

Designations – What Do They Mean?

Accounting Designations

Chartered Accountant (CA)

Chartered Accountants, or CAs, are business professionals who generally work in four key areas. About 40% of CAs are in public practice, while the other 60% are employed in industry, government, or education.

Public Practice

All CAs, at some time during their career, work as advisors in public practice, providing accounting and business advice to clients in areas such as small business tax, audit, information technology, personal financial planning, business valuation, receivership, insolvency and forensic investigation.

Industry

CAs who work in industry develop financial and administrative policies, analyze information, and provide strategic leadership. CAs add value to organizations as CEO/President, Treasurer/V.P. Finance, Controller, or as financial planners.

Government

All levels of government require accounting expertise to guide financial planning and to maintain fiscal control. Federal and provincial departments, Crown corporations and a variety of health-care and welfare organizations employ CAs as tax auditors, policy planners and financial analysts.

Education

Many CAs are educators who make a valuable contribution to society by teaching future leaders about business, values and ethics. Many of Canada's top educators are CAs.

To become a Chartered Accountant, the CA student must pass a comprehensive set of exams that covers all areas of accounting, auditing, and taxation plus completing their practical experience requirements. These exams are all written at the same time, so the student needs to know the entire syllabus when writing the exams. Because of this, the CA is generally considered the hardest accounting designation to get. The practical experience must first include working at a CA firm in public practice.

Certified Management Accountant (CMA)

CMA Canada grants a professional designation in management accounting and regulates its members under the authorization of provincial legislation. CMA Canada, a self-regulating body, maintains the highest standards, practices and professional conduct in management accounting to protect the public interest.

The CMA designation rests on a foundation of three interrelated and interdependent dimensions: accounting, management, and strategy. These three pillars of the profession form a knowledge base

supporting the wider business territory that many different designations, degrees, and specialized programs seek to serve. At the centre of this three-dimensional framework, is the more specific territory of the strategic management accounting profession and the individual strategic management accounting professional within it. This differentiated territory is secured by the integrative and balanced application of knowledge and expertise from all three areas. (I copied this from their website but I'm not sure what it means).

CMA students must pass a series of exams covering the entire CMA curriculum while fulfilling their practical experience requirements. The practical experience is obtained by holding one or more positions at various companies or government organizations. Because the exams are spaced out over a number of years, it is generally considered a little easier to obtain the CMA designation than the CA designation (I am perhaps biased in this view.)

Certified General Accountant (CGA)

Founded in 1908, the Certified General Accountants Association of Canada is a self-regulating, professional association of 73,000 students and Certified General Accountants. CGAs work throughout the world in industry, commerce, finance, government, public practice and other areas where accounting and financial management is required. CGA clients range from major corporations and industries to entrepreneurs. Their expertise is valued in the public sector, government and the corporate world.

The process for becoming a qualified CGA is very similar to that of the CMA students, though the curriculum is somewhat different. Because the exams are spaced out over a number of years, it is generally considered a little easier to obtain the CGA designation than the CA designation (again, I am perhaps biased in this view.)

Financial Planning Designations

Financial planning is a process that determines how you can best meet your life goals through the proper management of your financial affairs.

Key to effective financial planning is the ability to take into account all relevant aspects of your financial situation, and to identify and analyze the interrelationships among sometimes conflicting objectives. It is this unique integration of knowledge and skills across a broad range of topics that distinguishes professional financial planning from other related financial advice.

Certified Financial Planner (CFP®)

The CFP® mark identifies individuals who are dedicated to the highest level of professionalism in providing financial planning advice. The CFP® credential assures that the planner adheres to internationally recognized professional standards of competence and ethical practice as set in Canada by the not-for-profit Financial Planners Standards Council (FPSC). CFP® standards include requirements in education, examination, experience and ethics.

Most provinces do not regulate the use of the term "financial planner." CFP® certification is your assurance that your planner has completed a rigorous course of study approved by FPSC, passed the only independently developed national comprehensive examination (the CFP® Examination) for financial

planning, and is committed to ongoing professional development and adherence to the professional CFP® Code of Ethics and CFP® Financial Planning Practice Standards developed and enforced by FPSC.

The CFP® Financial Planning Practice Standards describe what should happen during the financial planning process, providing guidance on how the CFP® Code of Ethics is practically applied in every financial planning situation each step of the way.

Registered Financial Planner (R.F.P.)

The Institute of Advanced Financial Planners and its hallmark professional designation, the R.F.P. (Registered Financial Planner) represents the highest standard of excellence in the competency of financial planning. The Institute exists to provide a level of assurance and peace of mind to the public when they are seeking advisors capable of delivering advanced financial planning solutions. Our Professional Members (“R.F.P.s”) are dedicated planners, capable of providing impartial, comprehensive advice for complex cases, and committed to furthering the financial knowledge and well-being of Canadians. Our members have not only acquired formal professional training, but have proven by exam and example that they can provide written financial plans of the highest quality and to the most stringent standards. This sets R.F.P.s apart from all other individuals holding themselves out as financial planners. The public can be assured when dealing with an R.F.P., that they will be receiving comprehensive financial planning advice from one of the most qualified financial planners in Canada.

Chartered Life Underwriter (CLU)

A CLU designation gives professional financial planners and underwriters the skills to provide professional advice in all areas of wealth transfer and estate planning for individuals, business owners and professionals. For more than 80 years, the CLU designation has been widely recognized and respected throughout the industry as a mark of superior educational standards and professional excellence.

The CLU program consists of three specialized courses that provide additional learning in:

1. Life insurance applications
2. Insurance law and taxation
3. Applied estate planning

The content of these courses builds upon the concepts found in the courses leading to the CFP® designation. An advisor earns the CFP® designation to substantiate his/her expertise as a financial planner.