

## **BACKGROUND NOTE ON ACTION PLANS**

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

### **Use of Information**

Please refer to the [Disclaimer](#) published on the Compliance Program website.

### **ACTION PLAN**

<b>IFAC Member:</b>	<b>Chartered Professional Accountants of Canada (CPA)</b>
<b>Approved by:</b>	<b>Chartered Professional Accountants of Canada (CPA)</b>
<b>Last Updated:</b>	<b>September 2018</b>
<b>Next Update:</b>	<b>September 2020</b>

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<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<sup>2</sup> *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

## GLOSSARY

<b>AASB</b>	Auditing and Assurance Standards Board
<b>AASOC</b>	Auditing and Assurance Oversight Council
<b>AcSB</b>	Accounting Standards Board
<b>AcSOC</b>	Accounting Standards Oversight Council
<b>CAS</b>	Canadian Auditing Standards
<b>CCE</b>	Council of Chief Executives
<b>CPA</b>	Chartered Professional Accountant
<b>CPAB</b>	Canadian Public Accountability Board
<b>CPAC</b>	Chartered Professional Accountants of Canada
<b>CPA Code</b>	CPA Code of Professional Conduct
<b>CPLD</b>	Continuous Professional Learning and Development
<b>DRG</b>	Discipline Resource Group
<b>EDWG</b>	Exposure Draft Working Group
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Education Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>IEIPS</b>	International Education Information Papers (IEIPs)
<b>IEPS</b>	International Education Practice Statements
<b>IES</b>	International Education Standards
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IESBA Code</b>	IESBA Code of Ethics for Professional Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>IQAB</b>	International Qualifications Appraisal Board
<b>ISA</b>	International Standards on Auditing
<b>ISQC</b>	International Standard on Quality Control
<b>ITF</b>	Independence Task Force
<b>PIP</b>	Practice Inspection Program
<b>Provincial body(ies)</b>	Provincial accounting body(ies) for Chartered Professional Accountants
<b>PSAB</b>	Public Sector Accounting Board
<b>PTC</b>	Public Trust Committee
<b>SMO</b>	Statement on Membership Obligation
<b>URSC</b>	Unified Rules Standing Committee

**Action Plan Subject:** SMO 1–Quality Assurance  
**Action Plan Objective:**

**Background:**

The Public Trust Committee (PTC) oversees the ethics standards and self-regulatory processes of the Chartered Professional Accountant (CPA) profession and serves to protect the integrity of the profession while maintaining public confidence and trust. The PTC reports to the Chartered Professional Accountants of Canada (CPAC) board through the profession's Council of Chief Executives (CCE).

The Provincial accounting bodies for Chartered Professional Accountants (Provincial bodies) have appropriate mandatory programs that provide for external quality assurance review (practice inspection) of members/firms.

As part of its IFAC membership and best endeavors in meeting the SMO requirements, CPAC will continue to develop programs and activities and maintain existing ones.

The Provincial bodies derive their powers, including the power to conduct inspections, from a statute in their provincial jurisdiction. Chartered Professional Accountants in Canada must be members in good standing of at least one Provincial body, thereby becoming a member of the National body, CPAC. The Provincial bodies are responsible for the practice inspection program for Chartered Professional Accountants (CPAs) who perform assurance services (audits or reviews), compilations and other services. In addition, pursuant to memorandums of understanding with the Canadian Public Accountability Board (CPAB), the Provincial bodies share the responsibility for inspecting CPAs that perform audits of public companies. For further details on the role of CPAB see the following website: <http://www.cpab-ccrc.ca>. CPAB's QA review system is in line with the requirements of SMO 1.

The objective of practice inspection is protection of the public by assessing the compliance with professional standards of members/firms that perform assurance, compilation and other specified engagements.

CPAC has set out a Canadian standard on quality control (CSQC1) for firms that perform audits and reviews of financial statements, and other assurance engagements. Other standards exist such as: Canadian auditing standard 220 (CAS 220) – quality control for an audit of financial statements (CPA Canada Assurance Handbook part I) and General assurance and auditing section 5030 – quality control procedures for assurance engagements (CPA Canada Assurance Handbook part II) which parallel the International Standards in Quality Control (ISQC) 1.

Each Provincial body has a statutory inspection committee to govern the practice inspection process. The Provincial bodies support and adhere to SMO 1.

**Action Steps:**

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Establishing/Supporting the Establishment of QA review system</i>					
<i>Support Implementation of Quality and Assurance review system</i>					
	Ongoing	The Provincial bodies carefully review all reports from CPAB to identify areas where common deficiencies are noted in order to bring this to the attention of firms in order to identify areas for improvement. As well, if significant deficiencies are noted for particular firms, these are reviewed by the Provincial bodies to determine whether or not remedial action should be undertaken.	Ongoing	Provincial bodies	Provincial bodies
	Ongoing	<p>The Council of Chief Executives (CCE) has an inter-institute committee, the Public Trust Committee (PTC), that reviews recommendations as to harmonized practice inspection programs. The CCE is comprised of the senior executive of each Provincial body and serves as the management of the CPA profession so that CPA Canada and the provincial bodies align current and future business plans to share resources, enhance commonality, and implement strategic directions and plans approved by the CPA Canada Board of Directors and provincial governing bodies. The CCE is accountable, as a body, to the CPA Canada Board of Directors. Members of the CCE are asked to arrive at CCE meetings with authority from their Board to engage in decision-making.</p> <p>The CCE has the following responsibilities:</p> <ul style="list-style-type: none"> <li>• Develop strategic and policy recommendations for presentation to the Board and to Provincial bodies' Boards as appropriate.</li> <li>• Develop and maintain strategic (longer-term) and business plans (shorter-term) for presentation to the CPA Canada Board of Directors and Provincial bodies' Boards.</li> </ul>	Ongoing	CCE	PTC

#	Start Date	Actions	Completion Date	Responsibility	Resources
		<ul style="list-style-type: none"> <li>• Implement strategy by developing and implementing business plans, assembling necessary resources and coordinating relevant relationships.</li> <li>• Identify and foster opportunities where Institutes/Ordre resources might be used more efficiently and effectively, such as co-venturing, contracting services by one Institute to another, coordinating or integrating program/projects.</li> <li>• Monitor performance and conduct periodic self-assessments.</li> <li>• Conduct affairs in the spirit of the Collaboration Accord.</li> </ul>			
	Ongoing	<p>The PTC monitors and reviews developments related to best practices in practice inspection processes through the establishment of a Practice Inspection Program Standing Committee (PIPSC).</p> <p>The PIPSC has developed recommendations to achieve best practices in practice inspection that meet or exceed SMO 1 requirements. The Provincial bodies have adopted these recommendations on a best efforts basis.</p> <p>Recommendations have been made in the areas of:</p> <ul style="list-style-type: none"> <li>• Practice Inspection Objective</li> <li>• Scope</li> <li>• Inspection Criteria</li> <li>• Quantum of Files for Inspection</li> <li>• Cycle of Inspections (Risk adjusted cycle-based approach)</li> <li>• Evaluation of Deficiencies Methodology</li> <li>• Inspection Committee and Inspector Qualifications and Training</li> <li>• Inspection Committee Process</li> <li>• CPA public accounting training office review program.</li> </ul>	Ongoing	PTC	PIPSC Provincial bodies
	Ongoing		Ongoing	PTC	PIPSC Provincial bodies

