

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaires. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self- Assessment Questionnaire for background information on each member and associate their environment and existing processes. These responses may be viewed at:
http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Member:	Canadian Institute of Chartered Accountants (CICA)
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GLOSSARY

AcSB	Accounting Standards Board
AcSOC	Accounting Standards Oversight Council
CICA	Institute of Chartered Accountants of Canada
CPAB	Canadian Public Accountability Board
CPD	Continuous Professional Development
CSE	Council of Senior Executives
DRG	Discipline Resource Group
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IESs	International Education Standards
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
PICAs/Ordre	Provincial Institutes/Ordre of Chartered Accountants (PICAs/Ordre)
PIP	Practice Inspection Program
PIPSS	Practice Inspection Program Standing Sub-Committee
PRC and CI	Rules of Professional Conduct (RPC) and Council Interpretations (CI)
PSAB	Public Sector Accounting Board
PTC	Public Trust Committee
SMO	Statement on Membership Obligation

Action Plan Subject: SMO 1 and Quality Assurance
Action Plan Objective: Ongoing activities to maintain CICA’s compliance with SMO 1.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>The Provincial Institutes/Ordre of Chartered Accountants (PICAs/Ordre) have appropriate mandatory programs that provide for external quality assurance review (practice inspection) of members/firms.</p> <p>As part of its IFAC membership and best endeavors in meeting the SMO requirements, CICA will continue to develop programs and activities and maintain existing ones.</p> <p>The PICAs/Ordre derive their powers, including the power to conduct inspections, from a statute in their provincial jurisdiction. Chartered Accountants in Canada must be members in good standing of at least one PICA/Ordre, thereby becoming a member of the Federal body, CICA. The PICAs/Ordre are responsible for the practice inspection program for Chartered Accountants (CAs) who perform assurance services (audits or reviews), compilations and other services. In addition, pursuant to a memorandum of understanding with the Canadian Public Accountability Board (CPAB), the PICAs/Ordre share the responsibility for inspecting CAs that perform audits of public companies. For further details on the role of CPAB see the following website: http://www.cpab-ccrc.ca</p> <p>The objective of practice inspection is protection of the public by assessing the compliance with professional standards of members/firms that perform assurance, compilation and other specified engagements.</p> <p>The CICA has set out a Canadian standard on quality control (CSQC1) for firms that perform audits and reviews of financial statements, and other assurance engagements. Other standards exist such as: Canadian auditing standard 220 (CAS 220) – quality control for an audit of financial statements (CICA Assurance Handbook part I) and General assurance and auditing section 5030 – quality control procedures for assurance engagements (CICA Assurance Handbook part II) which parallel the International Standards in Quality Control (ISQC) 1.</p> <p>A Quality Assurance Manual is published by CICA. Each PICA/Ordre has statutory inspection committees to govern the practice inspection process. The PICAs/Ordre support and adhere to SMO 1.</p>					
<p><i>Review and Improve Existing Quality Assurance Programs</i></p>					
1.	Ongoing	The PICAs/Ordre carefully review all reports from CPAB to identify areas where common deficiencies	Ongoing	PICA/Ordre	PICA/Ordre

#	Start Date	Actions	Completion Date	Responsibility	Resource
		are noted in order to bring this to the attention of firms in order to identify areas for improvement. As well, if significant deficiencies are noted for particular firms, these are reviewed by the PICAs/Ordre to determine whether or not remedial action should be undertaken.			
2.	Ongoing	<p>The Canadian CA profession’s Council of Senior Executives (CSE) has an inter-institute committee, the Public Trust Committee (PTC) that reviews recommendations as to harmonize practice inspection programs. The CSE is comprised of the senior executive of each Institute/Ordre and serves as the management of the profession so that the CICA and the provincial Institutes/Ordre align current and future business plans to share resources, enhance commonality, and implement strategic directions and plans approved by the CICA Board of Directors and provincial governing bodies. The CSE is accountable, as a body, to the CICA Board of Directors. Members of the CSE are asked to arrive at CSE meetings with authority from their Council/Bureau to engage in decision-making.</p> <p>The CSE has the following responsibilities:</p> <ul style="list-style-type: none"> • Develop strategic and policy recommendations for presentation to the Board and to PICA/Ordre Councils/Bureau as appropriate. • Develop and maintain strategic (longer-term) and business plans (shorter-term) for presentation to the CICA Board of Directors and PICA/Ordre Councils/Bureau. • Implement strategy by developing and implementing business plans, assembling necessary resources and coordinating relevant 	Ongoing	CSE	PTC

