

**Annual Review of Compliance by Chartered Professional Accountants of Ontario (“CPA Ontario”) with the Standards of the Public Accountants Council for the Province of Ontario (“Council”) for the year ended October 31, 2016**

**September 13, 2017**

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**Background**

The objective of the annual review is to report to the Council on whether CPA Ontario continues to meet the standards developed and adopted by the Council pursuant to Section 19 of the *Public Accounting Act, 2004* (“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 (“Council Standards”).

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

<b>For the year ended</b>	<b>Form of Review</b>
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>
2011	<i>Annual Review of Compliance by the ICAO with the Standards of the Public Accountants Council for the Province of Ontario</i>
2012	<i>Report to The Public Accountants Council for the Province of Ontario (“PAC”) on the Institute of Chartered Accountants of Ontario (“ICAO”) Triennial Evaluation For the Period from November 1, 2009 to October 31, 2012</i> <i>Findings as of August 15, 2013</i>
2015	<i>Report to The Public Accountants Council for the Province of Ontario (“PAC”) on the Chartered Professional Accountants of Ontario (“CPA Ontario”) Triennial Evaluation for the Period from November 1, 2012 to October 31, 2015</i> <i>Findings as of June 8, 2016</i>

Annual reviews were not carried out for the reporting years ended October 31, 2013 and 2014 due to the significant involvement the Council had with CPA Ontario during Unification.

Certain of the above reviews are scaled-down versions of the annual and triennial reviews carried out for the earlier years, and reflect Council’s view that that the annual reviews for an ADB could be less detailed over time if there was consistent positive results in the previous triennial and annual reviews. The reviews to date have demonstrated that CPA Ontario has continued to have 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.

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

<b>Review Procedure</b>	<b>Comments</b>
Complete a detailed review of the Activity Report submitted for the year ended October 31, 2016 by CPA Ontario, 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.	It was noted that the number of licence renewals permitted under the discretion of the Public Accounting Licensing Board has risen fairly significantly to 15 (from 5 in 2013, 3 in 2014 and 2 in 2015) and that a number of the cases involved insufficient eligible hours. CPA Ontario was advised that this trend will be monitored in future Annual Supplemental Reports.
Enquire of CPA Ontario management regarding any changes in its operating procedures as set out in the risk analysis that was prepared for the first Annual Review.	CPA Ontario previously completed a very thorough risk analysis of its operations for the 2007 year. This analysis has been regularly updated and reviewed to reflect the current operating processes and procedures relating to risk management. There are no issues to report.
Review ten applications for a Public Accounting Licence for completeness.	Ten random-selected files were reviewed. There are no issues to report.
Review the CPA Ontario Annual Report for its fiscal year ended March 31, 2017.	No reportable issues were noted in the review of the 2017 Annual Report.

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