#	Start Date	Actions	Completion Date	Responsibility	Resources
	Ongoing	<p>The PIPSC reports to the Public Trust Committee. The roles and responsibilities of the PIPSC include supporting all Provincial bodies in the application of the harmonized practice inspection program, evaluating the consistency of the application of the PIP, monitoring international developments with respect to SMO 1 and other regulatory and environmental changes, and proposing any necessary changes to the PTC. The PIPSC is also responsible for working in collaboration with CPAB.</p>	Ongoing	PTC	PIPSC
	Ongoing	<p>Perform periodic review of CPA Canada response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated inform IFAC Compliance Staff about the updates in order for the Compliance staff to republish updated information.</p>	Ongoing	CPA Canada Executive Office	PTC PIPSC Provincial bodies CPA Canada Staff

**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB

**Action Plan Objective:**

**Background:**

Based on its responses to the questions on SMO 2 CPA Canada believed that the education standards in place for Canadian CPAs meet or exceed the relevant IAESB standards.

For a discussion about the legal responsibilities relating to the education of Canadian CPA students see CPA Canada’s response to Part 2.

The CPA Canada SMO 2 objective is to use its “best endeavours” to persuade the Provincial bodies to incorporate the essential elements of International Education Standards (IESs) in their requirements and to assist them, as necessary, with the implementation of IESs.

The Provincial bodies have demonstrated their interest in ensuring that they support and adhere to the IESs.

**Action Steps:**

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Adoption/Supporting Adoption of IESs</i>					
1	April 2013	<p>The Canadian CPA profession’s Council of Chief Executives (CCE) has two inter-institute education committees, The Professional Education Management Committee (PEMC) which coordinates all initial professional development for the Canadian CPA Profession and the Professional Learning and Development Strategy Committee (PLDSC) that co-ordinates all continuing professional development. CPA. Canada’s Vice President, Education, is a member of both the PEMC and the PLDSC and provides the group with information on IAESB developments and other international education developments of interest. Provincial body staff are also members of both of these Committees.</p> <p>CPA Canada has an on-going cyclical process for reviewing its educational requirements. The three-year cycle starts with a review and update of the CPA Competency Map, which in turn</p>	On-going	CPA Canada Senior Vice President External Relations and Business Development Vice President Education, PEMC, PLDSC, CCE	CPA Canada Education Services Staff; CPA Canada partners

#	Start Date	Actions	Completion Date	Responsibility	Resources
		<p>is followed by a review and update of the professional programs that lead to the CPA designation. The International Accounting Education Standards Board's (IAESB) International Education Standards (IES) and Practice Statements are part of this review to ensure that CPA Canada programs meet or exceed IES.</p> <p>Monitoring of CPLD is done by the Provincial bodies. A National Standard has also been established for Continuous Professional Learning and Development (CPLD). This Standard defines requirements for members to pursue post designation learning to develop their individual competency during their career progression. The Standard is aligned to IES with the most recent changes to IES 8 recommended for adoption by the provincial bodies before January 1, 2019.</p>			
2	On-going	Upon review by the CCE and its education committee's best endeavors are made to see that compliance with the international standards is maintained whether this involves a change in the CPA profession's processes or employers' processes.	On-going	CPA Canada Vice President Education	CPA Canada Education Services Staff; CPA Canada partners
3	On-going	<p>A. Once a pre-qualification IES has been approved (or amended) it is brought to the attention of the CPA profession's Competency Map Committee by CPA Canada's Vice President, Education. The Committee includes the new or revised IES as part of its annual review of the competency map and ensures that the Canadian standards meet or exceed the international ones.</p> <p>Canadian universities generally look at the CPA Competency Map rather than to international standards, when they are deciding on content and programs.</p> <p>B. Once an IES dealing with post-qualification matters has been approved (or amended) it is brought to the attention of the PLDSC or other appropriate Committee by CPA Canada's</p>	On-going	CPA Canada Vice President Education	<p>CPA Canada V-P, Education Staff support, PEMC, PLDSC, Competency Map Committee</p> <p>Reviews by Provincial bodies</p> <p>Reviews by the Ontario Public Accountants Council</p>



#	Start Date	Actions	Completion Date	Responsibility	Resources
		<p>Vice President, Education. The PLDSC includes the new or revised IES as part of its review of post-qualification education standards and ensures that Canadian CPA education standards meet or exceed the international ones.</p> <p>C. The Canadian CPA Certification Program is offered through the Professional Education Program developed by CPA Canada and delivered by the Provincial bodies (i.e., offered provincially or regionally) or through post-secondary programs accredited by the CPA Profession. The Post-Secondary Programs are accredited by the CPA Provincial Bodies. These accreditations are completed under the auspices of <i>CPA Canada Accreditation and Recognition Standards for post-Secondary Institutions</i> which require as part of these standards that all accredited universities adhere to the requirements CPA Competency Map and, therefore, with international standards. Copies of the <i>CPA Canada Accreditation and Recognition Standards for Post-Secondary Institutions</i> can be found at</p> <p><a href="https://www.cpacanada.ca/en/become-a-cpa/pathways-to-becoming-a-cpa/national-education-resources/cpa-recognition-and-accreditation-standards">https://www.cpacanada.ca/en/become-a-cpa/pathways-to-becoming-a-cpa/national-education-resources/cpa-recognition-and-accreditation-standards</a></p> <p>The CPA profession's Professional Education Program is also reviewed annually by an external regulatory body, the Ontario Public Accountants Council. This review is conducted by an Education Assessment Team comprised of leading academics and experts in evaluations to ensure that the Canadian CPA Professional Education Program meets the standards established for public accounting education in the province of Ontario.</p>			
<p><i>Support Implementation of Educational Standards</i></p>					