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		<p>relationships.</p> <ul style="list-style-type: none"> • Identify and foster opportunities where Institutes/Ordre resources might be used more efficiently and effectively, such as co-venturing, contracting services by one Institute to another, coordinating or integrating program/projects. • Monitor performance and conduct periodic self assessments. • Conduct affairs in the spirit of the Protocol. 			
3.	Ongoing	<p>The PTC monitors and reviews developments related to best practices in practice inspection processes through the establishment of a Practice Inspection Program Standing Sub-Committee (PIPSS).</p>	Ongoing	PTC	PIPSS PICAs/Ordre
4.	Ongoing	<p>The PIPSS has developed recommendations to achieve best practices in practice inspection processes that meet or exceed SMO 1 requirements. The PICAs/Ordre have adopted these recommendations on a best efforts basis.</p> <p>Recommendations have been made in the areas of:</p> <ul style="list-style-type: none"> • Practice Inspection Objective • Scope • Inspection Criteria • Quantum of Files for Inspection • Cycle of Inspections (Risk adjusted cycle-based approach) • Evaluation of Deficiencies Methodology • Inspection Committee and Inspector Qualifications and Training 	Ongoing	PTC	PIPSS PICAs/Ordre

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ul style="list-style-type: none"> • Inspection Committee Process • CA public accounting training office review program. 			
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	The Practice Inspection Program Standing Sub-Committee reports to the Public Trust Committee. The roles and responsibilities of the PIPSS include supporting all PICAs/Ordre in the application of the harmonized practice inspection program, evaluating the consistency of the application of the PIP, monitoring international developments with respect to SMO 1 and other regulatory and environmental changes, and proposing any necessary changes to the PTC. The PIPSS is also responsible for working in collaboration with CPAB.	Ongoing	PTC	PIPSS
<i>Review of CICA's Compliance Information</i>					
6.	Ongoing	Perform periodic review of CICA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated inform IFAC Compliance Staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CICA Executive Office	PTC

Action Plan Subject: SMO 2 and IESs

Action Plan Objective: Ongoing activities to maintain its compliance with SMO 2

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>Based on its responses to the questions on SMO 2 CICA believed that the education standards in place for Canadian CAs meet or exceeded the relevant IAESB standards. No recommendations for action in this area were received from IFAC Compliance staff.</p> <p>For a discussion about the legal responsibilities relating to the education of Canadian CA students see CICA’s response to Part 2.</p> <p>The CICA’s SMO 2 objective is to use its “best endeavours” to persuade the Provincial Institutes/Ordre of Chartered Accountants (PICAs/Ordre) to incorporate the essential elements of International Education Standards (IESs) in their requirements and to assist them, as necessary, with the implementation of IESs.</p> <p>The PICAs/Ordre have demonstrated their interest in ensuring that they support and adhere to the IESs.</p>					
<p><i>Strengthening IES and New developments</i></p>					
7.	Ongoing	The CICA’s V-P, Education monitors closely the activities of the International Accounting Education Standards Board (IAESB) and reviews all of its work products. The V-P, Education determines to whom among those interested in the Canadian CA education process the IAESB’s work products should be distributed either for comment or for review with a view to any changes required in Canada to implementation.	Ongoing	CICA, Education Department	CICA, V.P., Education
8.	Ongoing	The Canadian CA profession’s Council of Senior Executives (CSE) has an inter-institute committee, The Professional Learning Committee (PLC) that seeks to co-ordinate both pre- and post-qualification education matters for the PICAs/Ordre. The CICA’s	Ongoing	CSE	PLC CICA V-P, Education

