



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
BRITISH COLUMBIA

Upholding the Highest Standards 2022-2023

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Message from the Leadership

When the general public or business owners seek critical services related to their finances, they want to know that the person providing them has been trained to meet provincial standards and is required to keep their professional skills and knowledge up to date. They also want to know that there is oversight to ensure their competence.

They are looking for a professional – a CPA – someone who is required to have extensive training and education and conducts themselves in a manner that serves the public interest. Someone who must ensure the ongoing development of their professional skills and knowledge to maintain qualification standards and competencies. Someone who must adhere to a code of ethical conduct designed to protect the public and maintain the public's trust.

Only CPAs are able to call themselves professional accountants. Only CPAs are part of a regulated profession. This matters.

Unregulated accountants play an important role in the province's economy. However, these individuals should not be holding themselves out as having a designation of any kind or of being part of a regulated professional body. If they are unregulated, they have not met the stringent provincial requirements needed to become a professional accountant and are not subject to the regulatory oversight expected of a professional service provider.

For these reasons, CPABC works diligently to protect the public. Our organization ensures that professional accountants maintain the standards of the profession, and also ensures there is clarity in the market by enforcing the *Chartered Professional Accountants Act* to prevent non-members from stating or implying that they are professional accountants.

CPABC is proud of the role we and our members play in supporting the province's stable and well-regulated financial system, which is the foundation of our competitive economy. When the public seek the services of a public practice firm or employers hire a CPA, they can rely on CPABC to ensure that these professional accountants are staying up to date with their professional knowledge, skills, and proficiencies in the practice of accounting.

Again, this matters. It matters to individuals, to organizations, and to BC's economy. The ethical leadership provided by CPAs supports key financial initiatives in every sector, and financial markets depend on information being prepared, recorded, and presented consistently. There is simply no substitute for a professional accountant.



Sheila Nelson, CPA, CA
CPABC BOARD CHAIR

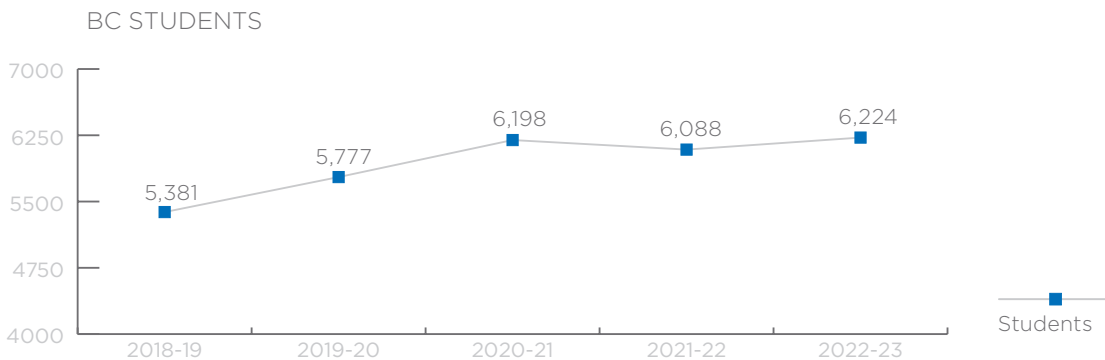
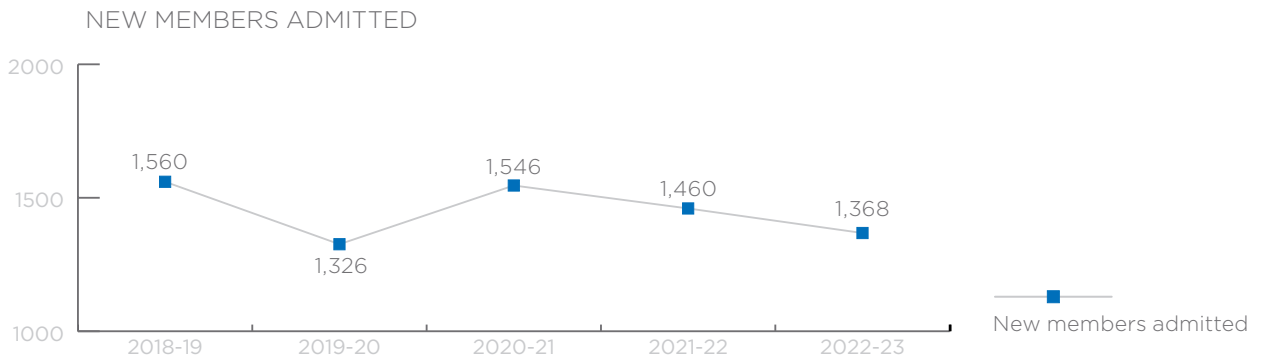
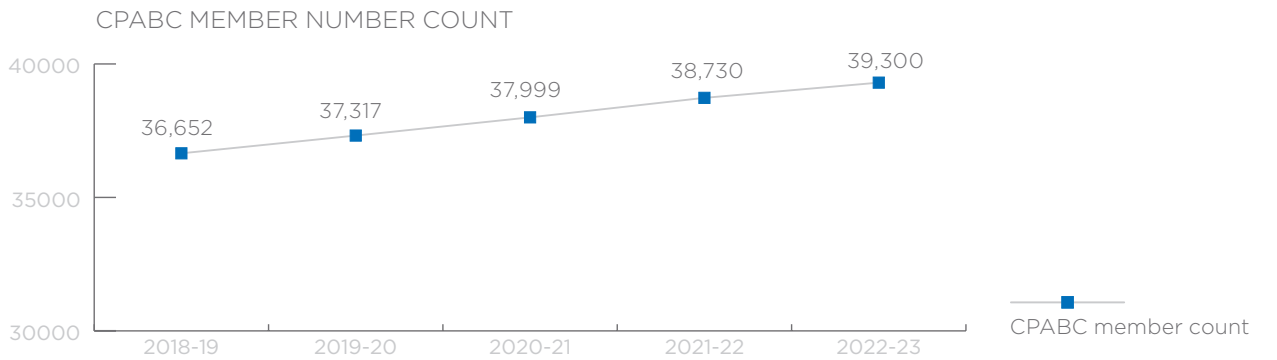


