

# MEMORANDUM OF UNDERSTANDING

between

THE ATTORNEY GENERAL

-and-

THE CHAIR, PUBLIC ACCOUNTANTS COUNCIL  
FOR THE PROVINCE OF ONTARIO

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## DEFINITIONS

- "Act" means the *Public Accounting Act, 2004*, S.O. 2004, c.8 and regulations
- "Council" means The Public Accountants Council for the Province of Ontario
- "Chair" means the Chair of the Council
- "Members" means members appointed to the Council, in accordance with the Act
- "Deputy Minister" means the Deputy Attorney General of Ontario
- "AEAD" means Agency Establishment and Accountability Directive
- "TB/MBC" means Treasury Board/Management Board of Cabinet
- "Minister" means the Attorney General of Ontario
- "Ministry" means the Ministry of the Attorney General
- "MOU" means this Memorandum of Understanding
- "OIC" means Order in Council.

## I PURPOSE

1. This MOU is between the Minister and Chair and sets out all of the administrative and accountability relationships between the Ministry and the Council, pursuant to the AEAD.
2. This MOU does not affect, modify or interfere with the responsibilities of either party under law. In the event of a conflict between the provisions of this MOU and the statutes or regulations of Ontario, the applicable statute or regulation shall prevail.

## II CROWN AGENT STATUS

The Council is not a crown agent for the purposes of the *Crown Agency Act*.

## III AGENCY CLASSIFICATION

The Council is designated as a regulatory agency, with a governing board, under the AEAD.

#### **IV MANDATE**

1. The role and authorities of the Council are established by the Act, and the Council operates within the scope of that legislation. The mandate of the Council is to ensure that public accounting in Ontario is practised in accordance with internationally respected public accounting standards that reflect the public interest in the delivery of superior quality public accounting services. The Council oversees the regulation of public accounting in the public interest by:
  - (a) developing and maintaining the standards that a designated body must meet in order to be authorized to license and govern the activities of its members as public accountants and raising the standards, as required;
  - (b) determining which designated body meets the standards, when it meets them and whether the designated body continues to meet the standards after it is authorized to license and govern the activities of its members as public accountants;
  - (c) overseeing the designated bodies in their capacity to license and govern the activities of their members as public accountants; and
  - (d) maintaining public confidence in public accounting through the appropriate prosecution of offences under the Act.

#### **V TIME PERIOD**

1. This MOU, to be executed by the Minister and Chair, takes effect on the date it is signed by the Minister and remains in effect for a period of five (5) years from that date or until amended or replaced, with the approval of TB/MBC.
2. This MOU shall be reviewed on the appointment of a new Minister or Chair. If there are no changes, the parties shall initial the MOU. Pending the review and initialling by the parties, this MOU shall remain in effect and continue to govern the relationship between the parties.
3. If, at any time during the continuance of this MOU, the parties agree to amend the MOU, they may only do so in writing through an addendum that is signed and dated by both parties.

#### **VI ACCOUNTABILITY RELATIONSHIPS**

1. The Minister is accountable to the Legislative Assembly for the fulfillment of the Council's mandate and for reporting to the Legislative Assembly on the Council's affairs.

2. The Chair is accountable to the Minister for the performance of the Council in fulfilling its mandate and for carrying out the roles and responsibilities assigned to the Chair by the Act, the MOU, TB/MBC and AEAD.
3. The Deputy Minister is accountable to the Minister for carrying out the roles and responsibilities with respect to the Council assigned to the Deputy Minister by the Minister, the MOU, TB/MBC, and AEAD.

## **VII ROLES AND RESPONSIBILITIES**

### **1. The Minister is responsible for:**

- (a) reporting and responding to the Legislative Assembly on the affairs of the Council;
- (b) receiving the annual report from the Council and tabling in the Legislative Assembly;
- (c) informing the Chair of the government's priorities and broad policy directions;
- (d) consulting with the Chair and key stakeholders on significant new directions or when the government is considering regulatory or legislative changes for the Council, and advising the Chair of the nature of any such changes;
- (e) recommending modifications in the powers of the Council when changes in the mandate of the Council are being proposed;
- (f) attesting, reporting and responding to TB/MBC on the Council's compliance with government directives and statutes as per AEAD;
- (g) directing the Chair to undertake reviews on a periodic basis and making recommendations to the Minister;
- (h) evaluating the performance of the Chair;
- (i) recommending order-in-council appointments and re-appointments for the agency;
- (j) receiving and approving the Council's annual 3-year business plan within the timeframe agreed upon with the Ministry; and
- (k) recommending the approval of the Council's MOU to TB/MBC, in accordance with the AEAD.

**2. The Chair is responsible for:**

- (a) consulting with the Minister in advance and receiving approval (where required) regarding any issues that affect the Minister's responsibility for the agency;
- (b) ensuring the implementation of actions that support the mandate of the council;
- (c) providing leadership to the Council members;
- (d) evaluating the performance of the Committees of the Council, the Members of the Council, and the Chief Executive Officer of the Council, pursuant to performance criteria established by the Council;
- (e) reviewing the Council's 3-year business plan and annual report and submitting both to the Minister as authorized by the Council, in accordance with the timeframe agreed upon with the Minister;
- (f) training, orientation and evaluation of Council Staff and Members; and
- (g) establishing a Code of Conduct Policy including Conflict of Interest requirements and ensuring compliance by the Chair, Members, and employees.

