



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
BRITISH COLUMBIA



Inspiring Trust
Shaping Futures

2024-2025

Regulatory Report to the Public

UPHOLDING THE HIGHEST STANDARDS



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Message from the Leadership

Safeguarding the Public Interest

The provincial government established the accounting profession through legislation over a century ago, and protecting the public interest has always been at the core of its mandate. On June 24, 2015, the *Chartered Professional Accountants Act* (British Columbia) (the CPA Act) came into effect, bringing together three professional accounting bodies to form CPABC. This created one of the largest professional organizations in the province, responsible for training, governing, and regulating over 40,000 CPA members and approximately 6,000 CPA candidates.

Building public trust in the accounting profession has been foundational to CPABC since the unification of the three predecessor professional accounting bodies a decade ago. The provincial government's amendment of the CPA Act in 2024 to codify protection of the public interest in our mandate was a welcome update to reflect what CPABC has always been committed to.

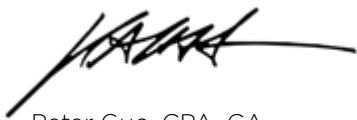
While our mandate to protect the public interest hasn't changed, the environment in which our organization operates has changed, and continues to change, significantly. To address this, we are continuously improving and adapting to the increasing complexity and challenges that are now common in society at large and can impact many regulatory matters.

At our core, CPABC's purpose is to protect the public interest by empowering CPAs and future CPAs to lead and support sustainable economies and communities and we use a proactive approach to do so.

Our CPA education program meets the evolving needs of business and communities and only qualified individuals are admitted to membership. We use continuing professional development, and licensing and practice reviews of members engaged in public practice to proactively monitor that CPAs are meeting current professional standards and are qualified to perform essential work for British Columbians. These activities inform and educate our members, focusing on preventing problems from happening.

When a complaint is received, and a member is found not to have met standards, our professional conduct process aims to prevent future violations. We often seek to remedy complaints through education, sanctions, and financial deterrents. When appropriate, members may lose their CPA designation, which is a significant outcome, as the individual can no longer hold themselves out as a CPA who has attained and maintained the professional competence and ethics of the CPA profession.

We protect the public interest by holding CPAs to high professional and ethical standards. To that end, we regularly review our regulatory procedures against the best practices of other provincial CPA bodies and professional organizations, and we meet or exceed international accounting standards. We are proud of the work our organization does, and we will continue to uphold our legacy while striving to safeguard the future.