Jamie Midgley, FCPA, FCA
EXECUTIVE VICE PRESIDENT, REGULATION & REGISTRAR

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:

39,300



As of March 31, 2023, **6,224** students were pursuing the CPA designation in the CPA Professional Education Program.



During the fiscal year:

1,368 new members were admitted into the profession, and **798** members left the profession.



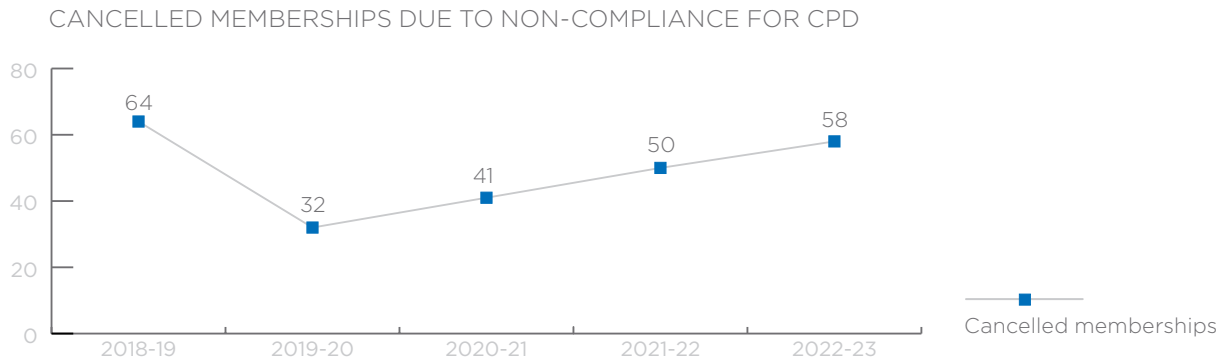
In BC, **many** of CPABC's members in industry work in small- or medium-sized businesses where they are often the only designated accountant in the organization.



Over the past **five** years, an average of **857** BC students graduated annually from the CPA or legacy programs.

Continuing Professional Development (CPD)

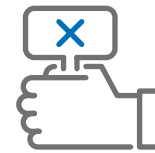
CPAs were required to report CPD.