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resources</b>
1.	On-going	Upon review by the CCE and its education committees best endeavors are made to see that compliance with the international standards is maintained whether this involves a change in the CPA profession's processes or employers' processes.	On-going	CPA Canada Vice President Education	CPA Canada Education Services Staff; CPA PEMC; CPA PLDSC; Provincial bodies
2.	On-going	IES are reviewed on an on-going basis as they are introduced. Significant changes are incorporated into the CPA Certification Program on an annual basis as required; however, many changes occur on a three-year cycle with the review of the CPA Competency Map and Professional Programs updates.	On-going	CPA Canada Vice President Education	CPA Canada Education Services Staff; CPA PEMC; Provincial bodies
3.	On-going	International Financial Reporting Standards (IFRS), (as well as Accounting Standards for Private Enterprises "ASPE"), has been incorporated into the CPA Professional Programs. This includes all standards that are implemented or scheduled for implementation in Canada.	On-going	CPA Canada Vice President Education	CPA Canada Education Services Staff; CPA PEMC; Provincial bodies
4.	On-going	Ensure that CPA Canada National Standards for Certification and CPLD are aligned with IESSs. Revisions are approved by CPA Council of Chief Executives for adoption by all CPA Provincial bodies.	On-going	CPA Canada Vice President Education	CPA Canada Education Services Staff; CPA PLDSC;CPA PTC;Provincial bodies
5.	On-going	CPA Canada continues to consult with subject matter experts in developing materials for the CPA Certification Program that cover accounting, assurance and taxation requirements in Canada as they are introduced.	On-going	CPA Canada Vice President Education	CPA Canada Education Services Staff; CPA PEMC
6.	On-going	A National Standard for CPLD has been established. Revisions are approved by CPA Council of Chief Executives for recommended adoption by all Provincial bodies.	On-going	CPA Canada Vice President Education	CPA Canada Education Services Staff; CPA Council of Chief Executives;CPA PTC;Provincial bodies

#	Start Date	Actions	Completion Date	Responsibility	Resources
7.	On-going	CPLD is monitored by the Provincial bodies and complies with IES requirements. CPLD is mandatory in all jurisdictions. Monitoring CPLD includes annual member confirmation of compliance and is followed up by a random audit process.	On-going	CPA Canada Vice President Education	CPA Canada Education Services Staff; CPA PLDSC; CPA PTC; Provincial bodies
<i>Contributing to International Standard-Setting</i>					
1.	April 2013	CPA Canada maintains a webpage on their site with the activities of the IAESB and a direct link to IESSs, IEPSs and International Education Information Papers (IEIPs). See:	On-going	CPA Canada Vice President Education	CPA Canada Education Services Staff
2.	On-going	CPA Canada indicates its interest in and commitment to the work of the IAESB by nominating, when appropriate, potential members to serve on the IAESB.	On-going	CPA Canada Vice President Education; CPA Canada Board	CPA Canada Education Services Staff; Provincial bodies
3.	On-going	When CPA Canada does not have a member nominated by it serving on the IAESB, it will consider whether to send an observer to IAESB meetings to assist it in keeping abreast of IAESB developments and providing input to the IAESB on a timely and informed basis.	On-going	CPA Canada Vice President Education; CPA Canada Board	CPA Canada Education Services Staff; Provincial bodies
4.	On-going	Through the CPA Canada's International Qualifications Appraisal Board (IQAB), the Canadian CA profession reviews the qualification processes of professional accounting bodies around the world, providing a regular opportunity to monitor best practices in the implementation of IESSs.	On-Going	CPA Canada Vice President Education	CPA Canada Education Services Staff; CPA IQAB

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resources</b>
5.	On-going	CPA Canada participates with leading professional accounting bodies around the world in the review and monitoring of best practices with the GAA including submitting the Canadian CPA program to review by other GAA bodies ("peer review") to ensure the maintenance of high standards that meet or exceed those established in the IESs.	On-Going	CPA Canada Vice President Education	CPA Canada Education Services Staff; GAA Bodies Education Staff
6.	On-going	CPA Canada and the Provincial bodies frequently sponsor accounting educator symposia/workshops at which IAESB developments are reviewed with the academic community and their impact on accounting education and research is discussed.	On-Going	CPA Canada Vice President Education; Provincial bodies Education Staff	CPA Canada Education Services Staff; Provincial bodies Education Staff; CPA Council of Chief Executives; Canadian Academic Accounting Association (CAAA)

**Action Plan Subject:** SMO 3—International Standards and other Pronouncements Issued by the IAASB

**Action Plan Objective:**

**Background:**

**Suggested Content:**

The Canadian Auditing and Assurance Standards Board (AASB) has adopted International Standards on Auditing (ISAs) as Canadian Auditing Standards (CASs) and International Standard on Quality Control (ISQC 1) as CSQC 1. CPA Canada uses its best endeavours to assist AASB in adopting the ISAs and ISQCs.

The current auditor reporting standards have been approved in Canada by the AASB. Due to the close integration of the Canadian and US capital markets our stakeholders indicated that the AASB needs to consider the direction and timing of the PCAOB’s proposed auditor reporting standards in order to be able to determine the impact on stakeholders of the US standards in Canada. For this reason, the auditor reporting standards were approved with an exception on reporting key audit matters (KAM). For listed entities, KAM will be reported only where law or regulation requires it or if an auditor voluntarily decides to report KAM as part of the audit. The effective date of the auditor reporting is December 15, 2018. Now that the PCAOB has finalized its reporting standard, the AASB is working towards making revisions to the scope and timing of KAM reporting. Its intent is that Kam reporting will initially be required for audits of financial statements of TSX listed entities for periods ending December 15, 2020.

The AASB is working with CPAC and others to assist with the effective implementation of the new auditor reporting standards through a broad range of communications, tools and guidance materials for stakeholders. The AASB is also monitoring the implementation of auditor reporting standards in Canada in addition to the post-implementation review that the IAASB is scheduled to conduct. As well, the AASB is working with Australian standard setter to determine the impact of the adoption of the standards in Australia.

**Action Steps:**

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption/Supporting Adoption of ISAs</i>					
	June 2006	Continue to support AASB’s policy of adopting in Canada all ISAs and international quality control standards, with minimal amendments (in accordance with published criteria) to deal with circumstances particular to Canada. Such adoption is made using AASB’s due process.  <i>Links to supporting materials on CICA websites:</i> 1. Adopting International Standards on Auditing (ISAs). <a href="http://www.frascanada.ca/auditing-and-assurance-">http://www.frascanada.ca/auditing-and-assurance-</a>	Ongoing	CPAC Vice President, Standards	AASB AASB volunteer task forces CPAC auditing and assurance standards staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p><a href="http://www.frascanada.ca/auditing-and-assurance-standards-board/what-we-do/international-activities/index.aspx">standards-board/what-we-do/international-activities/index.aspx</a></p> <p>2. AASB's due process for adopting ISAs. <a href="http://www.frascanada.ca/auditing-and-assurance-standards-board/what-we-do/due-process/index.aspx#Adopting">http://www.frascanada.ca/auditing-and-assurance-standards-board/what-we-do/due-process/index.aspx#Adopting</a></p>			
	May 2010	Continue to make each new or revised CAS or quality control standard available in the CPAC Handbook-Assurance in English and French within a few months of the publication of the related ISA or international quality control standard.	Ongoing	CPAC Vice President, Standards	CPAC auditing standards staff CPAC operations and quality control staff CPAC Handbook production staff
	June 2006	<p>Continue to maintain CPAC's high quality translation process (from English to French) so that it meets or exceeds IFAC's requirements. Note translation agreement with IFAC exists.</p> <p>Continue to translate into French all final CASs (adopted ISAs) on a timely basis, for inclusion in the French version of the CPAC Handbook-Assurance.</p> <p>Continue to translate in French all proposed CAS (ISA) requirements for inclusion in exposure drafts, and also, where practicable, application and explanatory material.</p>	Ongoing	CPAC Vice President, Standards	CPAC auditing and assurance standards staff CPAC Language Services Dept. French speaking members of AASB
	2006	Continue to support AASB in its process for proactively monitoring IAASB's development of standards for assurance and related services and deciding whether to adopt each standard (with appropriate amendments) for use in Canada. For example, the agenda for each AASB meeting (scheduled one week before each IAASB meeting) will continue to include all matters related to assurance and related services on the IAASB's agenda. Input for each IAASB meeting will continue to be provided for consideration by Canadian representatives at the IAASB table.	Ongoing	CPAC Vice President, Standards	CPAC auditing and assurance staff Members of the AASB Canadian representatives at the IAASB table (including CPAC Nominee on the IAASB when such a Nominee has been appointed).