Peter Guo, CPA, CA
CPABC BOARD CHAIR

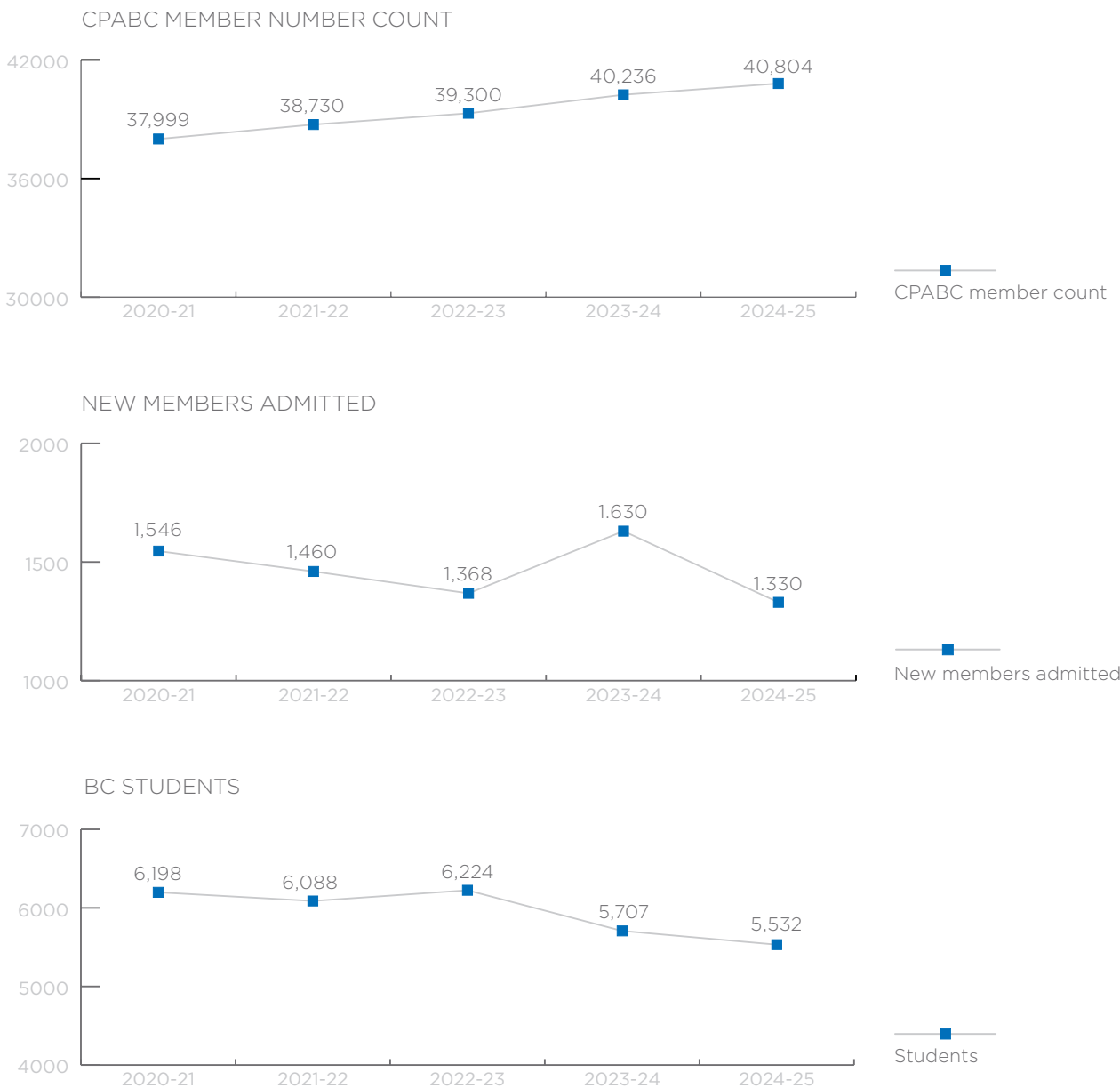


Stella Lam, CPA, CA
**EXECUTIVE VICE PRESIDENT,
REGULATION & REGISTRAR**

Key Statistics and Five-Year Trends

Membership

CPABC only admitted those applicants who met the rigor 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:

40,804



As of March 31, 2025, **5,532** students were pursuing the CPA designation in the CPA Professional Education Program.



During the fiscal year **1,330** new members were admitted into the profession, and **762** 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.

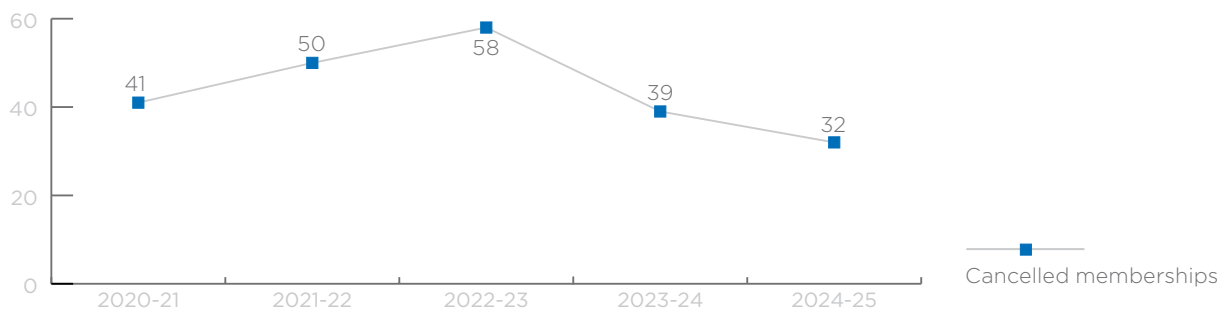


Over the past **five** years, an average of **1,106** BC students graduated annually from the profession's certification programs.

