



**CPA**

CHARTERED  
PROFESSIONAL  
ACCOUNTANTS  
BRITISH COLUMBIA

2021-2022

Regulatory  
Report  
to the Public

UPHOLDING THE  
HIGHEST STANDARDS

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## Message from the Leadership

Education is a pillar of the CPA profession and a critical aspect of a healthy regulatory environment. The profession puts protection of the public at the forefront, and it is directly supported by extensive training and education of CPA members. This commitment to lifelong learning and supporting the broader community that it operates in defines the services CPABC offers to members and the public.

In fiscal 2021-2022, CPABC effectively delivered education-centred regulatory activities to its members, and provided a volunteer-driven, award-winning Financial Literacy program for the public that was accessible across the province.

Education-centred activities are focused on preventing regulatory problems from occurring. Last year, CPABC continued to ensure only qualified people were admitted to membership; confirmed members completed required professional development; and if members were engaged in public practice, made sure they complied with licensing and practice review requirements.

CPABC provided relevant virtual services, including: the certification program and Common Final Exam, which all students have to pass before applying for membership; provided a multitude of professional development courses designed to keep the knowledge and skills of members current; and released various communications that provided timely reference materials for members.

Looking more broadly, the profession operates in a very dynamic environment. Through the certification program, students learn how to apply professional knowledge, skills, values, ethics, and attitudes in a professional context. In addition, given the rapid pace of change CPAs now face, a new competency map was approved by the profession last year, and a new CPA certification program is under development.

The new competency map envisions a future for the CPA profession that provides newly qualified CPAs with skills focused on many of the traditional areas, but with more emphasis on evolving areas such as data, artificial intelligence, and automation. It reinforces the critical knowledge, analytical skills, and ethical mindset the profession is already known

for, as well as agility and adaptability in order to meet the changing expectations and needs of clients, businesses, and society.

This commitment to lifelong learning ensures members continue to evolve their skills and competencies throughout their career. CPABC's professional development program will continue to ensure members have access to timely, relevant, and high quality courses on subjects such as new accounting standards, emerging technologies, leadership skills, ethics, and technical topics.

In addition to the member facing activities, CPABC's Financial Literacy Program provided free and unbiased financial education to British Columbians of all ages and for a variety of needs.

A more financially literate public can better protect itself. The program aims to give participants the knowledge and confidence needed to make smarter financial choices that help them accomplish life goals. Sessions provided information on everything from understanding how not to become a victim of fraud, to being a good financial role model, and tax and estate planning. The Financial Literacy program wouldn't be possible without CPABC members, who volunteered their time and expertise to deliver the sessions.

Education is fundamental to the effective protection of the public, which is why it is a pillar of the profession. Whether it is ensuring CPAs stay current in their field of professional service or delivering financial literacy education so British Columbians can make better financial decisions, providing excellent educational opportunities is central to CPABC's activities.