32,360 active members were required to self-report compliance with 2022 CPD. Action is taken against members who do not comply with the requirements. This action can result in suspension or cancellation of membership.



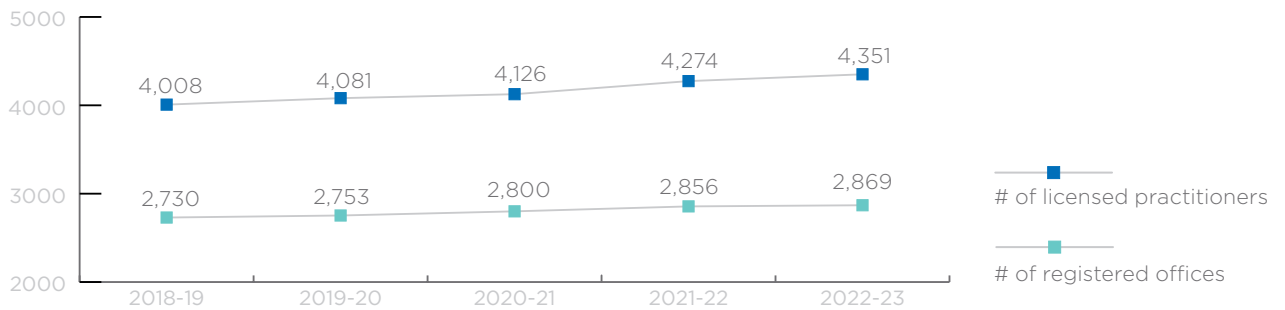
CPABC verified a minimum of **1%** of CPD required reporters. Members who did not comply with the CPD verification process risked being referred to the CPABC investigation and discipline processes, where they could have their membership suspended or cancelled for non-compliance.



During the year ended March 31, 2023: **179** members had their memberships suspended for CPD non-compliance. **58** of the suspended members had their memberships cancelled.

Public Practice

18.4% of CPABC's members work in public practice.



4,351 public practitioners operating in **2,869** public practice offices in BC as at March 31, 2023. The majority of practitioners work in small businesses where **98.1%** of firms are owned by fewer than five professional accountants.

There were **1,001** practice reviews conducted this past year, including **41** re-inspections. The pass rate has declined due to some recent substantial changes in the standards. Recommendations may be imposed in cases where there are more serious issues.

Pass Rate for Practice Reviews

88%

2022-23

93%

2021-22

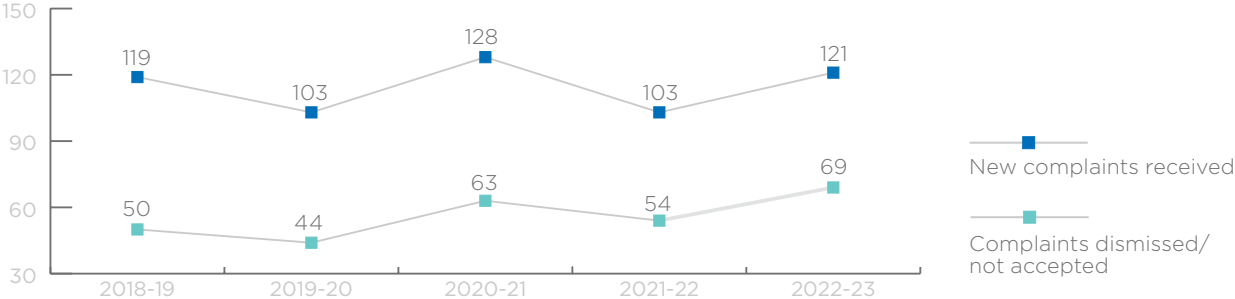
95%

2020-21

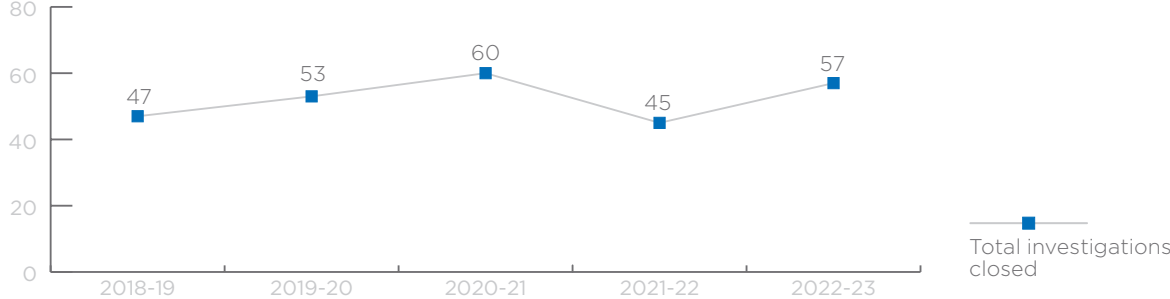
Discipline

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.