Continuing Professional Development (CPD)

98% of members complied by the CPD reporting deadline.

CANCELLED MEMBERSHIPS DUE TO NON-COMPLIANCE FOR CPD



33,206 active members were required to self-report compliance with 2024 CPD. Action is taken against members who do not comply with the requirements. This action can result in suspension or cancellation of membership.



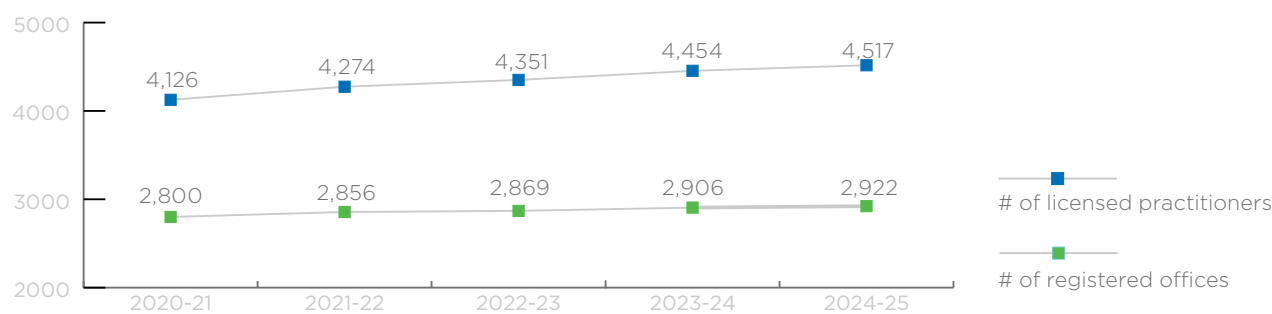
CPABC verified CPD compliance for roughly **1%** of membership. Members who did not comply with the CPD verification process risked being referred to the CPABC investigation and discipline processes, where they could have their membership suspended or cancelled for non-compliance.



During the year ended March 31, 2025: **208** members had their memberships suspended for CPD non-compliance. **32** of the suspended members had their memberships cancelled.

Public Practice

19% of CPABC’s members work in public practice.



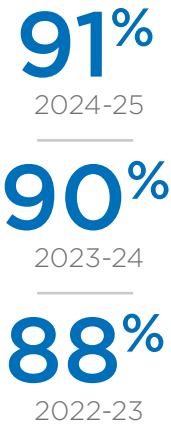
4,517 public practitioners operating in 2,922 public practice offices in BC as at March 31, 2025. The majority of practitioners work in small firms with 98% of those firms owned by fewer than five professional accountants.



There were 1,061 practice reviews conducted this past year, including 70 re-inspections. The pass rate has improved slightly due to more resources, guidance and support provided to practitioners following changes in the standards.