Karen Horcher, FCPA, FCGA, CFA  
**CPABC BOARD CHAIR**

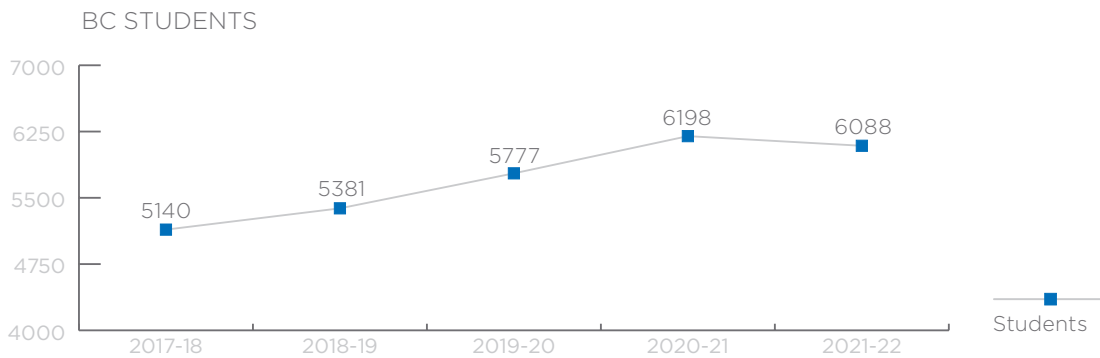
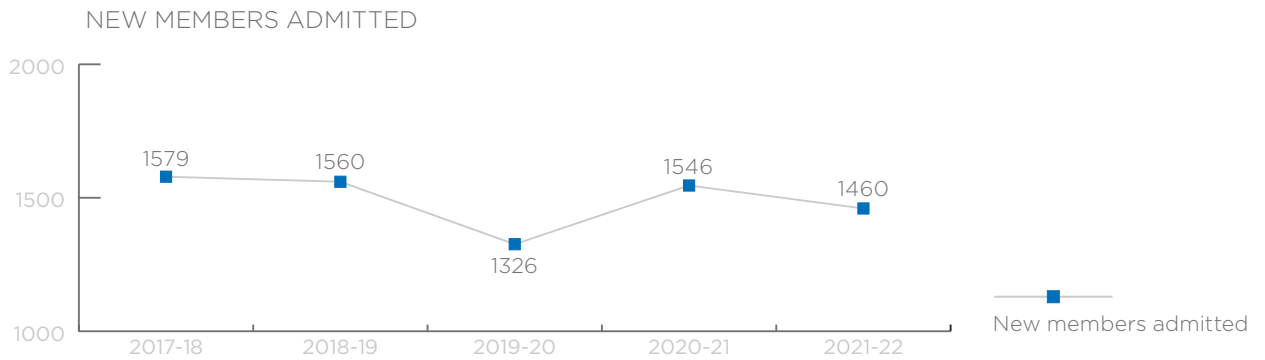
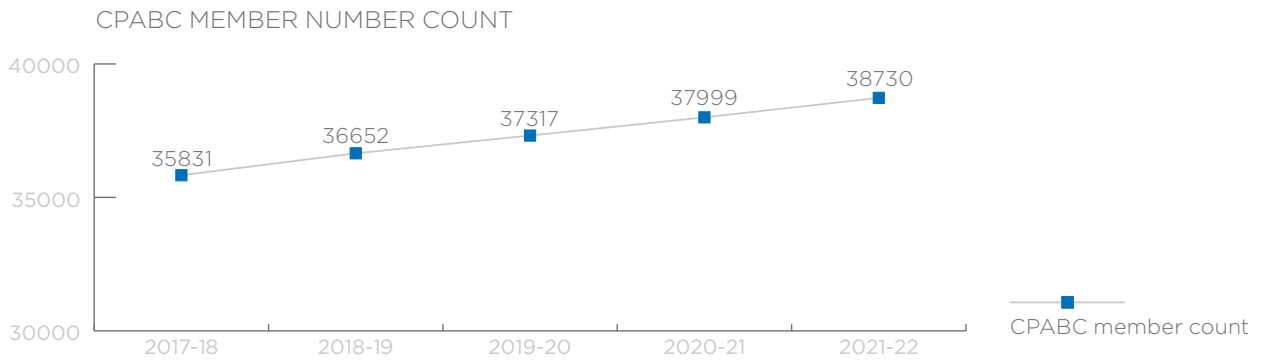


Jamie Midgley, FCPA, FCA  
**EXECUTIVE VICE PRESIDENT, REGULATION & REGISTRAR**

# Key Statistics and Five-Year Trends

## Membership

CPABC only admitted those applicants who met the rigour of the CPA certification process or met the requirements of a CPA international agreement, and provided satisfactory evidence that they were of good character.





CPABC's member number count as at year end:

**38,730**



As of March 31, 2022, **6,088** students were pursuing the CPA designation in the CPA Professional Education Program.