#	Start Date	Actions	Completion Date	Responsibility	Resource
		(Note: The AASB has a strong preference for adopting other international standards. The decision to adopt an international standard (other than an ISA) is made on a case by case basis). (For example, Canada has adopted, with minimal amendments, ISAE 3410 (GHG emissions) issued in 2012 and ISAE 3000 (Assurance Engagements) in 2015. The AASB will thoroughly debate whether to adopt ISRS 4410 (Compilation Engagements) (approved by IAASB in December 2011).			
<b>Support Implementation of Auditing Standards</b>					
	January 2008	<p>Continue to develop and make available various non-authoritative materials to assist practitioners in implementing CASs (adopted from the ISAs).</p> <p><i>Links to supporting materials on FRAS Canada and CPAC websites:</i>  <a href="http://www.frascanada.ca/canadian-auditing-standards/resources/reference-material/index.aspx">http://www.frascanada.ca/canadian-auditing-standards/resources/reference-material/index.aspx</a>   <a href="https://www.cpacanada.ca/en/business-and-accounting-resources/audit-and-assurance">https://www.cpacanada.ca/en/business-and-accounting-resources/audit-and-assurance</a></p>	Ongoing	CPAC VP, Guidance & Support CPAC Director, Auditing and Assurance Standards	CPAC auditing standards staff CPAC guidance and support staff CPAC continuing education staff
	July 2008	Continue to provide on a timely basis an up-to-date CPAC <i>Professional Engagement Manual</i> (PEM), and an up-to-date <i>Quality Assurance Manual</i> (QAM) that includes non-authoritative guidance related to international standards adopted in Canada for use primarily by those in small and medium-sized practices.	Ongoing	CPAC VP, Guidance and Support	Developers of the PEM CPAC guidance and support staff CPAC auditing standards staff
	May 2008	Continue to coordinate continuing education efforts regarding adopted ISAs among CPAC and the Provincial bodies.	Ongoing	Continuing Education Principal, Financial Reporting and Governance	CPAC staff and consultants involved with continuing education at CPAC and the Provincial bodies

#	Start Date	Actions	Completion Date	Responsibility	Resource
					CPAC auditing standards staff
<i>Contributing to International Standard-Setting</i>					
	1980s	<p>Continue to provide technical support to Canadian representatives on the IAASB. When there is a CPAC Nominee on the IAASB, continue to provide him/her with financial, administrative and technical support.</p> <p>Director, Auditing and Assurance Standards will continue to attend all IAASB meetings as the Technical Advisor to that Nominee. If no CPAC Nominee exists, the Director will attend meetings as an observer</p>	Ongoing	CPAC Vice President, Standards	<p>Canadian representatives at the IAASB table.</p> <p>CPAC auditing and assurance standards staff</p> <p>AASB members CPAC Director, Auditing and Assurance Standards</p>
	1980s	When requested, continue to actively participate as members of various IAASB task forces, working groups or committees. (Examples of such memberships as at January 2016: (i) Ron Salole (IAASB member nominated by CPAC), chair of the Agreed Upon Procedures Task Force and member of the Financial Institutions Working Group); (ii) Eric Turner, member of the IASB Liaison Working Group.	Ongoing	Individual Canadian CPAs who are members of various IAASB groups	Individual Canadian CPAs who are members of various international groups.
	2003	Continue to schedule AASB meetings so that they take place immediately preceding each IAASB meeting, with all significant matters on the IAASB agenda also appearing on the AASB agenda. Provide informative briefing notes (based on AASB discussions) for each IAASB meeting for consideration by Canadian representatives at the IAASB table.	Ongoing	CPAC Vice President, Standards	<p>CPAC auditing and assurance standards staff</p> <p>Members of the AASB Canadian representatives at the IAASB table</p>



#	Start Date	Actions	Completion Date	Responsibility	Resource
	June 2006	Continue to ensure that the AASB publicly exposes each proposed new or revised CAS soon after the issuance of the Exposure Draft (EDs) of each proposed new or revised IASs, and respond to each IAASB ED by the response deadline.	Ongoing	As above	As above
	April 2008	Continue to ensure that the AASB (or, at a minimum, senior CPAC staff) respond to all IAASB EDs of proposed and assurance and related services standards by the stated deadline.	Dec. 2008	Director, Auditing and Assurance Standards	AASB CPAC auditing and assurance standards staff
	1980s	When requested by the IAASB, Canadian representatives will continue to actively participate in task forces, working groups or other committees developing assurance and related services standards. (For example, Phil Cowperthwaite (the CICA Nominee on IAASB for the six years ended Dec. 31, 2011) chaired the task forces developing ISRE 3400 and ISRS 4410 and Christine Sinclair was a member of the task force that developed ISRE 3410).	Ongoing	CPAC's representatives on various IAASB task forces and working groups	Canadian representatives on various IAASB task forces and working groups

**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:**

**Background:**

**Background**

CPA Canada believes that the current Provincial bodies' Codes of Professional Conduct address the same ethics principles as the International Ethics Standards Board for Accountants (IESBA) Code. In substantially all respects, they meet the spirit and intent of the IESBA Code, exceed its rigour and are not less stringent.

CPA Canada has focused on achieving that objective unless specific Canadian circumstances support a public interest reason for a difference.

The conceptual framework, including the "threats and safeguards" approach has been adopted for the independence requirements and will be adopted for the other ethics requirements at the earliest appropriate time.

No recommendations for action in this area were received from IFAC Compliance staff.

The Provincial accounting bodies of Chartered Professional Accountants (Provincial bodies) derive their powers, including the power to set and enforce standards of ethics (through investigation and discipline) from a statute in their provincial jurisdiction.

The Provincial bodies' Codes of Professional Conduct in Canada have been harmonized to the extent possible and are available on the respective Provincial body's website.

CPA Canada's SMO 4 objective is to use its "best endeavours" to ensure that the Provincial bodies adopt a harmonized CPA Code which in all respects meet the spirit and intent of the IESBA Code.

The Provincial bodies have demonstrated their interest in ensuring that they support and adhere to the IESBA Code. Recent changes to the IESBA Code such as NOCLAR are being considered by the PTC in the context of Canadian laws, regulations and public interest.