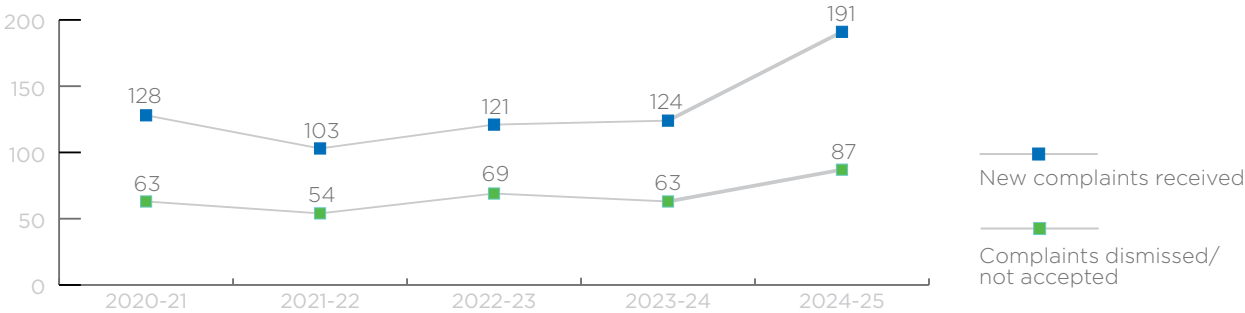
Pass Rate for Practice Reviews



Professional Conduct

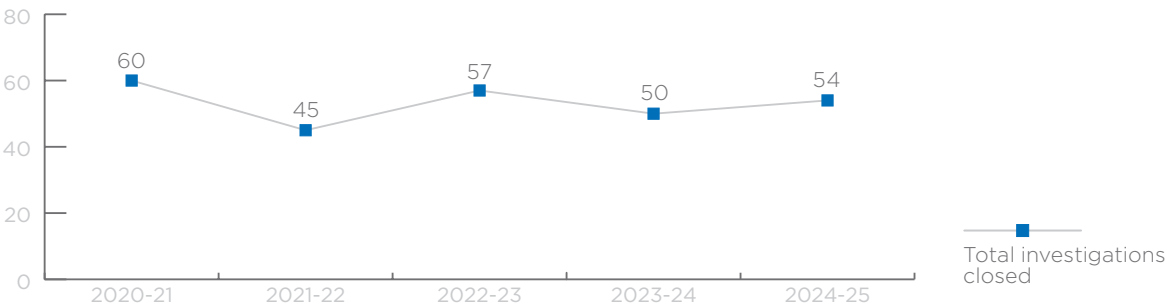
CPABC investigated complaints received about members, firms, and students. Where breaches of the bylaws or rules were found, the resolution typically included education, sanctions and financial deterrents to protect the public from a repeat of the misconduct. In some instances, there was a suspension or cancellation of membership.

INVESTIGATION & DISCIPLINE PROCESS

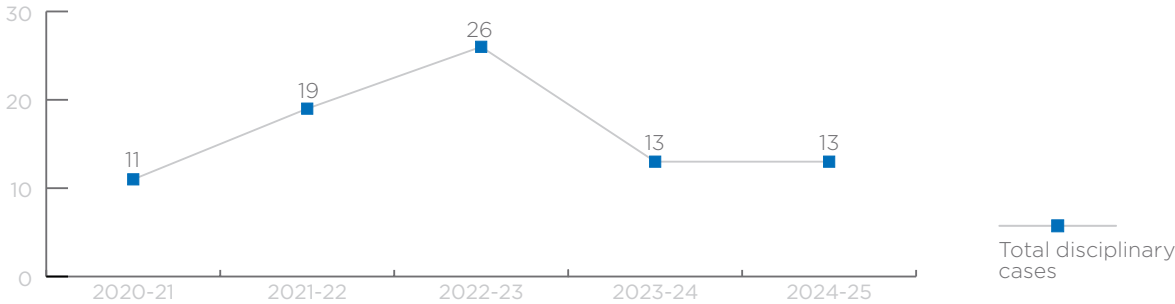


*Similar to other regulatory bodies, CPABC has received an increased number of complaints. CPABC has increased its resources accordingly to keep up with volume.