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Vice President, Education, is a PLC member and provides the group with information on IAESB developments and other international education developments of interest.			
9.	Ongoing	Upon review by the PLC best endeavors are made to see to it that compliance with the international standards is maintained whether this involves a change in the CA profession's processes or firms' processes.	Ongoing	CICA Education Department	CICA V-P, Education
10.	Ongoing	When the IAESB issues proposed IESs and International Education Practice Statements (IEPSs) for public comment, the CICA's Vice President, Education, circulates them to the education directors of the PICAs/Ordre, gathers their comments together and prepares a Canadian CA profession response to the IAESB.	Ongoing	CICA Education Department	CICA V-P, Education
11.	Ongoing	For IEPSs, a focused distribution is also made to committees of the CICA and to persons (in addition to the PICAs/Ordre education directors) whom it is thought would have an interest in reviewing and responding to them (e.g. CPAB, Ontario's Public Accountants Council, etc.).	Ongoing (determination to be made by the CICA Education Department)	CICA Education Department	CICA V-P, Education
12.	Ongoing	A. Once a pre-qualification IES has been approved (or amended) it is brought to the attention of the CA profession's Competency Map Committee by the CICA's Vice President, Education. The Committee includes the new or revised IES as part of its annual review of the competency map and ensures that the Canadian standards meet or exceed the international ones. Canadian universities generally look at the CA Competency Map (and the Maps of Canada's other two professional accounting bodies), rather than to	Ongoing	CICA Education Department Competency Map Committee	CICA V-P, Education Staff support, Competency Map Committee Reviews at PICA/Ordre level

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		<p>international standards, when they are deciding on content and programs.</p> <p>B. Once an IES dealing with post-qualification matters has been approved (or amended) it is brought to the attention of the PLC by the CICA’s Vice President, Education. The PLC includes the new or revised IES as part of its review of post-qualification education standards and ensures that Canadian CA education standards meet or exceed the international ones.</p> <p>C. Many Canadian university programs are accredited by PICAs/Ordre after they demonstrate how their programs comply with Canadian CA education (and, therefore, with international) standards.</p> <p>The CA profession’s own professional education programs are also accredited or reviewed via a self-assessment process and a report is made to the PLC to ensure that they comply with Canadian education standards (and, therefore, with the IESs). For additional information on this review process see the section entitled, Review Process for Specified Programs, in the booklet entitled, CA Professional Education Guidelines for Specified Programs. The booklet can be found on the CICA website at: http://www.cica.ca/become-a-ca/publications-to-download/index.aspx</p>			
13.	When appropriate	The CICA indicates its interest in and commitment to the work of the IAESB by nominating, when appropriate, potential members to serve on the IAESB.	Ongoing	CICA Board of Directors	CICA President CICA V-P Education

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14.	April 2008	A member of the current IAESB was re-nominated by the CICA in 2008. The CICA's Vice President, Education acts as a technical advisor and support person for that member. The resources of the CICA's Education Department are available to support the Vice President and the member.	December 2011	CICA Education Department	CICA President CICA V-P Education
<i>Maintaining Ongoing Processes</i>					
15.	Ongoing	CICA maintains a webpage on their site with the activities of the IAESB and a direct link to IESs, IEPSs and International Education Information Papers (IEIPs). See: http://www.cica.ca/become-a-ca/international-accounting-education-standards/index.aspx	Ongoing	CICA Education Department	CICA V-P, Education
16.	June 2008	As indicated above, the Competency Map Committee makes sure during its annual review of the competency map that the Canadian CA profession's standards meet or exceed the international ones. Consideration is being given to whether there should be a statement in the Competency Map to the effect that it meets or exceeds the relevant IAESB standards.	September 2011	CICA Education Department Competency Map Committee	CICA V-P, Education Staff support Competency Map Committee
17.	Ongoing	When the CICA does not have a member nominated by it serving on the IAESB, it will consider whether to send an observer to IAESB meetings to assist it in keeping abreast of IAESB developments and providing input to the IAESB on a timely and informed basis.	Not determined	CICA Executive Office CICA Education Department	CICA President CICA V-P Education
18.	Ongoing	Through the CICA's International Qualifications Appraisal Board (IQAB), the Canadian CA profession reviews the qualification processes of professional accounting bodies around the world, providing a regular opportunity to monitor best practices in the implementation of IESs.	Ongoing	IQAB	CICA V-P Education CICA Director, CA Qualification

