

## **CPA Common Final Exam and the COVID-19 Need for action in a period of uncertainties**

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CPA Canada (2020a; 2020b) decisions on the CPA certification program following the COVID-19 situation bring this reflection on the Canadian Chartered Professional Accountants (CPA) Common Final Examination (CFE) for September 9-10-11, 2020. A call for action regarding the bar exam in the United States (Angelos, Berman, Bilek, Chomsky, Curcio, Griggs, Howarth, Kaufman, Jones Merritt, Salkin, and Wegner, 2020) offers some reflections on options to consider.

This policy brief was finalized on March 31, 2020.

“At this time, we do not anticipate that the September 2020 CFE will need to be postponed or cancelled.” (CPA Canada, 2020b, p.8)

Perhaps it is time to be proactive in anticipating different scenarios. Therefore, we should consider these scenarios now and plan accordingly. A series of questions and options are provided to contribute to the ongoing discussion.

## Context

Ferguson et al. (2020) and many others indicate that the COVID-19 situation is historic in its severity. The novel coronavirus COVID-19 brings many uncertainties for the public, organizations and various levels of governments.

A basic unanswered question is: How long will the uncertainty last?

The short answer is: We don't know.

On March 16, 2020, the CPA profession (CPA Canada, 2020a) announced the cancellation of the May 2020 Common Final Examination (CFE) and some other activities. The students enrolled in the May 2020 CFE have been automatically enrolled in the next CFE (September 2020).

We should not forget that the September 2019 CFE experienced major technical difficulties. Is the next CFE 100% ready, regardless of COVID-19?

### *Public health measures*

Ferguson et al. (2020, p.1) indicate two fundamental strategies: “mitigation, which focuses on slowing but not necessarily stopping epidemic spread – reducing peak healthcare demand while protecting those most at risk of severe disease from infection” and “suppression, which aims to reverse epidemic growth, reducing case numbers to low levels and maintain that situation indefinitely”. Based on epidemiological modeling, various mitigation interventions “will need to be maintained until a vaccine becomes available (potentially 18 months or more) – given that we predict that transmission will quickly rebound if intervention are relaxed.” (Ferguson et al., 2020, p.2).

In addition to the question about the duration of the COVID-19 crisis, will we see one or several waves of infection? If no vaccine is available, the period of crisis, with fluctuating levels, could last a while.

A public education campaign by the Government of Ontario (2020) proposes public health measures to reduce the spread of COVID-19. Some of these measures are more relevant to the examination:

- “Avoid contact with others and stay home.
- Practice physical distancing. Stay two metres from other people. [...]
- Wash hands with soap and water thoroughly and often.
- Clean high-touch surfaces regularly.”

“The latest guidance from public health authorities is to cancel or postpone all large gatherings and to restrict any non-essential activities, including exam writing.” (CPA Canada, 2020b, p.7)

### *Impact on many stakeholders*

With the mandatory closures and disruptions, everyone feels the impact of COVID-19. Organizations rely on professional accountants in a crisis situation for various purposes, for example: cash flows, taxation, reorganizations, negotiation, insurance disputes, information technology, and strategy. Members of the public and their families can also face personal hardships in terms of lost jobs, lack of liquidity, death, and need the advice an accountant regarding: cash flow, loans, remuneration, government assistance package, personal finances and savings, taxation, and estate planning. After all accounting services are considered essential services in Ontario. CPA may choose to reduce their own activities, especially for those with higher risks in an effort to protect their own health (Angelos et al., 2020).

In addition to general concerns regarding public health, the CFE decisions will also have a special impact on the stakeholders closer to the CFE process, such as the CPA profession, CPA bodies' staff, staff administering the exam, CPA students, university professors and staff, and employers (firms, industry, public sector).

CPA examination is a shared responsibility between national, provincial and regional CPA bodies in Canada, i.e. the CPA profession. It is nationally developed and approved by each provincial/regional body. As public health is also a shared responsibility, different rules apply in different provinces, which may create lack of uniformity.

The main concern should be toward CPA Students as CFE takers. They should know well in advance what could happen depending on foreseeable situation. Students have a high stakes in the CFE, such as time to study, employment limbo, in addition to their own personal issues.

### **Spectrum of decisions**

“The CFE is a high stakes exam that is a requirement for entry into the profession. It is critical that we do not compromise the integrity of this exam by offering it in a different format that does not provide the same level of testing or rigor as previous offerings.” (CPA Canada, 2020b, p.7). Questions are structured around the 5Ws and H: why, where, what, when, how, who.

#### *Why*

“In addition to formative examinations throughout the program, the CPA certification program culminates in a summative final examination that evaluates candidates on the competencies defined by the Competency Map.” (CPA Canada, 2018, p.4)

As part of university programs, such as the Sprott/Carleton Master of Accounting (MAcc), many summative examinations and assessment occurred during the program.

Is another assessment like the CFE just a confirmation of previous ones?  
Does the CFE have a sufficient value added?  
What is the main objective of CFE in assessing competencies?  
Is it necessary to assess by a common exam?

Should we maintain the usual supply flow of new accountants into the accounting profession or could we skip a period of new CPAs? Maybe some other competencies, not tested during the CFE are more relevant in a time of crisis, such as skills to function online.