During the fiscal year:

**1,460** new members were admitted into the profession, and **729** members left the profession.



In BC, **many** of CPABC's members in industry work in small- or medium-sized businesses where they are often the only designated accountant in the organization.

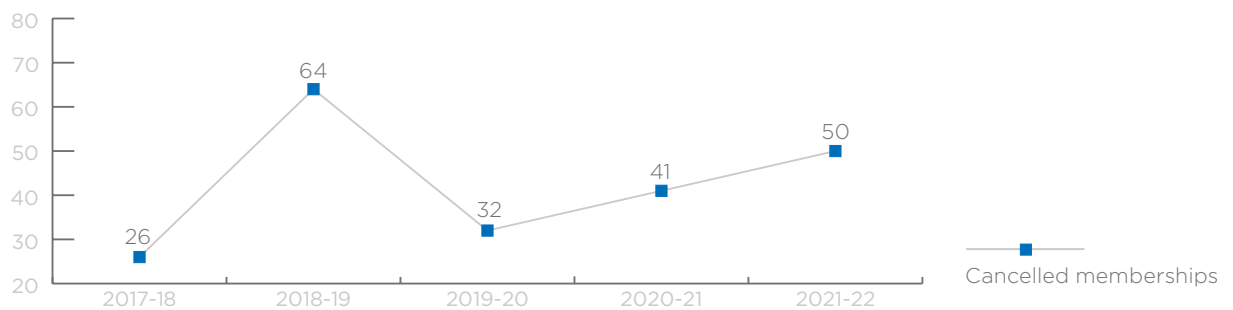


Over the past **five** years, an average of **854** BC students graduated annually from the CPA or legacy programs.

## Continuing Professional Development (CPD)

CPAs were required to report CPD.

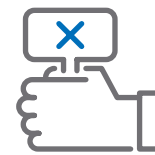
CANCELLED MEMBERSHIPS DUE TO NON-COMPLIANCE FOR CPD



**32,528** active members were required to self-report compliance with 2020 CPD. Action is taken against members who do not comply with the requirements. This action can result in suspension or cancellation of membership.



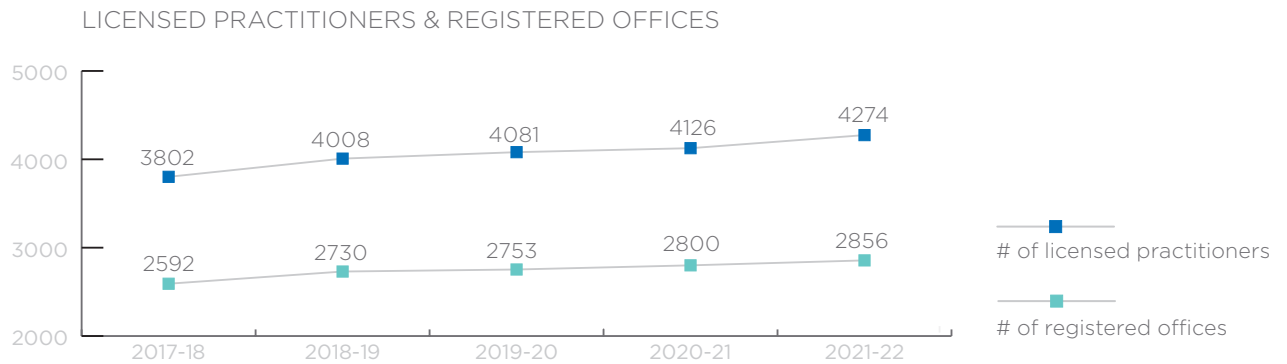
CPABC verified a minimum of **1%** of CPD required reporters. Members who did not comply with the CPD verification process risked being referred to the CPABC investigation and discipline processes, where they could have their membership suspended or cancelled for non-compliance.