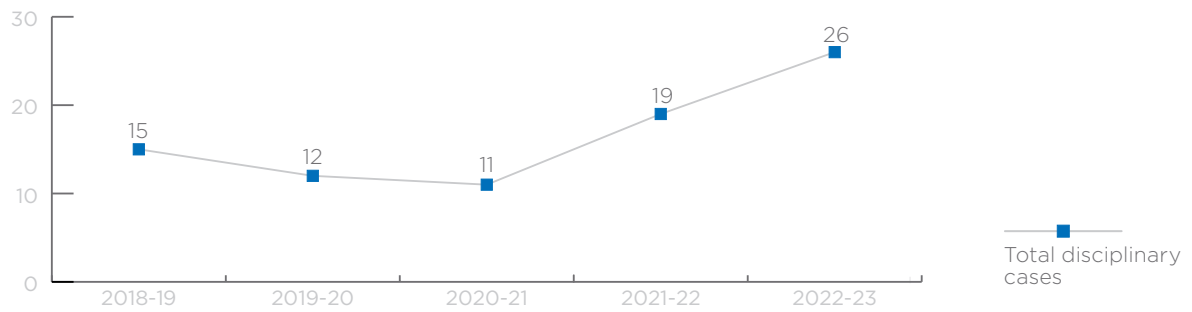
INVESTIGATION & DISCIPLINE PROCESS



INVESTIGATIONS CLOSED



DISCIPLINARY COMMITTEE ACTIVITIES



INVESTIGATION & DISCIPLINE PROCESS

146* Total active complaints in 2022-2023

25 Under review

69 Complaints dismissed/not accepted

52 Investigations authorized

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



INVESTIGATIONS CLOSED

7 No grounds

14 Not pursued

23 Resolutions - D&R*

13 Referred to Disciplinary Committee

*Determination and Recommendation Agreement



DISCIPLINARY COMMITTEE ACTIVITIES

2 Resolution agreements

12 Outcomes pending

7 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.

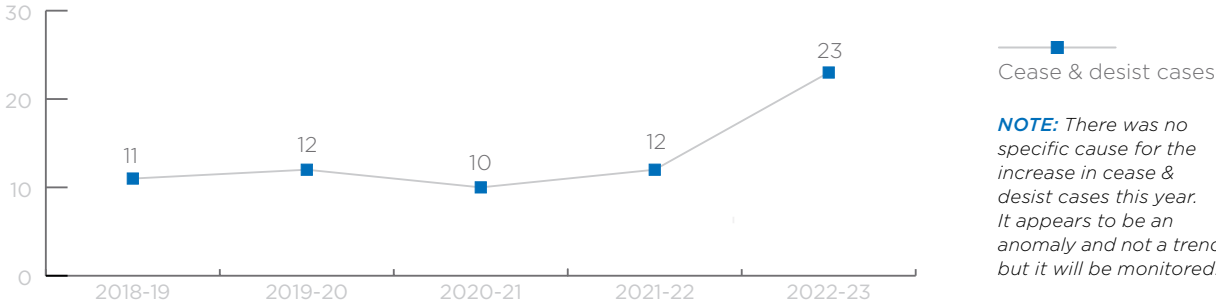
In order to protect the public, under the *CPA Act*, use of the designation “professional accountant” is reserved exclusively for CPABC’s members. A non-member must not use the designation “professional accountant” or, in any manner, imply, suggest, or hold out that they are a professional accountant.

No person other than an authorized CPA member may perform the services described in Section 47 of the CPA Act when prepared in accordance with professional standards published by the Chartered Professional Accountants of Canada.