The AASB approved revisions to CAS 250, *Consideration of Laws and Regulations in an Audit of Financial Statements*, and conforming amendments to other standards, related to adoption of the IAASB's limited amendments to address non-compliance with laws or regulations. The AASB concluded that changes made in finalizing the standards were not significantly different from the proposals in the Exposure Draft and, therefore, no re-exposure is necessary. The amendments will be effective for financial statement periods ending on or after December 15, 2018 and are expected to be included in a Handbook update in early 2017.

The auditor's required work effort to consider laws and regulations in an audit of financial statements does not change as a result of the revisions to CAS 250 and related conforming amendments. Further, Canadian auditors will likely only need to follow the IESBA standard:

- if and when the Canadian profession's ethical standards change to adopt it
- when compliance with the IESBA code is required as part of the audit engagement (for example, when audits must comply with the ISAs)

In circumstances where Canadian auditors encounter situations of NOCLAR in their audits, the IESBA standard may be a useful reference source on actions auditors may take. However, until a deeper analysis is done to compare existing Canadian rules of professional conduct, laws and regulations with the IESBA standard, caution may be needed. For example, the IESBA standard extends the circumstances when auditors may report to an appropriate authority outside the entity without breaching the duty of confidentiality. There may be limitations in this respect in a Canadian context.

**Action Steps:**

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption/Supporting Adoption of IESBA Code of Ethics</i>					
	Ongoing	The PTC monitors closely the activities of the IESBA. The PTC reviews all of the IESBA's work products and distributes them for comment and review with a view to adopting any changes required in Canada.	Ongoing	Public Trust Committee (PTC) Council of Chief Executives (CCE)	EDWG URSC ITF Provincial bodies
	Ongoing	The Canadian CPA profession's CCE has an inter-institute committee, the PTC that reviews proposed changes to the IESBA Code and monitors IESBA developments and other international ethical developments of interest.	Ongoing	CCE	PTC
	Ongoing	When the IESBA issues exposure drafts on proposed changes to the IESBA Code for comment, the PTC circulates them to the Provincial bodies, gathers their comments together and prepares a Canadian CPA profession response to the IESBA.	Ongoing	PTC	Provincial bodies EDWG URSC ITF
	Ongoing	Once an amendment to the IESBA Code has been approved it is considered and referred by the PTC to the Unified Rules Standing Committee (URSC) for further consideration and drafting as appropriate for Canadian use.	Ongoing	PTC	URSC Provincial bodies
	Ongoing	The proposed amendments are circulated to the Provincial bodies for review and comment and ultimately for approval.	Ongoing	URSC	Provincial bodies

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Support Implementation of IESBA Code of Ethics</i>					
	Ongoing	See the general information on PTC monitoring of IESBA developments. It is anticipated that these processes are capable of adapting to handle future monitoring needs. Should the need arise PTC will augment these processes as necessary.	Ongoing	PTC	N/A
	September 2008	<p>We have been monitoring any changes to the IESBA Code and established an Independence Task Force to review any amendments to the Independence standards in order to identify necessary changes to the Canadian rules.</p> <p>(The Provincial bodies' rules and standards meet or exceed the IESBA Code unless a difference is required in regards to Canadian laws, regulations or the public interest. Most recent changes to the Independence rules recommended to the Provincial bodies in 2016 related to breaches and contingent fees. Other recent changes to the IESBA Code such as NOCLAR are being considered and any changes will require extensive consultation).</p>	Ongoing	PTC	ITF URSC Provincial bodies
<i>Contributing to International Standard-Setting</i>					
	When appropriate	CPA Canada indicates its interest in and commitment to the work of the IESBA by nominating, when appropriate, potential members to serve on the IESBA.	Ongoing	CPAC Board of Directors	CPAC President CCE
	Ongoing	<p>A member of the current IESBA was nominated by CPA Canada. The PTC provides technical advice and support to that member. The resources of the Provincial bodies are available to support the PTC and the member.</p> <p>A new member of IESBA, nominated by CPA Canada, has been approved to serve.</p>	<p>Appointment effective until December 31, 2017</p> <p>Appointment effective January 1, 2018</p>	CPAC Board of Directors	CPAC President CCE PTC

#	Start Date	Actions	Completion Date	Responsibility	Resource
	When appropriate	When CPA Canada does not have a member nominated by it serving on the IESBA, it will consider whether to send an observer to IESBA meetings to assist it in keeping abreast of IESBA developments and providing input to the IESBA on a timely and informed basis.	Not determined	CPAC Board	CPAC President CCE

**Action Plan Subject:** SMO 5—International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:**

**Background:**

The Public Sector Accounting Board (PSAB) establishes accounting and reporting standards and other guidance for use by governments and other public sector entities in Canada. It also participates in the development of international public sector accounting standards (IPSASs). PSAB sets its accounting and reporting standards and other guidance in the public interest after an extensive due process of consultation with organizations and individuals that are interested in or affected by the standards. PSAB is accountable to the Accounting Standards Oversight Council (AcSOC), an independent body established in September 2000 by the Canadian Institute of Chartered Accountants, one of the legacy bodies of CPA Canada. Reporting to the public and consisting of up to 25 prominent business and government leaders, AcSOC brings a broad perspective to complex issues facing standard setters. AcSOC supports PSAB in setting accounting standards and other guidance in Canada and in contributing to the development of IPSASs. AcSOC’s responsibilities include appointing PSAB members, providing input on strategic priorities and evaluating the performance of PSAB. AcSOC members include regulators, investors, preparers and auditors of financial reports.

The financial and human resources necessary to support the work of the PSAB and AcSOC are provided by CPA Canada, but the use of these resources is determined by PSAB and AcSOC. CPA Canada, PSAB and AcSOC work in collaboration, independently of CPA Canada, whose role is limited to funding and assisting in the implementation of decisions made by the PSAB.

PSAB’s current strategy is to monitor the work of the IPSASB and to contribute to the development of IPSASs where possible. The PSAB will undertake a strategy review in 2016-2017 to consider whether the IPSASs should be adopted in Canada in the future, and if so, how this could proceed.