During the year ended March 31, 2022: **255** members had their memberships suspended for CPD non-compliance. **50** of the suspended members had their memberships cancelled.

## Public Practice

Approximately **19%** of CPABC's members work in public practice.



**4,274** public practitioners operating in **2,856** public practice offices in BC as at March 31, 2022. The majority of practitioners work in small businesses where **98%** of firms are owned by fewer than five professional accountants.



Sanctions may be imposed in cases where there are more serious issues. There were **937** practice reviews conducted this past year. This number includes **45** re-inspections that were undertaken in situations where standards had not been met.



Pass/Fail Rate for Practice Reviews

**94%**

2021-22

**95%**

2020-21

**94%**

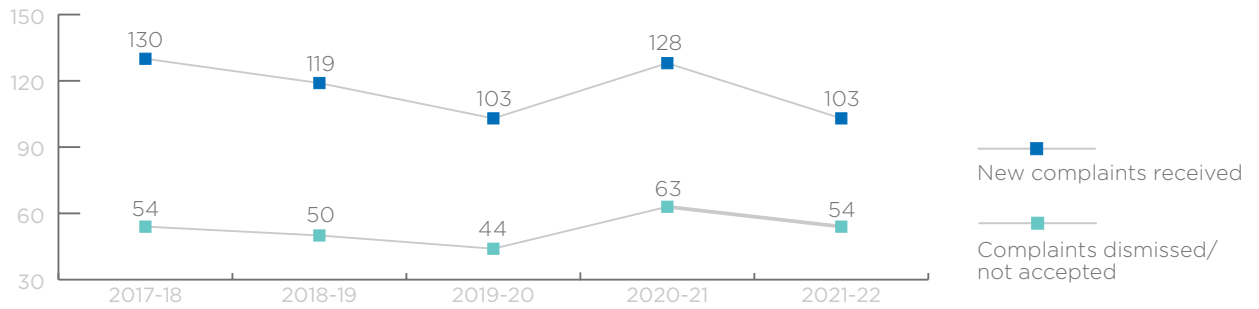
2019-20

## Discipline

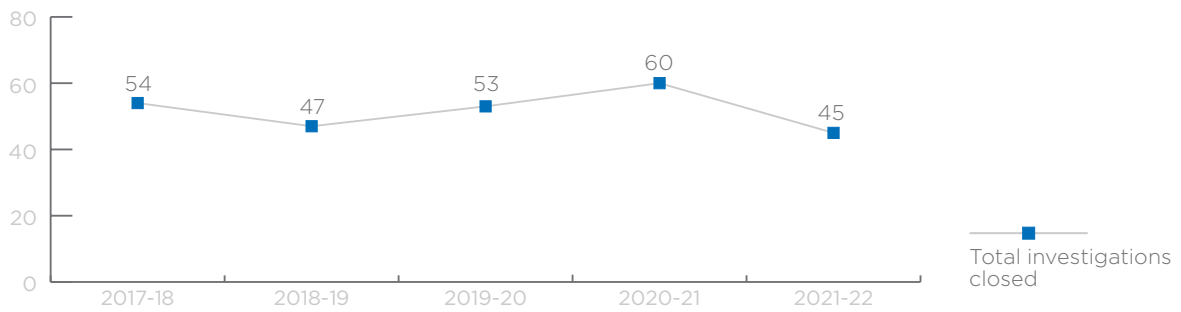
CPABC investigated complaints received about members, firms, and students.

Where breaches of the bylaws or rules were found, the resolution typically included a reprimand and remedial education to protect the public from a repeat of the misconduct. In rare instances, there was a suspension or cancellation of membership.