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19.	Ongoing	CICA participates with leading CA professional accounting bodies around the world in the review and monitoring of best practices with the GAA including submitting the Canadian CA program to review by other GAA bodies (“peer review”) to ensure the maintenance of high standards that meet or exceed those established in the IESs.	Ongoing	CICA	CICA President CICA V-P Education
20.	Ongoing	CICA and the PICAs/Ordre frequently sponsor accounting educator symposia/workshops at which IAESB developments are reviewed with the academic community and their impact on accounting education and research is discussed.	Ongoing/ Annual	CICA Education Department	CICA V-P, Education
<i>Review of CICA’s Compliance Information</i>					
21.	Ongoing	Perform periodic review of CICA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated inform IFAC Compliance Staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CICA Executive Office CICA Education Department	CICA President CICA, V.P., Education

Action Plan Subject: SMO 3 and International Standards on Auditing (ISAs)
Action Plan Objective: Ongoing adoption and implementation of ISAs as Canadian Auditing Standards (CASs)

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Auditing and Assurance Standards Board (AASB) is adopting International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). These standards in Canada are identified as “Canadian Auditing Standards” (CASs) and will constitute Canadian Generally accepted auditing standards. The AASB has also adopted the International Standard on Quality Control (ISQC 1) as the CSQC 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance Engagements. CICA use its best endeavors in assisting AASB to meet its objective of adopting (not just converging with) all of the clarified ISAs and ISQC1 as Canadian Auditing Standards (CASs) (Canadian GAAS) and CSQC1 for periods beginning on or after December 15, 2009.</p>					
<i>Adoption of ISAs and ISQC1 and Contribution to IAASB’s Development of the ISAs</i>					
22.	June 2006	<p>This action includes supporting AASB in properly performing all the steps in its due process for adopting ISAs.</p> <p><i>Links to supporting materials on CICA websites:</i></p> <ol style="list-style-type: none"> 1. Adopting International Standards on Auditing (ISAs), dated March 2008. http://www.aasb.ca/download.cfm?ci_id=44042&la_id=1&re_id=0 2. AASB’s due process for adopting ISAs. http://www.aasb.ca/index.cfm/ci_id/3675/la_id/1.htm#International 3. Current Project Timetable and aligned to ISAs http://www.aasb.ca/download.cfm?ci_id=35435&la_id=1&re_id=0 	Ongoing	CICA Vice President, Standards	AASB, task forces of volunteers to work on specific ISA adoption projects when appropriate Director, Auditing and Assurance Standards, auditing standards staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
23.	May 2009	Make all new CASs (i.e., the first complete set of clarified ISAs being adopted) available in English and French in the CICA Handbook-Assurance by the end of May 2009. The aim is to have the standards available so that stakeholders can become familiar with them well in advance of their effective date.	Ongoing – but initial tranche delivered by the end of May 2009	CICA Vice President, Standards	CICA Quality Control Staff CICA Handbook Production Staff (Member services)
<i>Contribution to Standard-Setting Activities of the IAASB</i>					
24.	1980s	Continue to provide administrative, financial and professional staff support to CICA’s nominee to the IAASB (Mr. Phil Cowperthwaite, CA) and his technical advisor (Greg, Shields, Director, Auditing and Assurance Standards). Note Mr. Cowperthwaite has been reappointed as an AASB member for the years 2009-11.	Ongoing	CICA Vice President, Standards	CICA nominee to the IAASB Director, Auditing and Assurance Standards, auditing standards staff, Members of the AASB
25.	1980s	CICA’s nominee to the IAASB and his technical advisor will continue to actively participate as members of various IAASB task forces when requested. (Currently, Mr. Cowperthwaite is also a member of the IAASB Steering Committee).	Ongoing	CICA’s nominee to the IAASB and is Technical Advisor,	CICA’s nominee to the IAASB and his Technical Advisor
26.	2003	As part of AASB’s due process, before each IAASB meeting, AASB and staff will continue to provide the CICA nominee to the IAASB and his technical advisor with input on all significant issues to be discussed by IAASB.	Ongoing	CICA Vice President, Standards	CICA nominee to the IAASB, Director, Auditing and Assurance Standards, auditing standards staff Members of the AASB
27.	June 2006	Continue to publicly exposing draft CASs soon after the Exposure Drafts (EDs) of the relevant clarified ISAs are issued, respond to IAASB EDs by the response deadlines.	Ongoing	As above	As above