INVESTIGATIONS CLOSED



DISCIPLINARY COMMITTEE ACTIVITIES





PROFESSIONAL CONDUCT PROCESS

224* Active complaints during the year

60 Complaints pending

87 Complaints dismissed/not accepted

77 Investigations authorized

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



INVESTIGATIONS CLOSED

9 No grounds

3 Not pursued

33 Resolutions - D&R*

9 Referred to Disciplinary Committee

*Determination and Recommendation Agreement



DISCIPLINARY COMMITTEE ACTIVITIES

8 Resolution agreements

4 Outcomes pending

1 Disciplinary panel decision

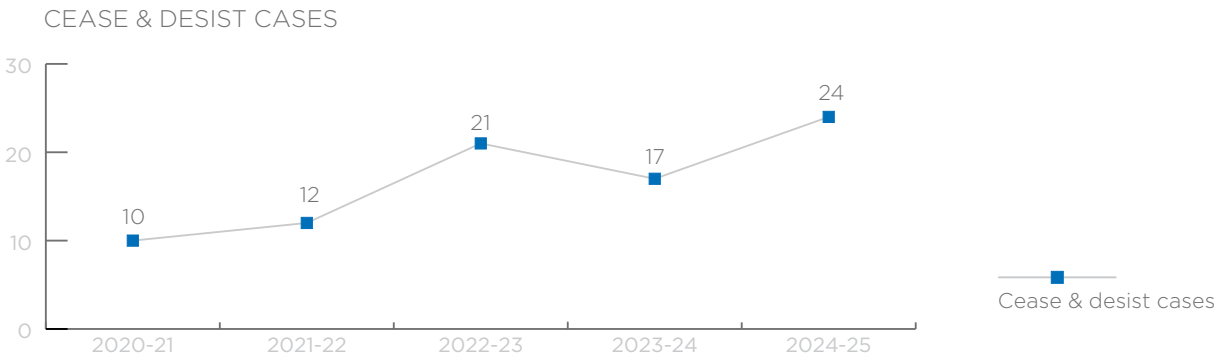
Protections under the *CPA Act*

Protecting the Public through Regulation of Designation Use & Restricted Services

Only members of CPABC are recognized as having the necessary training, education, and skills to work as professional accountants in BC. CPABC's members are governed by the CPA Act, Bylaws, Bylaw Regulations and Code of Professional Conduct. You can find more details about these on CPABC's website.

To protect the public, only CPABC members in good standing can use the title "professional accountant." Non-members are not allowed to use this title or suggest that they are professional accountants. Only authorized CPA members can perform certain services, like audits, reviews, compilations and other assurance engagements, and issue related reports or certifications, as outlined in Section 47 of the CPA Act and the CPA Canada Handbook Standards.

The CPA Act also prevents non-members from using CPA and related designations like CA, CGA, or CMA. If CPABC finds out that someone is misusing these protected titles, we take action to stop it. The public deserves to be able to trust that anyone using the designation has been properly trained and is regulated in BC. When in doubt, the public should refer to CPABC's online member directory.



CPABC's Profile

Canadian Context

CPA bodies are subject to provincial legislation. While complete harmonization is not always achievable, the Canadian CPA profession has aligned requirements, standards, and regulatory practices across the country wherever possible. This allows members to register and provide services when they move from one province or territory to another, and firms to operate in multiple provincial jurisdictions.

For the public, this means that you can expect the same high standard of training and professionalism from any CPA member or firm registered in British Columbia, regardless of where they originally qualified. This consistency in standards helps maintain trust and confidence in the services provided by CPAs, ensuring that your financial and business needs are met with the utmost competence and integrity.

CPABC's Purpose

CPABC protects the public interest by empowering CPAs and future CPAs to lead and support sustainable economies and communities.

CPABC's Core Values

- » Integrity
- » Inclusivity
- » Forward-thinking
- » Social Responsibility



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

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;
- » Subject to protect the public interest, to represent the interests of members and students; and
- » Protect the public interest.

Governance

CPABC's Board puts the public interest first when developing policies. The Board has 19 members: three public representatives appointed by the government and 16 CPABC members. Fifteen of these members were elected, and one had their three-year term extended due to their leadership role.

Five regulatory committees, appointed by the Board, handle regulatory matters:

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

These committees regulate members and students to uphold professional standards, and all of them have public representatives (with the exception of the Bylaws Committee). They continuously assess the regulatory environment and update CPABC's processes as needed to address the evolving needs of the public, members, and British Columbia's financial markets.

This proactive approach ensures that the public can rely on CPABC members and firms to uphold the highest standards of professionalism and competence, fostering trust and confidence in the services provided.



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 Bylaws

Any proposed changes to the Bylaws need to be approved by the Board, confirmed at a members' meeting (usually the AGM), and reviewed by the Minister of Post-Secondary Education and Future Skills before they can 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 changes to fit provincial needs. The Code is based on five key ethical principles for all members:

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

The Code evolves as national and international standards and best practices change. CPABC members must act in the public interest and have a duty to report any apparent breach of the Code by another CPA. The public depends on ethical leadership and accurate, fair financial and management reporting. Providing these essential reports is both an economic necessity and a critical duty of the profession.