INVESTIGATION & DISCIPLINE PROCESS

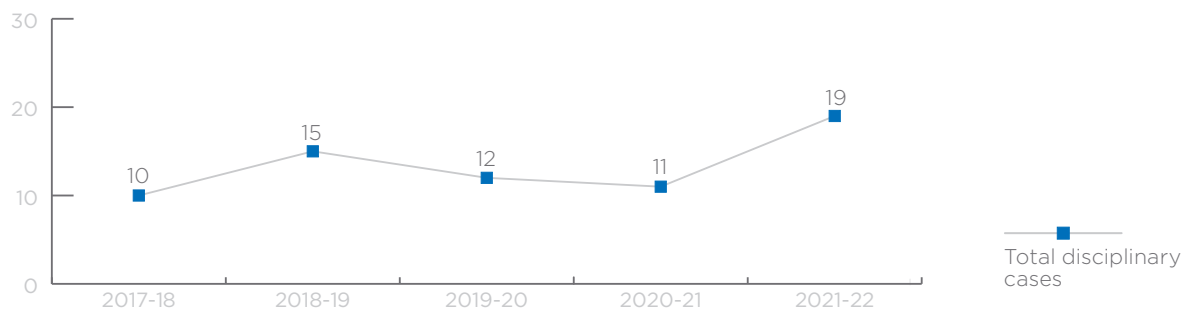


INVESTIGATIONS CLOSED





## DISCIPLINARY COMMITTEE ACTIVITIES



## INVESTIGATION & DISCIPLINE PROCESS

**139\*** Total active complaints in 2021-2022

**25** Under review

**54** Complaints dismissed/not accepted

**60** Investigations authorized

\*Active complaints include new complaints and complaints carried over from the previous year



## INVESTIGATIONS CLOSED

**2** No grounds

**7** Not pursued

**20** Resolutions - D&R\*

**16** Referred to Disciplinary Committee

\*Determination and Recommendation Agreement



## DISCIPLINARY COMMITTEE ACTIVITIES

**5** Resolution agreements

**13** Outcomes pending

**1** Disciplinary panel decision

# Protections under the *CPA Act*

## Protecting the Designation & Restricted Services

Only members of CPABC are recognized as having the requisite level of training, education, and proficiency to qualify them to practise as professional accountants in BC. CPABC’s regulatory processes are governed by the *Chartered Professional Accountants Act* (“CPA Act”), Bylaws, and Bylaw Regulations. These documents and processes are described more fully on CPABC’s website.

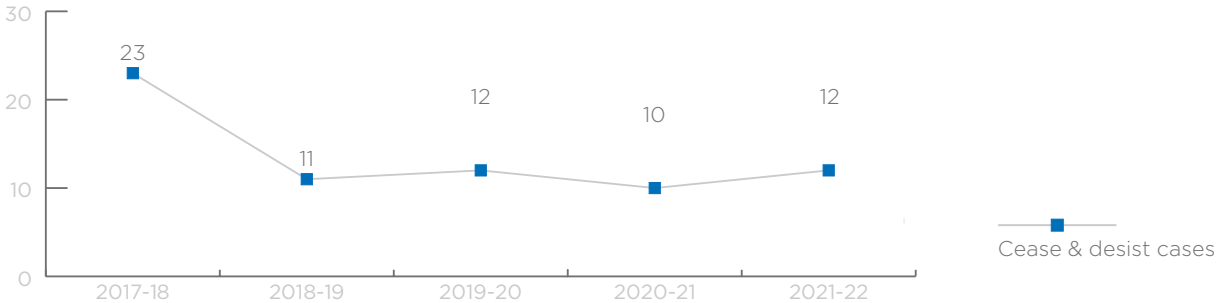
In order to protect the public, under the *CPA Act*, use of the designation “professional accountant” is reserved exclusively for CPABC’s members. A non-member must not use the designation “professional accountant” or, in any manner, imply, suggest, or hold out that they are a professional accountant.

No person other than an authorized CPA member may perform any assurance engagement in accordance with the standards of professional practice published by the Chartered Professional Accountants of Canada or issue any form of certification, declaration, or opinion with respect to information related to a financial statement or any part of a financial statement, on application of:

- » Financial reporting standards published by the Chartered Professional Accountants of Canada; or
- » Specified auditing procedures in accordance with standards published by the Chartered Professional Accountants of Canada.