**Action Steps:**

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption/Supporting Adoption of IPSASs</i>					
	2003	Notify members of IPSASB’s documents, including exposure drafts and encourage comments.  <i>(a) PSAB web site notifies stakeholders, provides an update on new IPSASB pronouncements and provides a direct link to IPSASB website. Presentations made to stakeholders include IPSASB updates and encouragement to comment on outstanding papers.</i>	Ongoing	CPAC Vice-President Standards	PSAB staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>(b) PSAB is provided with a regular update of IPSASB activities by staff at each of its meetings.</p> <p>(c) Canadian public sector stakeholders are encouraged to respond to IPSASB documents for comment.</p>			
	June 2011	PSAB undertook a project priority survey identifying IPSASB projects and comparing them to existing PSAB standards as a possible source for project selection.	Completed	Vice-President, Standards	PSAB staff
	2000	Selective IPSASs requirements dealing with public sector specific issues are adopted for use in Canadian standards.	Ongoing	Vice-President, Standards	PSAB staff
	Ongoing	Assessing IPSAS 21 Impairments of Non-cash Generating Assets for applicability in Canada.	Ongoing	Vice-President, Standards	PSAB staff
<b>Support Implementation of International Public Sector Accounting Standards</b>					
	Ongoing	<p>Canada is a global leader in the development of public sector accounting standards. In Canada the federal provincial and local governments and many of their organizations adopt the PSAB standards.</p> <p>CPA Canada is a key sponsor of annual awards for excellence in public sector financial reporting.</p> <p>CPA Canada also works internationally, current areas of focus being Asia Pacific and Caribbean. In this context CPA Canada has started to promote the adoption of IPSASs globally.</p> <p>CPA Canada signed a Memorandum of Understanding with CIPFA in May 2015.</p> <p>CPA Canada is considering how to encourage and support the adoption of IPSASs globally, starting possibly with the Caribbean.</p>	Ongoing	<p>VP Standards</p> <p>VP International – Americas</p> <p>VP RG&amp;S</p>	VP Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
	2016	PSAB is undertaking a review of its strategy related to IPSASB and IPSASs.	Ongoing	VP Standards PSAB	PSAB staff
<i>Contributing to International Standard-Setting</i>					
	1980s	Continue to provide administrative, financial and professional staff support to CPAC's nominee to the IPSASB and its technical advisor.	Ongoing	Vice President, Standards	PSAB staff
	1980s	CPAC's nominee will continue to actively participate as a member of various IPSASB task forces when requested.	Ongoing	CPAC Nominee	CPAC Nominee
	2004	PSAB staff contributed to the conceptual framework and is providing ongoing support to various projects as needed.	Ongoing	Director, Public Sector Accounting	PSAB staff
	2006	CPA Canada provides direct financial support to the IPSASB, in the amount of \$200,000 CDN per year, which matches contributions by the Government of Canada.	Ongoing	VP Standards/Executive Office	VP Standards



**Action Plan Subject:** SMO 6—Investigation and Discipline  
**Action Plan Objective:**

**Background:**

**Background**

The Provincial accounting bodies of Chartered Professional Accountants (Provincial bodies) have appropriate programs that provide for investigating and disciplining members (and in some cases, firms) for misconduct including breaches of professional standards and rules.

The Provincial bodies derive their powers, including the powers to set and enforce, through investigation and discipline, standards of ethics from a statute in their provincial jurisdiction.

The Provincial bodies' Codes of Professional Conduct have been harmonized to the extent possible. Each Provincial body has created committees to handle the investigation and discipline processes.

CPA Canada's objective is to use its "best endeavours" to ensure that the Provincial bodies adopt investigation and discipline processes that comply with IFAC SMO 6.

The Provincial bodies have demonstrated their interest in ensuring that they support and adhere to the SMO 6.

**Action Steps:**

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Establishing/Supporting the Establishment of I&amp;Ds</i>					
	Ongoing	The Canadian CPA profession's CCE has an inter-institute committee, the PTC, that reviews recommendations as to consistent investigation and discipline programs.	Ongoing	CCE	PTC
	Ongoing	The PTC monitors and reviews developments related to best practices in investigation and discipline processes through the establishment of a Discipline Resource Group (DRG).	Ongoing	PTC	DRG Provincial bodies

#	Start Date	Actions	Completion Date	Responsibility	Resource
	Ongoing	<p>The DRG has developed recommendations to achieve best practices in the investigation and discipline processes that meet or exceed SMO 6 requirements. The Provincial bodies have agreed to adopt these recommendations on a best efforts basis.</p> <p>Recommendations have been made in the areas of:</p> <ul style="list-style-type: none"> <li>• Initiation and Investigation</li> <li>• Hearings and Appeals</li> <li>• Sanctions and Publication</li> <li>• Administrative Processes</li> </ul> <p>There are two areas noted in the Response to IFAC Part 2, SMO Self-Assessment Questionnaire where specific recommendations have been developed to address inconsistent application of SMO 6 in some Canadian jurisdictions. These include:</p> <ul style="list-style-type: none"> <li>• Independent Review (6.5.6.12)</li> <li>• Reporting to Outside Bodies (6.5.4.1)</li> </ul> <p>These differences exist due to varying legislative requirements in provincial jurisdictions.</p>	Ongoing	PTC	DRG Provincial bodies
<i>Support Implementation of Investigation and Discipline</i>					
	Ongoing	See the general information on PTC monitoring of developments related to investigation and discipline programs. These processes are capable of adapting to handle future monitoring needs. Should the need arise PTC will augment these processes as necessary.	Ongoing	PTC	DRG

**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:**

The Accounting Standards Board (AcSB) is an independent body with the authority to establish accounting standards for use by all Canadian entities outside the public sector. The AcSB serves the public interest by establishing standards for financial reporting by all Canadian private sector entities and by contributing to the development of internationally accepted financial reporting standards. The activities of the AcSB are overseen by the Accounting Standards Oversight Council (AcSOC). AcSOC appoints the members of the AcSB and provides input to the AcSB, primarily in terms of its strategic direction and priorities. AcSOC also assesses and reports to the public on the performance of the AcSB, including compliance with due process.

The AcSB's stakeholders include preparers, auditors, advisors and financial statement users in the following sectors for which it sets standards:

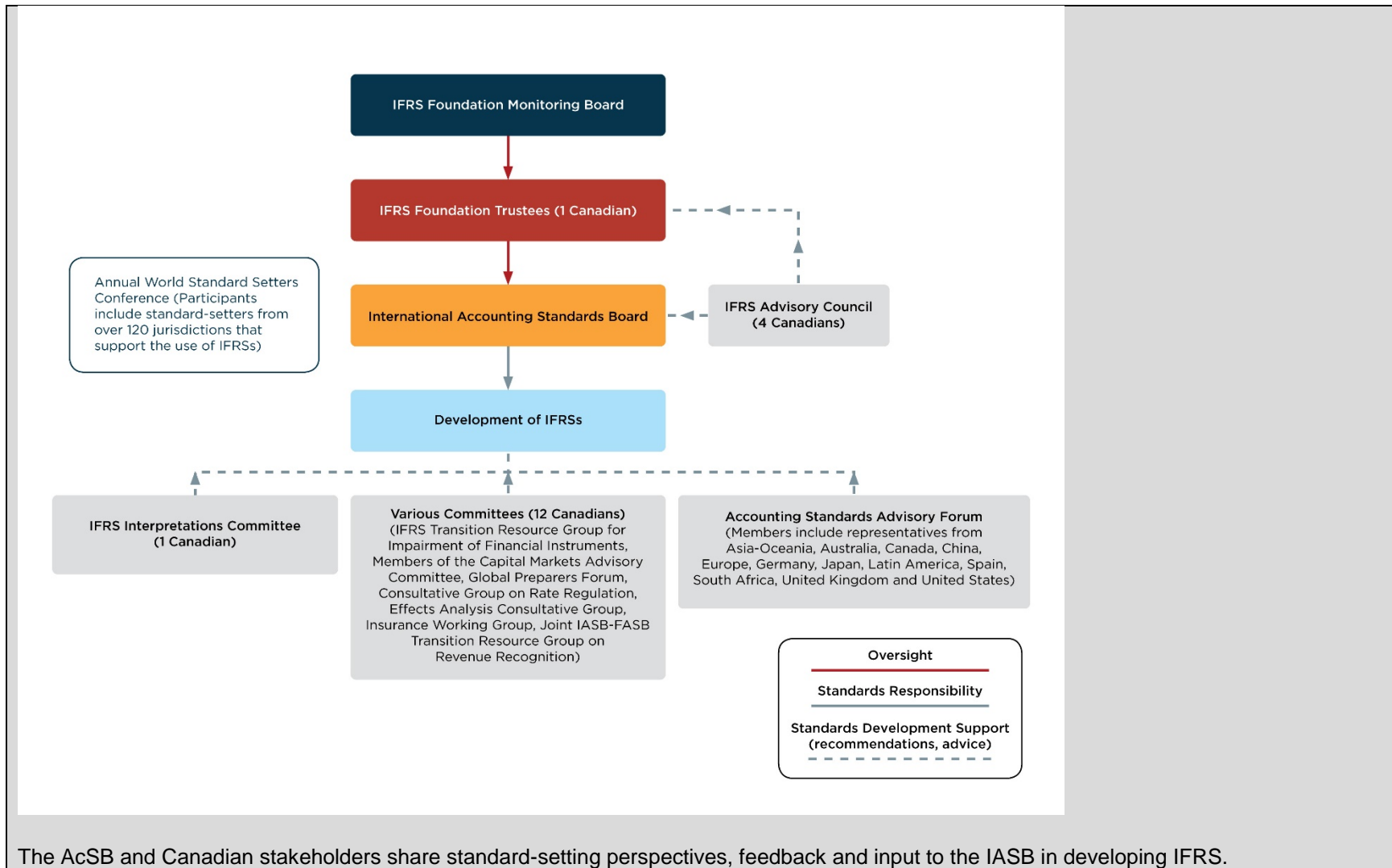
- publicly accountable entities;
- private enterprises;
- not-for-profit organizations; and
- pension plans.

Separate accounting frameworks are maintained for each of these sectors. IFRS are applicable to publicly accountable enterprises. Many publicly accountable enterprises are required by Canadian and U.S. security requirements, prudential regulations or other requirements to apply IFRS issued by the IASB. Standards for the other streams are developed domestically. While private enterprises may elect to apply the accounting standards for private enterprises, some enterprises may be required to do so based on Canadian Business Corporations Act or Regulations, contractual or other requirements. Not-for-profit organizations in the private sector are required to apply the CPA Canada Handbook – Accounting based on Canada Not-for-Profit Corporations Act or Regulations. Not-for-profit organizations can choose to apply the accounting standards for not-for-profit organizations (Part III of the CPA Canada Handbook – Accounting or IFRS (Part I)).

#### **International Financial Reporting Standards (IFRS)**

The AcSB contributes to the development of IFRS by participating in consultations with, and activities of, the International Accounting Standards Board (IASB) to ensure Canadian publicly accountable entities' financial reporting needs are considered. For application in Canada, the AcSB operates under a strategy of endorsing and incorporating IFRS into Part I of the CPA Canada Handbook – Accounting for application by publicly accountable enterprises. While the AcSB is legally responsible for setting the standards that publicly accountable entities must use, to date, the AcSB's policy has been to adopt IFRS as issued by the IASB without modification.

#### **AcSB Focus - Canadians Provide Input to IASB**



**Action Steps:**

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption/Supporting Adoption of IFRS</i>					
	2000	The FRAS Canada - AcSB web site contains information on all of the IASB's key activities with direct links to the IASB website. Members and others are kept informed of all new IFRS and all proposals to revise IFRS, as well as being encouraged to comment on all proposals.	Ongoing	Vice-President, Standards	CPAC Accounting Standards department staff
	2006	Support implementation of AcSB adoption of IFRS for publicly accountable enterprises in Canada with effect for periods beginning on or after January 1, 2011.	Ongoing	Vice-President, Standards	CPAC Accounting Standards department staff and Guidance & Support department staff
	2011	All publicly accountable enterprises, other than qualifying investment companies and segregated accounts of life insurance enterprises and entities with rate-regulated activities in Canada are required to adopt IFRS. Qualifying investment companies and segregated accounts of life insurance enterprises and entities with rate-regulated activities are required to adopt International Financial Reporting Standards (IFRS) as Canadian GAAP for interim and annual financial statements related to fiscal years beginning on or after January 1, 2014 and January 1, 2015, respectively.	Ongoing	VP Standards Director Accounting Standards	CPAC Accounting Standards department staff
<i>Support Implementation of International Financial Reporting Standards</i>					
	2006	Maintain existing awareness and training strategies on both new and existing IFRS.  AcSB took account of awareness and training issues in its implementation plan for the IFRS adoption strategy. It developed and maintains a communications plan to raise awareness of its IFRS adoption program. With encouragement and staff support from the AcSB, CPAC Education department staff developed an ongoing program of courses and conferences to assist its members in	Ongoing	Vice-President, Standards  CPAC Education and Guidance & Support departments and CPA Qualification committees	CPAC Accounting Standards, Guidance & Support, Continuing Education, Information & Productivity Resources and CPA Qualification department staffs

#	Start Date	Actions	Completion Date	Responsibility	Resource
		preparing for the changeover to IFRS. The CPA Qualification department has modified the CPA competency map and examination syllabus to include an appropriate level of knowledge of IFRS amongst CPAC members. The Member Services department publishes the IFRS in Canada under license from the IASC Foundation and also a number of practice aids.			
	Ongoing	<p>The IFRS Discussion Group discusses issues that arise in Canada when applying International Financial Reporting Standards (IFRS) in a regular public forum to:</p> <ul style="list-style-type: none"> <li>• raise awareness in Canada of issues arising from the application of IFRS as issued by the International Accounting Standards Board (IASB); and</li> <li>• when appropriate, make recommendations to the AcSB to refer particular issues to the IASB or IFRS Interpretations Committee.</li> </ul> <p>Audio recording of the discussions and a meeting report of issues discussed are available on FRAS Canada - AcSB web site.</p>	Ongoing	<p>AcSB CPAC Accounting Standards staff</p> <p>CPAC Guidance &amp; Support</p>	CPAC Accounting Standards department staff and Guidance & Support department staff
<i>Contributing to International Standard-Setting</i>					
	Ongoing	<p>Continue to use best endeavours by identifying opportunities to assist further in the implementation of IFRS. This includes review of the existing activities and updating the Action Plan for additional activities where necessary.</p> <p>The AcSB is a member of the ASAF and is represented by the AcSB Chair and Director. The AcSB is also a member of the International Forum of Accounting Standard Setters and meets regularly with other national standard setters from various jurisdictions including Germany, Japan, the United Kingdom and the United States.</p> <p>Awareness, training and implementation support programs are continuing to be developed and modified as publicly</p>	Ongoing	<p>AcSB CPAC Accounting Standards staff</p> <p>CPAC Guidance &amp; Support and Education departments</p>	CPAC Accounting Standards, Guidance & Support and Education department staffs