**3. The Deputy Minister is responsible for:**

- (a) advising the Minister on the requirements of government directives that affect the Council;
- (b) consulting and meeting with the Chair or CEO, as needed or directed, on matters of mutual importance, including on TB/MBC Directives (i.e. AEAD, Government Appointees Directives);
- (c) recommending to the Minister the evaluation or review, including a risk-based review, of the Council, or changes to the Council's management or operations;
- (d) advising and assisting the Minister in meeting assigned ministerial responsibilities with respect to the Council; and
- (e) attesting, reporting and responding to TB/MBC on the Council's compliance with government directives and statutes as per AEAD.

**4. The Members are responsible for:**

- (a) setting the goals for the Council within its mandate as defined by the Act;
- (b) directing the affairs of the Council so as to fulfill its mandate, approving the performance objectives for the Council; setting policies to ensure that the Council uses its revenues and assets with accountability, integrity and honesty;
- (c) directing the Chief Executive Officer to prepare the Council's annual 3-year business plan and annual report, in keeping with AEAD and approving for submission to the minister; and
- (d) establishing performance criteria for evaluating the performance of the Chief Executive Officer.

**5. The Chief Executive Officer is responsible for:**

- (a) ensuring that information is provided to the Ministry in a timely manner regarding issues that affect the Ministry's responsibility for the Council;
- (b) ensuring that the Act is administered and enforced effectively and efficiently;
- (c) managing the day-to-day operations of the Council in accordance with the Act that affect the Council and accepted business and financial practices, under the direction of the Chair and the Council;
- (d) applying policies so that the Council's revenues and assets are used with accountability, integrity and honesty;
- (e) establishing and applying a financial management framework to support decision-making;
- (f) establishing financial systems so that the Council operates within the approved business plan;
- (g) supporting the Chair and Council members in meeting their responsibilities;
- (h) carrying out in-year monitoring of the Council's operational performance and reporting on it to the Chair and the Council members;
- (i) undertaking timely risk-based reviews of the agency;

- (j) Advising the Chair on the requirements of applicable government directives and statutes, as per AEAD;
- (k) establishing a system for the retention of Council documents and for appropriately making such documents publicly available;
- (l) keeping the Chair and Council members informed on operational matters and providing early advice to the Council with respect to matters of public policy or issues which may prove to be contentious or of public concern;
- (m) preparing an annual report for the Council;
- (n) preparing an annual 3-year business plan for the Council;
- (o) preparing any formal documents relating to the Council's mandate, including annual financial plans, budgets, business plans and performance targets and measures, including regular updates on the achievement of performance targets and measures, for consideration and approval by the Council, as appropriate.

## **VIII FINANCIAL ARRANGEMENTS**

Pursuant to Section 33 of the Act, the Council is funded out of the revenue collected from fees of each of the Designated Accounting Bodies.

## **IX AUDITING ARRANGEMENTS**

Pursuant to Section 35 of the Act, the accounts of the Council are subject to annual audits as required by the Act.

## **X ADMINISTRATIVE RELATIONSHIPS**

1. The Council is designated by TB/MBC as a regulatory agency with a governing board.
2. The Council will be responsible for all administrative services including human resource support services, I & IT, facilities, financial, liability insurance, administration and payroll processing, training and staff development.

## **XI SALARY AND REMUNERATION OF APPOINTEES:**

In accordance with the Act, the Council may make recommendations to the Lieutenant Governor in Council in respect of the salaries and other remuneration paid to its Members and to the Chair, vice-Chair, secretary and other officers.

**XII COMPOSITION AND APPOINTMENT OF COUNCIL:**

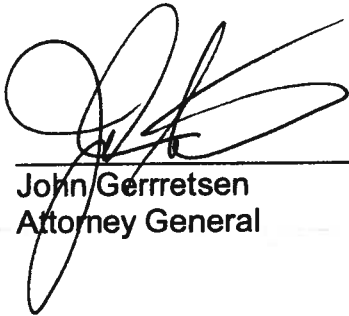
The composition and appointment of the Council shall be in accordance with the Act, and Ontario Regulation 238/05.

**XIII REPORTING REQUIREMENTS**

The Council, through its Chair, agrees to provide the following reports to the Minister:

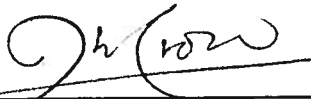
- (a) an annual report on the affairs of the Council within one hundred and twenty (120) days of the Council's fiscal year-end, or as reasonably adjusted from time to time by the government; and
- (b) an annual 3-year business plan within the timeframes established with the Minister, in consultation with the Council.

Signed at Toronto, Ontario



John Gerretsen  
Attorney General

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Date



John Crow  
Chair, Public Accountants Council of  
Ontario

Dec. 12, 2013

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Date