This ensures that only regulated accountants provide assurance services under the CPA Canada Handbook Standards. When CPABC becomes aware of an individual misusing the CPA designation, the organization takes action to stop its use.

CEASE & DESIST CASES



## CPABC's Profile

### Characteristics of a Profession

Distinguishing elements of a regulated profession and professionals:

- » Extensive training and education leading to mastery of a particular intellectual skill.
- » Objective offering of services to others and accepting the responsibility of putting the public good above one's own interests.
- » Belief in the duty of exchanging views and contributing to the development of the profession, adding to its knowledge, and sharing advances in knowledge and technique with peers.
- » Accountable and governed by peers, and the regulatory body maintains standards of qualification, attests to the competence of individual members, and safeguards and develops the skills and standards of the profession.
- » Specialized code of ethical conduct designed principally for the protection of the public.

CPABC's training and regulatory processes ensure that our members meet the required professional standards, and the expectations of British Columbians.

The CPA profession also ensures that its standards and processes evolve to reflect the changing nature of business, while supporting and providing appropriate guidance amidst the uncertainty of a global economy.

### CPABC's Mission

CPABC's mission is to enhance the influence, relevance, and value of the Canadian CPA profession by:

- » Protecting the public interest;
- » Supporting its members and students; and
- » Contributing to economic and social development.



### Canadian Context

The Canadian CPA profession has harmonized requirements and regulatory practices across the country wherever possible. This allows members to provide services when they move from one province to another, and firms to operate in more than one provincial jurisdiction.

However, since CPA bodies are subject to provincial legislation, full harmonization is not always possible.

## CPABC's Objectives

The objectives of CPABC are:

- » To promote and maintain the knowledge, skill, and proficiency of members and students in the practice of accounting;
- » To establish qualifications and requirements for admission as a member and continuation of membership, and for enrollment and continuation of enrollment of students;
- » To regulate all matters, including competency, fitness, and professional conduct, relating to the practice of accounting by members, students, professional accounting corporations, and registered firms;
- » To establish and enforce professional standards; and
- » To represent the interests of members and students.

## Governance

The public interest is at the forefront of policy development by CPABC's Board. The 20-person board is made up of three public representatives and 17 members - 15 were elected while two were initially elected and then had their three-year term extended under the bylaws given their leadership positions.

Five board-appointed committees oversee regulatory matters:

- 1 Membership
- 2 Public practice
- 3 Investigation
- 4 Disciplinary
- 5 Bylaws

These five committees manage CPABC's regulatory processes, which are designed to meet or exceed Canadian and international standards. Committees are continuously assessing the regulatory environment, and where needed, evolving CPABC's processes to meet the changing needs of members, and BC's financial markets.



## Member Directory

Online member and firm online directories allow members of the public to verify if an individual is a member or a firm is registered. These directories are searchable by name or city.

## CPABC Bylaws

Any proposed changes to the Bylaws need board approval, confirmation at a members meeting (usually the AGM), and oversight by the minister of Advanced Education, Skills & Training. They can then be implemented.

## CPABC Code of Professional Conduct

The national *Code of Professional Conduct* (Code) includes a Preamble and the Rules of Professional Conduct.

CPABC has adopted this Code with a few modifications to address provincial considerations.

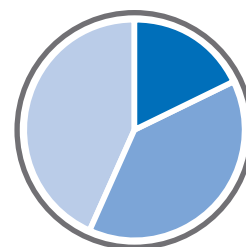
The Code is derived from five principles of ethics that are fundamental to the conduct of all members. They are:

- » Professional behaviour;
- » Integrity and due care;
- » Objectivity;
- » Professional competence; and
- » Confidentiality.