Confidential advisors are available at no cost to members and students who need guidance. The Code has the same legal standing as the Bylaws, so any changes must go through the same approval process as the Bylaws.



CPABC Code of Professional Conduct

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
- » Confidentiality

Protecting the Public

Proactive Approach to Regulation

CPABC’s regulatory activities include membership certification, continuing professional development, public practice licensure and review, and professional conduct. Effective regulation involves both proactive and reactive activities, provided through education or adjudication.

Proactive activities focus on preventing issues from arising.

These include:

- » Admitting only qualified people to membership
- » Ensuring members complete required professional development
- » Issuing public practice licenses only to members who have the appropriate knowledge and experience for the particular license category and conducting practice reviews

Reactive activities happen after an issue arises. The Investigation and Disciplinary committees determine if there was a breach of the Bylaws or the Code of Professional Conduct. If so, they recommend or impose sanctions.

CPABC primarily focuses on education and helping members keep up with constantly changing standards. However, education alone isn’t always enough, so an adjudication process is sometimes needed.



Protect the Public Interest

Our Five Strategic Pillars:

- » **Regulate**
CPABC will regulate members and students to uphold professional standards
- » **Deliver**
CPABC will deliver sufficient and appropriately skilled CPAs to meet market demand
- » **Support**
CPABC will support the needs of its members and students
- » **Lead**
CPABC will lead and will foster member leadership on business, financial, and accounting matters
- » **Account**
CPABC will discharge its mandate in a responsible, transparent and proactive manner

Membership Certification

The CPA Professional Education Program (PEP) helps CPA candidates develop and apply their professional knowledge, values, ethics, and attitudes in real-world situations. Candidates must successfully complete the educational requirements and examinations set by the profession. In addition, they must meet the practical experience requirements to gain the entry level skills needed to become newly qualified professional accountants. This includes both technical skills in areas such as tax, financial accounting, management accounting, finance, strategy and governance, and soft skills like professional and ethical behaviour, problem-solving, decision-making, communication, self-management, teamwork, and leadership.

All CPA membership applicants in Canada must meet common certification requirements, and in BC, there's also an ethics course that forms the entrance requirement. With integrity being a cornerstone of the profession, ethical guidance and discussions are regularly provided to candidates and members through various publications and courses.

The program aims to develop strong ethical professional accountants with the foundational skills needed to become future leaders who can meet the evolving needs of businesses.

Continuing Professional Development (CPD)

CPD helps professional accountants stay competent and relevant in their roles, which is crucial for maintaining public confidence and trust in CPAs. Complying with professional development requirements is a key part of being a CPA member.

CPABC requires members to complete at least 120 hours of CPD every three years, with a minimum of 20 hours each year. This is consistent with the CPD standards required by the International Federation of Accountants (IFAC). At least four hours every three years must focus on professional ethics. Members must complete 1.5 hours of anti-money laundering CPD by December 31, 2026. Members must report their CPD to CPABC annually, and CPABC checks a sample of these reports.

CPD includes seminars, workshops, courses, and other activities that update a CPA's professional knowledge, skills, and values. These courses can be provided by CPABC or other organizations.



CPD requirements distinguish the CPA profession from others in business. High-quality and relevant education, services, and resources directly support and enhance the regulatory compliance of CPABC's members.

Practice Licensure

To protect the public, members who work in public practice must be licensed and have their firms registered with CPABC. They are also required to carry a minimum amount of professional liability insurance.

There are different categories and sub-categories of public practice licenses to ensure that members only work in areas where they have the appropriate knowledge and experience. This specialization helps maintain high standards of service and protects the public from unqualified practitioners.

Non-members are not allowed to provide services that are restricted to CPABC members, as stated in Section 47 of the CPA Act. This regulation helps safeguard the public by ensuring that only qualified and regulated CPAs offer certain accounting services, thereby maintaining trust and confidence in the profession.