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintain Ongoing Translation Process</i>					
28.	June 2006	<p>Continue to translate all CASs (adopted ISAs) into French on a timely basis, including translation of all requirements for ED purposes.</p> <p>Continue to maintain the high quality of CICA translation process so that it meets or exceeds IFAC guidelines.</p>	Ongoing	CICA Vice President, Standards	CICA Language Services Dept. French speaking members of AASB
<i>Awareness, Implementation Guidance and Continuing Professional Development</i>					
29.	January 2007	Continue to improve the form and content of EDs of CASs to provide stakeholders with information on key changes to existing Canadian Generally Auditing Standards that will result from adoption of the ISAs.	Ongoing	Director, Auditing & Assurance Standards	Auditing standards staff AASB
30.	January 2007	Identify and take advantage of speaking opportunities at major conferences and meetings to explain adoption of ISAs in Canada (e.g. CICA Financial Reporting and Accounting Conferences, meetings of the Canadian Council of Legislative Auditors)	Ongoing	Director, Auditing & Assurance Standards	AASB Chair CICA Continuing Education staff
31.	January 2008	<p>Develop and make available various materials related to adopting ISAs on CICA's web page "Transition to International Standards - ISAs"</p> <p><i>Links to supporting materials on CICA websites:</i> Adopting ISAs http://www.cica.ca/4/1/0/8/8/index1.shtml</p>	Ongoing	Director, Auditing & Assurance Standards	Auditing standards staff CICA Continuing Education staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
32.	November 2008	<p>Hold a meeting of key stakeholders called the “ISA Strategy Session ‘Supporting the Adoption of ISAs in Canada’”. Based on input received at this meeting and other follow up efforts identify</p> <p><i>What auditors need in order to be able to make the transition to ISAs, e.g.,</i></p> <ul style="list-style-type: none"> • how to implement the ISAs in a practice • understanding of those ISAs that will require significant changes in audit work effort • resources to answer questions relating to individual ISAs and how they differ from Canadian standards <p><i>What CICA can provide to help them make the transition, e.g.,</i></p> <ul style="list-style-type: none"> • reference materials • training • ongoing support • communications/marketing • technology <p><i>Overall timing requirements</i></p> <ul style="list-style-type: none"> • when individual components need to be in place and accessible 	Meeting Nov 25, 2008 - Resulting efforts ongoing	Continuing Education Principal, Financial Reporting and Governance	Staff and consultants involved with continuing education at CICA and the PICAs Auditing standards staff
33.	July 2008	<p>Update the CICA’s “<i>Professional Engagement Manual</i>” to reflect the material in the ISAs on a timely basis so that training, when appropriate, can be based around the PEM. Note: the PEM is the audit manual used by thousands of small firms in Canada.</p>	Ongoing	Member Services: Director, Practitioner Support	Developers of the PEM Auditing standards staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
34.	May 2008	Coordinate continuing education efforts regarding the adoption of ISAs among the CICA and the Provincial Institutes of Chartered Accountants (PICAs)	Ongoing	Continuing Education Principal, Financial Reporting and Governance	Staff and consultants involved with continuing education at CICA and the PICAs Auditing standards staff
<i>Adoption of IAASB's non-ISA Standards</i>					
35.	2006	Continue to use best endeavours to monitor the IAASB's activities regarding other international standards (International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs), and International Standards on Related Services (ISRSs). The objective of this monitoring is to provide AASB with a basis for deciding whether to adopt one or more of these sets of standards (or perhaps adopt one or more individual standards on an ad hoc basis) (Note: IAASB activity related to non-ISAs has been minimal over the last few years).	Ongoing	CICA Vice President, Standards	CICA nominee to the IAASB, Director, Auditing and Assurance Standards Auditing standards staff Members of the AASB
<i>Contribution to Standard Setting Activities of the IAASB</i>					
36.	April 2008	Respond, by IAASB's deadline, to IAASB's 2008 survey regarding review engagements. (Note: This survey was developed through the joint efforts of the CICA and the National Standard Setters in New Zealand and South Africa who share an interest in improving standards for review engagements).	Dec. 2008	Director, Auditing and Assurance Standards	AASB Auditing Standards staff
37.	2006	Continue to follow the same process as for ISAs in providing input to the CICA nominee to the IAASB and his technical advisor regarding issues papers and drafts for non-ISA standards before each meeting of	Ongoing	CICA Vice President, Standards	CICA nominee to the IAASB, Director, Auditing and Assurance Standards, auditing standards staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		the IAASB.			Members of the AASB
38.	1980s	CICA nominee and his Technical Advisor will participate in task forces to develop non-ISA standards when requested.	Ongoing	CICA's Appointee to the IAASB and is Technical Advisor.	CICA's nominee to the IAASB and is Technical Advisor.
<i>Review of CICA's Compliance Information</i>					
39.	Ongoing	Perform periodic review of CICA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated inform IFAC Compliance Staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CICA Executive Office	Auditing Standards Staff