This Code evolves as national and international standards and best practice continue to change, and confidential member advisors are available at no cost to members and students needing guidance.

CPABC's members must act in the public interest. The public relies on sound and fair financial and management reporting, and providing these essential reports is an economic imperative and a critical obligation of the profession.

The Code has the same legal standing as the Bylaws, hence any changes are required to go through the same approval process as the Bylaws.



## Investigation & Discipline Process

**139** Total complaints in 2021-2022

- 25** Under review
- 54** Complaints dismissed/not accepted
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## Protecting the Public

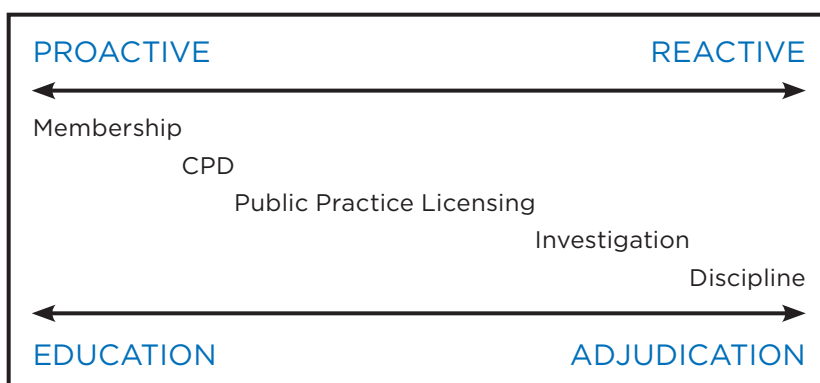
### Proactive Approach to Regulation

CPABC's regulatory activities include membership, continuing professional development, public practice licensing and review, and professional conduct.

Effective regulation includes proactive and reactive activities that are provided through education or adjudication.

**Proactive activities:** are focused on preventing problems from occurring and include having only qualified people admitted to membership, ensuring members complete required professional development, and public practice licensing and review.

**Reactive activities:** occur after a problem has surfaced. The Investigation and Disciplinary committees determine if there was a breach of the Bylaws or rules, and if yes, recommend sanctions. These are the final regulatory steps and are necessary only when all else fails. CPABC primarily focuses its activities on education and helping members deal with and meet constantly changing standards. However, education alone will not always work, and there will be a need for an adjudication process.



### CPABC Code of Professional Conduct

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They are:

- » Professional behaviour;
- » Integrity and due care;
- » Objectivity;
- » Professional competence; and
- » Confidentiality.

## Education

The CPA Professional Education Program (PEP) develops and enhances a CPA student's ability to apply professional knowledge, values, ethics, and attitudes in a professional context.

Students must meet practical experience requirements to develop the competencies and proficiencies required of a newly qualified professional accountant, as well as soft skills, such as professional and ethical behaviour, problem solving and decision making, communication, self-management, and teamwork and leadership.

There are common Canadian CPA certification requirements for all CPA applicants, and in BC, there is also an ethics course requirement. Ethical guidance and discussion are regularly provided to students and members through various publications and courses.

The program develops strong technical professional accountants with the basic skills needed to become leaders of the future, able to meet the changing needs of business.

## Continuing Professional Development (CPD)

CPD helps accountants develop and maintain professional competence that is relevant to their roles, and is an important element in maintaining public confidence and trust in CPAs.

Professional development compliance is an important part of the professional commitment of CPA members. Maintenance of CPD standards is one of CPA Canada's obligations as a member of the International Federation of Accountants (IFAC).

The minimum requirement established by CPABC is 120 hours every three years, with an annual requirement of 20 hours.

CPD includes seminars, workshops, courses, and other activities that update the professional knowledge, skills, and values of a CPA. Qualifying courses may be provided by CPABC or others.



**97%**  
of members  
comply by  
CPD reporting  
deadline

## Practice Licensing

Members in public practice must be licensed and their firms registered with, and overseen by, CPABC. They are required to carry minimum levels of professional liability insurance.

