

## **Principles of governance relating to the licensing and governing the activities of members of the authorized designated body as Public Accountants**

- (1) An authorized designated body shall establish a public accounting licensing board, committee or panel (the “public accounting licensing board”) to act on its behalf in respect of all matters relating to the issuance of licences to its members to permit its members to practise as public accountants in Ontario. Such matters shall include at least the following:
  - (a) decisions respecting applications from members for public accounting licences;
  - (b) decisions respecting applications from professional corporations for certificates of authorization to practise public accounting;
  - (c) decisions respecting applications for renewal of public accounting licences and certificates of authorization;
  - (d) receipt for the record of notices of revocation of public accounting licences and certificates of authorization;
  - (e) decisions respecting applications for the issuance of public accounting licences to members whose previous public accounting licences expired, unless such application is referred to an applications committee or other designated committee for a hearing and decision relating to a determination of good character or whether the qualifications for licensing have been met.
- (2) An authorized designated body shall also establish an applications committee, or shall delegate to a committee such as the public accounting licensing board provided that the quorum requirements of Section 17(3)(c) are satisfied, to consider in respect of public accounting licensing matters:
  - (a) any application for a licence from a member where the good character of the member must be determined by means of a hearing;
  - (b) any application for a licence from a member in respect of whom the public accounting licensing board has directed that a hearing be held to determine whether the member has fulfilled the qualifications to be licensed as set out in the Act, the regulations made under the Act, these standards or in the by-laws or regulations of the authorized designated body;
  - (c) any application for a public accounting licence from a member who is licensed to practise public accounting outside of Ontario; and
  - (d) any other matter related to public accounting licensing that is referred to it by the board of directors or governing council of an authorized designated body or by the public accounting licensing committee, as applicable.
- (3) An authorized designated body shall ensure that:
  - (a) there are public representatives on each of its committees that deal with public accounting applications and licensing matters including the committees described

in Sections 17(1) and (2) as well as any appeal committee or discipline committee to which a matter relating to a public accounting licensing or application matter is referred;

- (b) if its committee that deals with public accounting applications and licensing matters described in Section 17(1) is the board of directors or governing council of the authorized designated body, such committee shall consist of a panel of not fewer than three drawn from the members of the applicable committee, provided that a minimum of one public representative shall serve on every panel;
- (c) its committee that deals with public accounting applications and licensing matters described in Section 17(2) as well as any appeal committee or discipline committee to which a matter relating to a public accounting licensing or application matter is referred shall consist of a panel of not fewer than three drawn from the members of the applicable committee, provided that a minimum of one public representative and one licensee shall serve on every panel;
- (d) there is broad representation on its committee that deals with public accounting licensing applications as described in Section 17(2) which includes licensees and which reflects the authorized designated body's membership by occupation (i.e. members from national firms or professional corporations, regional or local firms or corporations, and members from industry or the public sector) and by geographic location.

(4) An authorized designated body shall ensure that:

- (a) it follows due process in the administration of its licensing process;
- (b) its processes and decisions on entry to licensure are free from all forms of discrimination, whether personal or systemic;
- (c) applicants for public accounting licences have access to an independent internal review or appeal process for licensure decisions by another designated committee and the persons who decide the review or appeal are not the same persons who made the original decision;
- (d) information on requirements and processes for licensure is readily available;
- (e) fees are commensurate with the services provided and are based on effective and efficient processes;
- (f) assessment and licensure decisions are communicated to applicants for licences in a timely manner with clear and sufficient reasons;
- (g) licensees use after the name or initials of the accounting designation granted to its licensees the term "Licensed Public Accountant" or the initials "LPA";
- (h) information on the status of individual licensed public accountants is readily and freely available to the public, is published in a timely manner on its website and is provided in a timely manner to the Council for publication on its website;

- (i) its actions in regulating public accounting licensure matters reflect the public interest by ensuring a high standard of professional practice and by recognizing that the purpose of a licence is to protect the user, and not the provider, of public accounting services; and
  - (j) it complies with the standards, principles and regulations established by and under the Act.
- (5) An authorized designated body shall prescribe the form and content of its application for a public accounting licence. The content of such application shall include all matters necessary to determine whether the applicant meets the requirements of the Act and of these standards for licensure including, without limitation, the requirements of Sections 2 to 6 or 7A, 7B or 7C of these standards, as applicable.

Such application shall contain or be accompanied by:

- (a) the names of persons to whom reference may be made as to the applicant's character and suitability for licensure; and
  - (b) a declaration signed by the applicant that the contents of the application are true and correct.
- (6) If an authorized designated body suspends or revokes the membership rights and privileges of a licensee, it must also suspend or revoke such licensee's public accounting licence.
- (7) If a licensee ceases to be a member of an authorized designated body, the licensee's public accounting licence shall terminate on the date that such licensee ceases to be a member of the authorized designated body.
- (8) Notwithstanding the provisions of Sections 17(6) and (7), an authorized designated body shall require that the person whose licence was suspended, revoked or terminated continues to be subject to the disciplinary powers of the authorized designated body, as fully and to the same extent as if such rights and privileges and licence had not been suspended, revoked or terminated, for any act, omission, matter or thing which may constitute or involve a violation of the by-laws, regulations, policies or the rules of professional conduct of the authorized designated body to the extent permitted by law.
- (9) An authorized designated body shall, except where the authorized designated body is of the opinion that there are legitimate concerns surrounding a licensee's personal security, publish a roll of licensed public accountants on its website in a publicly accessible and freely available manner that is open for public inspection and shall provide such information to the Council for its roll.
- (10) An authorized designated body shall publish an annual report on its licensure activities on its website in a publicly accessible and freely available manner and make such report available to the public upon request and to the Council.