Practice Review

Members in most areas of public practice must undergo mandatory practice reviews to determine if they are following professional standards and to provide guidance and education based on the results. This program helps ensure that public practitioners maintain the knowledge, skills, and proficiency needed to offer the highest level of service to their clients and stay updated with changing regulatory standards.

Public practice firms are usually reviewed once every three years. If significant deficiencies are found, corrective measures will be required. In more serious cases, a reinspection may be needed, and the issue could be referred to the Investigation Committee.

CPABC shares the overall results and common deficiencies from these practice reviews with all practitioners annually for educational purposes



CPABC made sure members had up-to-date information on important topics, helping them better support their clients and employers.

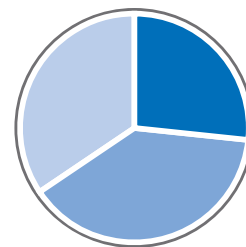
The accounting profession is here to help businesses and individuals navigate through these challenging times.

Professional Conduct

To protect the public, the Investigation Committee reviews the results of complaint investigations thoroughly. Most complaints that proceed to investigation are resolved through an agreement between the committee and the member. These agreements typically include recommendations to prevent the conduct from recurring, and most members comply with these recommendations. A summary of the agreement is posted on the CPABC website and members are named to protect the public, unless a majority of the public representatives deem named publication unnecessary or inappropriate.

For more serious matters, the Investigation Committee refers the case to the Disciplinary Committee. A hearing panel reviews these cases to determine if there were breaches of CPABC's governing documentation and to decide on the appropriate sanctions. The decisions of the Disciplinary Panel are posted on the CPABC website.

At any point during the investigation and discipline process, a matter can be resolved through a resolution agreement. These agreements are consensual and require approval from the CPABC Board. They are typically used in more serious cases and often include suspension or cancellation of membership, and they are made public. This process ensures transparency and accountability, reinforcing public trust in the profession.



Professional Conduct Process

224* Active complaints during the year

- 60** Complaints pending
- 87** Complaints dismissed/not accepted
- 77** Investigations authorized

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

Anti-Money Laundering

Money laundering is a serious global issue that's illegal, unethical, and harmful. In Canada, it threatens our national reputation, economy, and society. While CPAs aren't generally seen as high-risk for money laundering, they still play a crucial role in fighting it.

The CPA profession helps shape public policy and keeps members informed about anti-money laundering (AML) developments and obligations, and works in Canada and internationally to strengthen AML systems. For example, CPA Canada supports transparency in ownership information and have made multiple submissions to the federal government for reforms to improve AML laws. These reforms aim to make it easier to share information between public and private sectors, assist investigations, and increase prosecutions for money laundering. CPA Canada also advocates for a national whistleblowing framework.

The CPABC Code of Professional Conduct applies to all BC CPAs, prohibiting them from engaging in any illegal or unprofessional activities or spreading false or misleading information. CPAs must also comply with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and report to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). Unlike CPAs, these obligations do not apply to non-designated accountants.



CPABC is committed to being part of the solution against money laundering.

Disclosure

Privacy

CPABC must keep certain information confidential according to section 69 of the CPA Act and comply with the *Freedom of Information and Protection of Privacy Act* (FOIPPA). While we can share the results of a disciplinary hearing, FOIPPA does not permit us to comment publicly on any complaint while it is still 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.

Public Trust at the Forefront

In today's world, where public and regulatory scrutiny is increasing, and businesses and individuals face constant change, protecting the public remains a top priority for the CPA profession. CPABC works closely with other regulators in Canada, like the Canadian Public Accountability Board (CPAB). CPAB oversees audits of public companies and shares inspection results with CPABC for firms in BC.

CPAs must also comply with the PCMLTFA and FINTRAC, which conducts compliance reviews to detect, prevent, and deter money laundering and terrorist financing. CPABC has strengthened the AML requirements for CPAs, and members must inform CPABC if FINTRAC finds them non-compliant with AML laws.

Supporting our members through education, regulation, and continuous communication about changing standards is crucial. This includes mandatory professional development and regular practice reviews for those in public practice. CPABC takes pride in its proactive approach to regulation, as protecting the public interest is our most important function.



CPA

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