### *Where*

“The next CFE is scheduled to be written on September 9-11, 2020 at designated examination writing centres throughout Canada, Bermuda, the Caribbean, and specific cities in China. Candidates need to be onsite at a designated writing centre to write the CFE as remote proctoring is not an available alternative.” (CPA Canada, 2020b, p.9)

Considering physical distancing, how many people could be in the same examination writing centre?

How many centres should be designated?

How many persons should be in the same room (large room vs small room vs one person per room)?

Will sufficient room capacity be available during the period selected?

Will internet access be a problem?

Will accommodations to students be available in every center?

Will health precautions be in place in every centre?

### *What*

“The September 2020 CFE will continue to align with the 2019 Competency Map, except that candidates will no longer be responsible for the new data analytics and information systems (DAIS) competencies or the new GST/HST competencies included in this version. All other changes to the Competency Map will be testable.” (CPA Canada, 2020b, p.8) (see also CPA Canada, 2018)

What will be the competencies under examination?

What access will writers have to reference material (CPA Handbooks and Income Tax Act)?

Which capstone cases will be used for Day 1 CFE?

### *When*

In the near future, exams are already planned for September 2020, May 2021, and September 2021.

## How

Presently, the CFE is a 3-day written exam in long answer format using a computer.

Could it be done differently?

Should it stay at 3 days or be less?

Should the written format be questioned? Option: oral exam?

Should the CFE be in-person? Option: online?, take-home exam? report preparation?

Should the CFE be with long answer? Option: short answer, multiple choice, true/false

Will a computer be available / provided to all students?

## Who

Should students enrolled in CPA programs vs accredited university programs have the same treatment?

Should students who failed previous CFE be on the same level as new students?

What about students requiring accommodations?

## Principles for decisions

Some guiding principles could help in examining the various options, such as: equity and fairness, simplicity, accessibility, transparency, and costs.

## Options

There is recognition by the profession to consider options. “The CPA profession will be considering alternatives to in-person writing centres should it become apparent that social distancing will be required for a protracted period of time.” (CPA Canada, 2020b, p.4)

Various dimensions of the CFE assessment could be raised to obtain various options by combining them. Four dimensions are examined, namely: timing, methods, centres and location (see Table 1).

Table 1 – Dimensions to obtain various options for CFE assessment

<i>Timing</i>	<i>Method</i>	<i>Centres</i>	<i>Location</i>
No postponement	CFE style	Same centres	In person
Postponement	- same (3 days)	More smaller centres	- large room
Cancellation	- light (1-2 days)		- small room
- in 2020 only	Multiple choice question exam		- solo room
- in 2020 and after	Oral exam		Online

## *Timing*

### No postponement

Assume situation stabilized enough to avoid postponement or cancellation.

What happen if a new wave of infection appears after decision to continue with September 2020 CFE?

### Postponement

With the September 2020 CFE, cancellation of May 2020 CFE by the CPA profession is a decision to postpone all exams in June 2020 or after. Students may choose “a deferral and enroll for a latter sitting of their choice” (CPA Canada, 2020b, p.6).

If postponement is chosen, what happen to students that should enter the profession this year by passing their exam?

What will trigger to return to normal and when will be the next CFE?

### Cancellation of the CFE

No more CFE to become CPA?

Automatic success with accredited professional education program success?

If only in 2020

Will those students be considered at the same level as other CPA if only for a year?

Would the students need to take other requirements, such as completion of courses or other activities, affidavit of competence by employer/supervisor ?

If in 2020 or every year thereafter

What is the impact of the reputation of the profession?

Will other requirements be needed?

Will professional education program need to be more strict on access / success?

Will a new accreditation professional education program be put in place to replace CFE (similar to engineers' process)?

## *Method*

### CFE style

It could be the same CFE style (3 days) or a light version (1-2 days).

### Multiple choice questions exam

Could multiple choice questions exam be implemented?

### Oral

Could oral examination be implemented?

## *Centres*

### Same centres

Will the same centres be kept?

### More smaller centres

Will more smaller centres be accredited?

## *Location*

### In person

Will the CFE still be in person?

Will it be in large, small or solo rooms?

### Online

Will online examination be implemented?

What would be the integrity protection against plagiarism?

## **Need for Decisions**

Considering the circumstances, public health measures and rapid disruption, cancelling the May 2020 CFE was a good decision. Now it is time to examine the options and decide on the September 2020 CFE. "The profession is dedicated to supporting students in their pursuit towards the CPA designation with the least amount of disruption as reasonably possible." (CPA Canada, 2020a)

A lot of questions need to be raised to tackle the COVID-19 crisis. Those questions (and others) about the CFE need to be answered and decisions to be made. More analysis is needed to find answers to questions.

We need to be careful in considering the impact of those decisions on students, clients, future accountants and accounting profession. We don't know how long the uncertainty will last. Will we see one or several waves of infection?

The challenges in front of us are numerous and multidimensional, namely logistical, financial, economic, human and social factors.

A special situation requires special consideration. It is a delicate balancing act, which needs to be taken seriously and in a timely manner.

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