These restricted services include an audit or assurance engagement, the issue of an audit or assurance report, or the issue of any form of certification, declaration, or opinion with respect to information related to a financial statement service or any part of a financial statement. This ensures that only suitably trained and regulated accountants provide services under the CPA Canada Handbook Standards.

There is also protection to prevent non-members from using CPA and related designations such as CA, CGA, or CMA. This reduces the risk to the public, who should always be aware when they are receiving services from individuals who are not subject to the equivalent training and regulatory oversight expected of CPA members. When CPABC becomes aware of non-members misusing protected designations, the organization takes steps to stop the misuse.

CEASE & DESIST CASES



CPABC's Profile

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 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.

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.



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.

Governance

The public interest is at the forefront of policy development by CPABC's Board. The 19-person board is made up of three public representatives (appointed by the government) and 16 members – 15 were elected while one was initially elected and then had their three-year term extended under the bylaws given their leadership position.

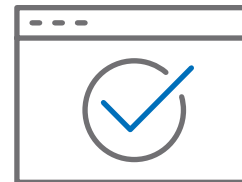
Five board-appointed regulatory committees oversee regulatory matters:

- 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 the public, members and BC's financial markets.

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 Post-Secondary Education and Future Skills. They can then be implemented.



Member Directory

Online member and firm 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 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.

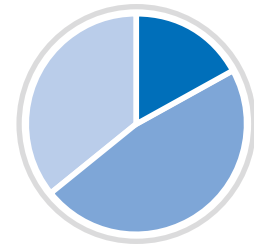
The Code is derived from five principles of ethics that are fundamental to the conduct of all members. They are:

- » 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 upon ethical leadership and 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

146 Total complaints in 2022-23.

- 25** Under review
- 69** Complaints dismissed/not accepted
- 52** Investigations authorized

Protecting the Public

Proactive Approach to Regulation

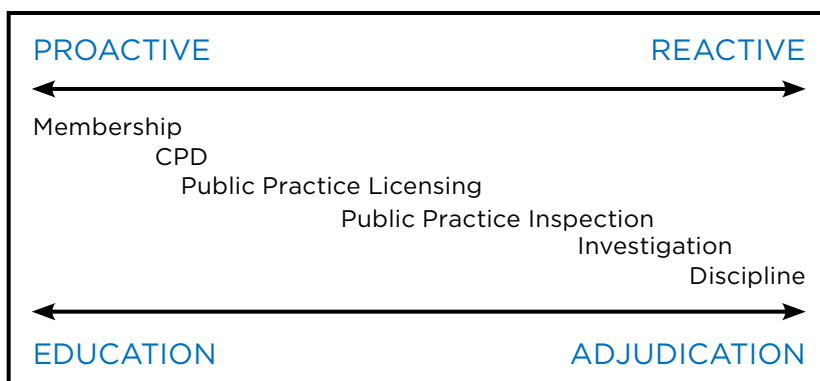
CPABC's regulatory activities include membership, continuing professional development, public practice licensing and review, and professional conduct.

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 the Code of Professional Conduct, 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
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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, 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 CPD requirement established by CPABC is 120 hours every three years, with an annual requirement of 20 hours. A minimum of 4 hours every three years must relate to professional ethics.

Members are required to report their CPD to CPABC annually. CPABC verifies a sample of these reports. On average 94% sampled are verified satisfactorily. 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.



98%

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.

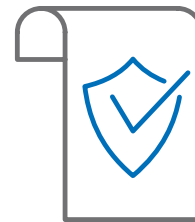
Practice Review

Members in most areas of 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 and in a few instances may result in referrals to investigation.

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



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.

Investigation and Discipline

The Investigation Committee reviews the results of complaint investigations. Most complaints that proceed to investigation are resolved by an agreement between the Investigation Committee and the member. These agreements typically include recommendations that focus on ensuring the conduct is not repeated in the future. Most members comply and usually a “no name” summary of the agreement is posted to the [CPABC website](#). When the Investigation Committee deems it is in the public interest, the member is named publicly.

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.

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](#).



CPABC ensured members had relevant, timely information on a variety of important topics. 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.

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 discipline matter, 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.

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. 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 reviews.

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 also consider this a fundamental service provided by the organization, and recognize that a well-regulated profession benefits all stakeholders.








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