of communications should be restricted.	The CPA is in a position of trust and has access to confidential information; it is the CPA's responsibility to maintain this trust through restrictions, when needed, on the distribution of communications
<i>4. Self-Management</i>	
4.1.1 Self-assesses and implements strategies to improve work performance.	The CPA realizes that work performance is fallible, necessitating self-assessment skill, and adopts an attitude of striving toward the ideal and seeking continuous improvement in all areas
4.3.1 Provides expert advice in areas of capability and qualification only.	The CPA accepts limits to professional capability and qualification, and should not provide advice in areas beyond those limits
<i>5. Teamwork and Leadership</i>	
5.1.3 Monitors project performance and revises plans as needed.	The CPA acknowledges that project performance might deviate from plans, and that plans might require revision. The CPA recognizes and values the contribution and work product achieved through the use of diverse and cross-functional teams
5.2.2 Recognizes the value of and supports working with diverse and cross-functional	The CPA recognizes and values the contribution and work product achieved through the use of diverse and cross-functional teams

You will find that attitudes and values underlie the behaviours described for all of the enabling competencies, not just the examples listed above. However, the enabling competencies alone do not fully capture the CPA Mindset.

CPA Mindset and Integration

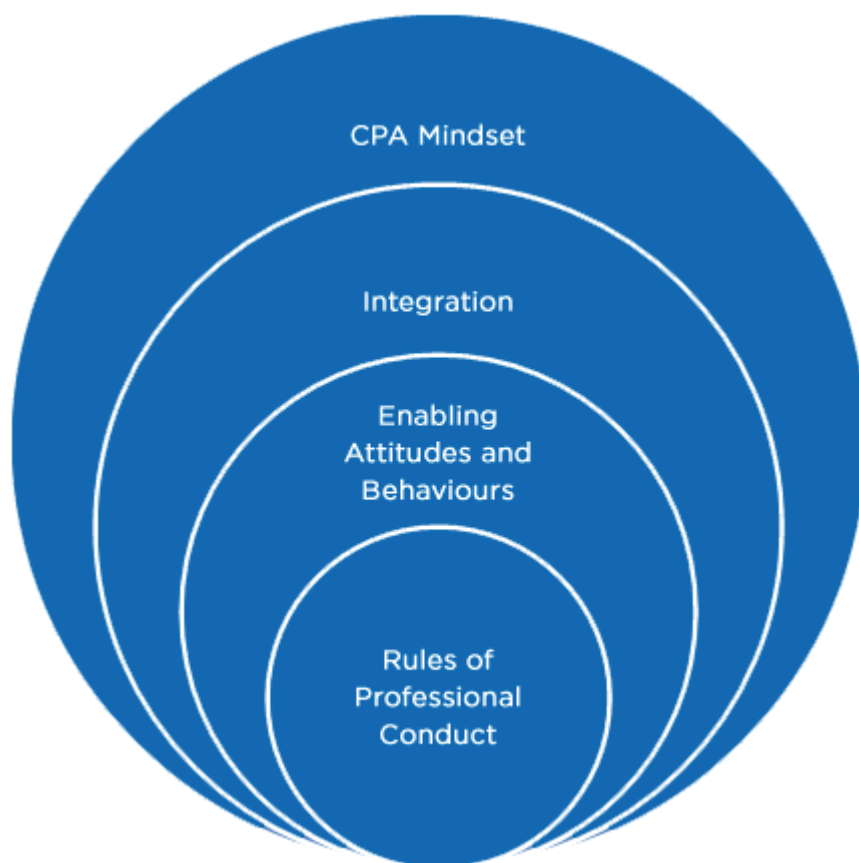
Integration is an overarching theme found throughout the CPA Competency Map. Below are several examples:

- Ethics and other enabling competencies, and prerequisite subject matter in areas such as IT, are integrated throughout the PEP. (CPA Map, p. 4)
- Core Modules (C1 and C2) are fully integrative. The core modules draw on the disciplines of law, economics, finance, strategy, statistics, IT and others. (CPA Map, p. 5)
- CPAs draw on strong analytical and problem-solving skills and their capacity for innovative and integrative thought. (CPA Map, p. 8)
- Competency 2.1.4 Integrates information to investigate each potentially viable solution or conclusion. (CPA Map, p. 13)
- Competency 2.1.5 Recommends and justifies a solution or conclusion based on an integrative view of information for the situation. (CPA Map, p. 14)
- The final two modules of the PEP are common to all candidates. The capstone modules are integrative. Capstone 1 focuses on strategic leadership, further developing, through teamwork, the enabling competencies, and integrating them with technical competencies. Capstone 2 prepares candidates for the final examination using complex case studies. (CPA Map, p. 19)
- Integrate: Combine or coordinate different types of information to provide insights for analysis. (CPA Map, p. 93)

Why is the theme of integration so integral to the CPA Map? Because the practice of a CPA is highly integrated. A CPA expects to draw on enabling competencies when applying technical skills, and also expects different technical areas to overlap. Providing good service to clients and customers means using all of the competencies in an integrated way. Thus, developing an integrative attitude and approach is a crucial part of the CPA Mindset.

CPA Mindset: Ideal of Excellence

The diagram below illustrates the ideas discussed above. The Rules of Professional Conduct contain a subset of the attitudes and behaviours included in the enabling competencies, which in turn are a subset of the integration of attitudes and values across all competencies. But the CPA Mindset is not limited to specific guidance found in the map; you can think of the CPA Mindset as the ideal of excellence toward which a CPA strives.