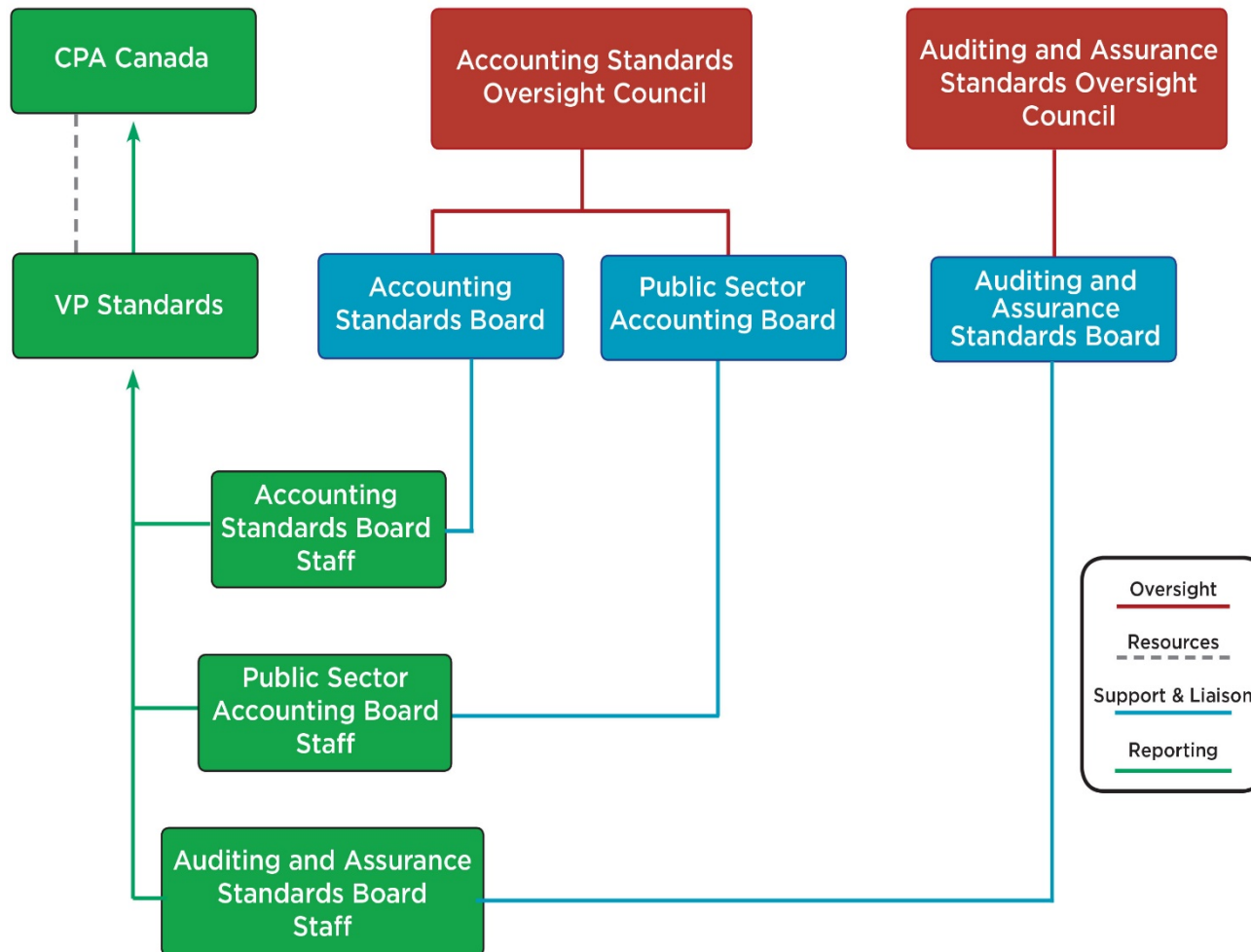
#	Start Date	Actions	Completion Date	Responsibility	Resource
		accountable enterprises gain more experience in applying IFRS.			

**Explanatory End Note (applicable to SMO 3, SMO 5, and SMO 7)**

Financial reporting standards in Canada are set through independent standard-setting bodies as described below.

***Canada's standard-setting boards and oversight councils***

- Canada's financial reporting and assurance standards boards and oversight councils comprise the Accounting Standards Oversight Council, Accounting Standards Board, Public Sector Accounting Board, Auditing and Assurance Standards Oversight Council, and Auditing and Assurance Standards Board.
  - The boards establish and maintain standards on accounting and auditing to serve the public interest.
  - The oversight councils appoint board members and oversee and provide input into the boards' activities, ensuring that the process for setting standards functions as it should.
- Members of the boards and oversight councils are mainly volunteers and represent a wide range of individuals with various backgrounds from both the private and public sectors, such as financial statement preparers and users, auditors, academics and regulators.
  - The diverse makeup of the boards and oversight councils' volunteer members ensures that differing viewpoints are considered when developing standards.
  - This enables the boards and oversight councils to serve the public interest through a process free of undue influence from specific professions, organizations and other groups.





***Support for Canada's independent standard-setting process***

- The Chartered Professional Accountants of Canada (CPA Canada) provides funding, staff and other resources to support an independent standard setting process that is delivered through Canada's accounting and audit and assurance standards boards and oversight councils.
- Understanding financial reporting and assurance standards is a key competency for Chartered Professional Accountants (CPAs). As a result, CPA Canada provides non-authoritative implementation guidance, tools and education for its members to support them in the consistent application of accounting and auditing standards.

***How the boards and oversight councils operate with respect to CPA Canada***

- CPA Canada and the boards and oversight councils operate at arm's length from one another. This ensures that the boards and oversight councils are able to carry out their standard-setting operations independently and without any undue influence.
- The staff resources that support the boards and oversight councils are CPA Canada employees. However, these employees take their direction on standard setting from the boards and do not vote on, or make decisions regarding, any proposed or approved standard.



**CPA**

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July 10, 2018

Name: Joy Thomas

Title: President and Chief Executive Officer

Company: CPA Canada

Address: 277 Wellington Street West Toronto ON M5H 3V2

Email: [jthomas@cpacanada.ca](mailto:jthomas@cpacanada.ca)

Dear Ms. Prinsloo,

**Subject: Letter to Confirm Institutional Support for the SMO Action Plan**

This letter is to confirm that the leadership of the CPA Canada has reviewed the information contained in the SMO Action Plan prepared by CPA Canada as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of CPA Canada, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,

Joy Thomas

President and Chief Executive Officer

CPA Canada