
Annual Review of Compliance by the Institute of Chartered Accountants of Ontario (ICAO) with the Standards of the Public Accountants Council for the Province of Ontario for the year ended October 31, 2011

Background

The objective of the annual review is to report to the Council on whether the ICAO continues to meet the standards developed and adopted by the Council pursuant to Section 19 of the *Public Accounting Act, 2004* (the Act) as the minimum standards that an Authorized Designated Body ((ADB) must meet in order for the Council to authorize such body to license and govern the activities of its qualified members as public accountants in Ontario (the Council Standards).

Since 2007, the following annual and triennial reviews have been completed:

For the year ended	Form of Review
2008	<i>ICAO Monitoring and Review Report for the year ended October 31, 2008</i>
2009	<i>The PAC ICAO Triennial Evaluation Report for the period from November 1, 2006 to October 31, 2009</i>
2010	<i>Annual Review of Compliance by the ICAO with the Standards of the Public Accountants Council for the Province of Ontario</i>

The 2010 Annual Review was a scaled-down version of the procedures carried out for the 2008 Annual Review, and reflected Council's view that that the annual reviews for a given ADB could be less detailed over time if experience and circumstances appeared to support this.

At its meeting held on June 26, 2012, the Council accepted the recommendation of Management that the extent of review procedures for the Annual Review of the ICAO for its reporting year ending October 31, 2011 be scaled back further and that the Chief Executive Officer of the Council (CEO) be authorized to carry out the review procedures in place of an external evaluator.

The decision of the Council to accept the recommendation of Management was based on the fact that the foregoing reviews had demonstrated that the ICAO has the necessary infrastructure, standards, processes and people to license and govern the activities of its public accountants at a level consistent with the Council Standards. As well, Council directed the CEO that, should any concern arise during his review, the CEO would be expected to call upon external advisers as might be appropriate for further examination and assessment to complete the annual review.

Report by the Chief Executive Officer submitted to the Council at its meeting held on September 25, 2012

The following table sets out the review procedures that were carried out, along with comments:

Review Procedure	Comments
Complete a detailed review of the Activity Report submitted for the year ended October 31, 2011 by the ICAO, including its completeness	The Activity Report was reviewed and determined to be complete.
Compare the Activity report statistics with those of the prior two years	I raised four questions regarding where there were changes in the pattern of statistics. All changes were satisfactorily explained by the ICAO.
Enquire of ICAO management regarding any changes in its operating procedures as set out in the risk analysis that was prepared for the first Annual Review	The ICAO completed a very thorough risk analysis of its operations for its first annual review for the 2007 year. This analysis was updated and reviewed for the 2010 triennial review. For 2011, the ICAO reported that there was no special updating of operating processes and procedures relating to risk management.
Review the ICAO Annual Report for its fiscal year ended February 29, 2012	There has been an increase in the number of complaints, but it is too early to determine if a trend is emerging. One reporting difference is that the complaints number for the first time this year included files in the preliminary or enquiry phase.

Nothing came to my attention as a result of carrying out these procedures that needs to be reported to the Council.