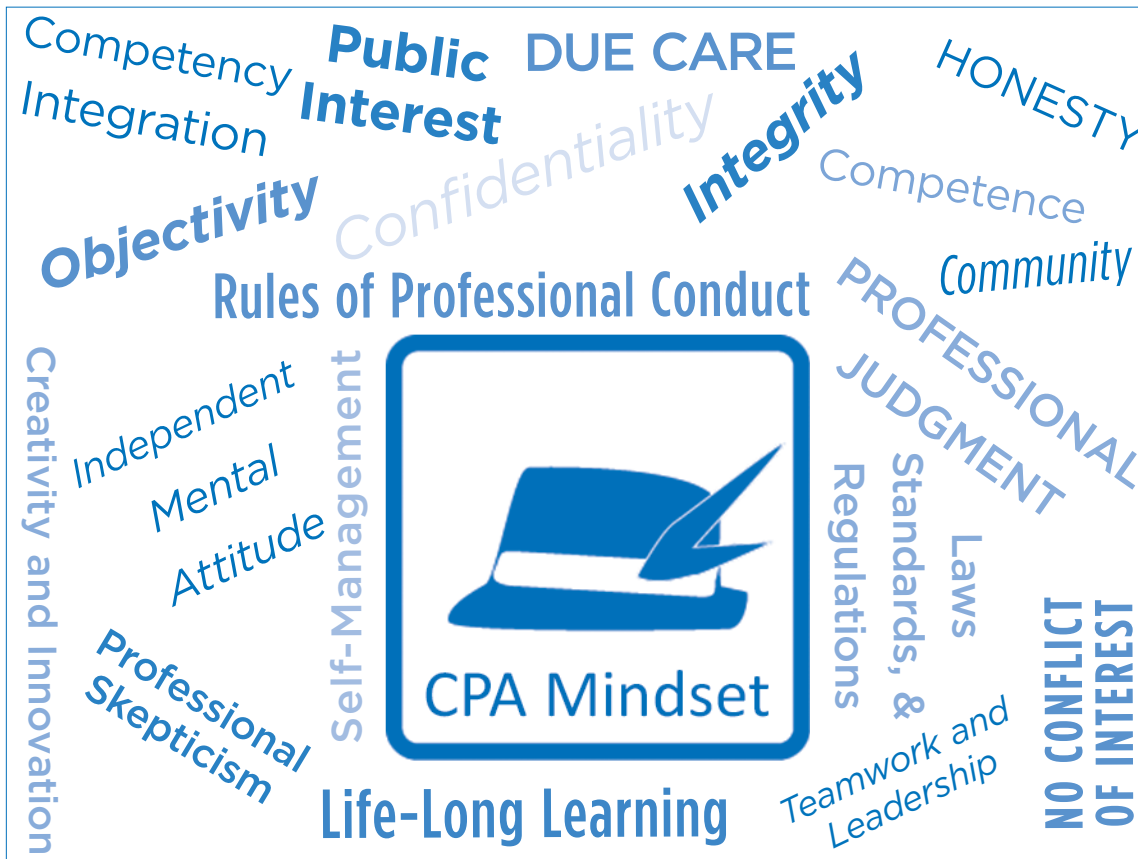
CPA Mindset: Relevant to all CPAs

You might mistakenly think that some aspects of the CPA Mindset such as objectivity, independence in mental attitude, and professional skepticism, apply only when performing independent assurance services. Or, you might think that integration is relevant only for CPAs in management positions. However, two of the important qualities that CPAs bring to the table—even when supporting the work of managers inside an organization—are the abilities to maintain an impartial attitude and to integrate diverse pieces of information. We help others see situations more accurately, and we encourage reasoned judgment. Thus, the entire CPA Mindset is relevant to CPAs pursuing opportunities that suit their areas of interest, whether as an auditor, chief financial officer, entrepreneur, or other positions where financial decision making with integrity is essential.

Self-Evaluation Checklist: CPA Mindset

Think back to a task you recently completed and consider how well you adopted and maintained the CPA Mindset. What would be the ideal set of attitudes and behaviours for this task? You can use the checklist in Appendix 2 to evaluate work performed and/or a potential course of action for a professional situation.

You can use the diagram below to help you reflect on various aspects of the CPA Mindset.



For an overview of the CPA Mindset and its meaning, see the [video](#) that accompanies this document.

Appendix 1

Self-Assessment Questions

Question #1

Which of the following activities is LEAST related to the due care aspect of the CPA Mindset?

- a. An independent auditor obtains written representations from the client's management.
- b. An assistant controller uses brainstorming techniques to ensure that all key issues for an analysis are identified.
- c. An audit supervisor critically reviews the work performed and judgment exercised by a staff accountant on an audit engagement.
- d. An assistant controller revises the wording used in a memorandum to better explain an analysis and conclusions.

Question #2

When an assistant controller prepares a customer profitability analysis, which of the following activities is LEAST related to the professional skepticism aspect of the CPA Mindset?

- a. An independent auditor obtains written representations from the client's management.
- b. An assistant controller uses brainstorming techniques to ensure that all key issues for an analysis are identified.
- c. An audit supervisor critically reviews the work performed and judgment exercised by a staff accountant on an audit engagement.
- d. An assistant controller revises the wording used in a memorandum to better explain an analysis and conclusions.

Question #3

Which of the following scenarios demonstrate adherence to the CPA Mindset? Check all that apply.

- a. When performing a capital budgeting analysis, an assistant controller questions some of the data and resists pressure from a business manager to bias results in favour of investing in the project.
- b. A consultant develops a new approach for helping clients achieve favourable results from estate tax planning. An audit supervisor critically reviews the work performed and judgment exercised by a staff accountant on an audit engagement.
- c. An assistant controller voluntarily takes a course to learn more about managing teams and conflict.
- d. A supervisor in a public accounting firm actively solicits feedback on efforts to develop a new competency.
- e. An internal accountant takes no action after learning that another employee stole some office supplies.

Answers to Self-Assessment Questions

Question #1

- | | | |
|----|-----------|---|
| a. | Correct | Independent auditors are specifically required to obtain written representations from the client's management. Satisfying this requirement demonstrates compliance with professional standards, not necessarily the exercise of due care. (However, due care may be exercised to ensure that all professional standards are satisfied.) |
| b. | Incorrect | Due care is associated with a more thorough and complete analysis, which is enhanced through the use of techniques to identify key issues. |
| c. | Incorrect | Due care involves not only ensuring that one's own work is thorough and uses appropriate judgment, but it also involves a careful and skeptical review of the work and judgments made by assistants or others. |
| d. | Incorrect | Due care includes reviewing and revising work to improve its quality. |