Different categories and sub-categories of public practice licensing have been established to ensure members only practice in areas in which they have appropriate experience and competency.

## Practice Review

Members in public practice are required to undergo mandatory practice reviews. These reviews focus on compliance with professional standards and provide CPAs with guidance and education based on the results.

The program is an important part of ensuring that public practitioners maintain the knowledge, skill, and proficiency to provide the highest level of service to their clients, and are aware of and meeting any changing regulatory standards.

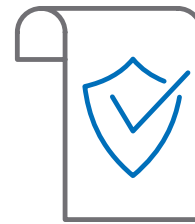
Public practice firms are generally reviewed once every three years. Where deficiencies are noted, re-inspections may be required and corrective measures put in place.

CPABC communicates overall results of these practice reviews to all practitioners annually for educational purposes.

## Investigation and Discipline

The Investigation Committee reviews the results of complaint investigations. Most complaints that proceed to investigation are resolved by an agreement with the member, which typically includes recommendations that focus on ensuring the conduct is not repeated in the future. Most members comply and a “no name” summary of the agreement is posted to the [CPABC website](#).

The Investigation Committee refers the more serious matters to the Disciplinary Committee. A hearing panel presides over disciplinary matters, and following the hearing, determines whether there were breaches of the CPABC governing documentation and, if so, the appropriate sanctions. Disciplinary Panel decisions are posted to the CPABC website.



CPD requirements set the profession apart from others working in business.

High-quality and relevant education, services, and resources directly support and enhance the regulatory compliance of CPABC’s members.



At any stage of the investigation and discipline process, a disciplinary matter may be resolved through a resolution agreement. These agreements are consensual and require approval by the CPABC Board. As these agreements are generally used in the more serious cases, they usually include suspension or cancellation of membership and are [made public](#).

## Disclosure

### Privacy

CPABC must keep confidential information as set out in section 69 of the *CPA Act* and comply with the Freedom of Information and Protection of Privacy Act (FOIPPA).

While the organization is able to publicize the outcome of a disciplinary hearing, FOIPPA does not permit the organization to comment publicly on any complaint while it is being investigated.

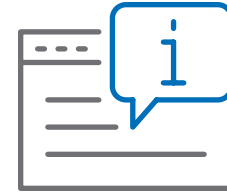
### Access to Information

CPABC is committed to keeping members and the public informed in cases of suspension or cancellation of membership.

If there is public disclosure of a case, public notices relating to the outcome of the complaint may be published in printed media outlets and on the CPABC website.

Names of individuals whose memberships in CPABC have been suspended or cancelled for administrative reasons (i.e., for non-payment of dues or CPD non-compliance) are listed on the CPABC website. Names of suspended members appear for the duration of the suspension.

Names of individuals with cancelled memberships will appear for a period of one year following membership cancellation, unless the member is readmitted, in which case the name will be removed upon readmission.



CPABC ensured members had relevant, timely information related to government programs and assistance for the COVID-19 pandemic.

This allowed them to better support their clients and employers. As an essential service, the accounting profession is here to help businesses and individuals navigate through these challenging times.

## Public Trust at the Forefront

Within an environment of increasing public and regulatory scrutiny, and the need for businesses and individuals to navigate through continuous change, the protection of the public will remain front and centre for the profession in BC and across Canada. Supporting our members through education, regulation, and continuous communication regarding changing standards is critical. As is ensuring they meet these changing standards through mandatory professional development, and for those in public practice, regular practice review.

CPABC is proud of its proactive approach to regulation, and protecting the public is one of CPABC's most valued and important functions. CPA members consider this a fundamental service provided by the organization, and recognize that a well-regulated profession benefits all stakeholders.



CPABC also ensures members have the support they need as they deal with personal and professional challenges, and provides free access to confidential counselling assistance services.








**CPA**

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