Question #2

- | | | |
|----|-----------|--|
| a. | Incorrect | Documentation of information sources is a precursor to questioning and evaluating the quality of information used in an analysis—i.e. demonstrating skepticism about information sources. |
| b. | Incorrect | Sensitivity analyses quantitatively evaluate the impact of alternative assumptions and help decision makers evaluate the reliability and risk associated with quantitative results. |
| c. | Incorrect | Tests are performed because of skepticism about information accuracy. Skepticism is reduced and greater reliance is placed on analysis test results to confirm the information accuracy. |
| d. | Correct | Showing the details of calculations in a spreadsheet improves the quality of communication, especially for decision makers who might not know how to use spreadsheet software. This activity is not directly related to skepticism about the analysis, although decision-maker skepticism might be reduced (or, conversely, increased) through a better understanding of how calculations are performed. |

Question #3

a.	Correct	This scenario demonstrates several aspects of the CPA Mindset including objectivity, independent mental attitude, integrity, honesty, skepticism, and professional judgment.
b.	Correct	This scenario demonstrates creativity and innovation as well as competence and professional judgment.
c.	Correct	This scenario demonstrates teamwork and leadership as well as life-long learning and possibly also self-management.
d.	Correct	This scenario demonstrates self-management and life-long learning.
e.	Incorrect	This scenario violates several aspects of the CPA Mindset including integrity and professional judgment, and perhaps also compliance with company policy.
f.	Correct	This scenario demonstrates several aspects of the CPA Mindset including due care, self-management, life-long learning, and competence.
g.	Incorrect	This scenario violates several aspects of the CPA Mindset including objectivity, independent mental attitude, integrity, honesty, and compliance with accounting standards.

Appendix 2

Self-Evaluation Checklist: CPA Mindset

You can use this checklist to evaluate work performed and/or a potential course of action for a professional situation. For more information, see *The CPA Way (2-CPA Mindset)*.

	Yes	No	n/a
Professional and Ethical Behaviour:			
1. Are the ethics of the situation adequately explored and an ethical course of action selected?			
2. Is work performed competently and with due care?			
3. Is work performed and are conclusions reached objectively, with an independent mental attitude?			
4. Is skepticism exercised when evaluating the source and quality of information and findings?			
5. Are opportunities sought to stay abreast of current trends and emerging issues, and to gain new competency related to the problem?			
6. Are stakeholder interests protected by maintaining confidentiality, focusing on the public interest, and avoiding conflicts of interest?			
7. When appropriate, are the needs of the community at large considered (e.g. through philanthropy, social responsibility, or environmental stewardship)?			
8. Does the work performed and/or the recommended course of action:			
a. Demonstrate honesty and integrity?			
b. Enhance the profession's reputation?			
c. Comply with laws and regulations?			
d. Satisfy rules of professional conduct?			
e. Fulfill all relevant professional standards?			
f. Comply with organizational policies?			
Problem Solving and Decision Making:			
9. Are preconceived ideas identified and set aside to avoid biasing or limiting analyses and conclusions?			

	Yes	No	n/a
10. Is brainstorming or are other techniques used to search for alternatives, issues, perspectives, and implications not already identified?			
11. Are potential unconventional approaches considered for gathering information, performing analyses, or reaching conclusions?			

Communication:

12. Does written or spoken communication exhibit professionalism?			
13. Is the need for confidentiality considered and distribution of communications restricted, if appropriate?			

Self-Management:

14. Is work self-monitored and performance improved when possible?			
15. Are limits to professional competence considered and addressed (e.g. through professional development or consultation)?			

Teamwork and Leadership:

16. Is work adequately planned and managed?			
17. If applicable, did you work effectively as a team member (e.g. by committing to team success and taking an active role in team activities)?			

Cross-Competency Integration:

18. Are opportunities for cross-competency integration identified and explored? Consider integration:			
a. Among enabling competencies			
b. Among technical competencies			
c. Between enabling and technical competencies			



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