Action Plan Subject: SMO 4 and IESBA Code of Ethics
Action Plan Objective: Ongoing activities to maintain its compliance with SMO 4

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>CICA believed that the current Rules of Professional Conduct (RPC) and Council Interpretations (CI) address the same ethics principles as the International Ethics Standards Board for Accountants (IESBA) Code. In substantially all respects, they meet the spirit and intent of the IESBA Code, exceed its rigour and are not less stringent.</p> <p>The CICA understands that, since the last report on compliance, the IESBA has concluded “that not less stringent” is to be interpreted on a provision by provision basis when considering the Code. The current project to review Canadian independence standards will be completed with a view to achieve that objective unless specific Canadian circumstances support a public interest reason for a difference.</p> <p>The “threats and safeguards” approach has been adopted for the independence requirements and will be adopted for the other ethics requirements at the earliest appropriate time.</p> <p>No recommendations for action in this area were received from IFAC Compliance staff.</p> <p>The Provincial Institutes/Ordre of Chartered Accountants (PICAS/Ordre) derive their powers, including the power to set and enforce standards of ethics (through investigation and discipline) from a statute in their provincial jurisdiction.</p> <p>The RPC in Canada have been harmonized to the extent possible and are available on each PICA/Ordre website.</p> <p>The CICA’s SMO 4 objective is to use its “best endeavours” to ensure that the Provincial Institutes/Ordre of Chartered Accountants (PICAs/Ordre) adopt the Harmonized Rules of Professional Conduct (RPC) which in all respects meet the spirit and intent of the IESBA Code.</p> <p>The PICAs/Ordre have demonstrated their interest in ensuring that they support and adhere to the IESBA Code.</p>					
<p><i>Adopting the Latest IESBA Code of Ethics and Ensuring Ongoing Convergence</i></p>					
40.	Ongoing	The PTC monitors closely the activities of the IESBA. The PTC reviews all of the IESBA’s work products and distributes them for comment and review with a	Ongoing	Public Trust Committee PTC	RHC ITF

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		view to adopting any changes required in Canada.		Council of Senior Executives (CSE)	
41.	Ongoing	The Canadian CA profession's CSE has an inter-institute committee, the PTC that reviews proposed changes to the IESBA Code and monitors IESBA developments and other international ethical developments of interest.	Ongoing	CSE	PTC
42.	Ongoing	When the IESBA issues exposure drafts on proposed changes to the IESBA Code for comment, the PTC circulates them to the PICAs/Ordre, gathers their comments together and prepares a Canadian CA profession response to the IESBA.	Ongoing	PTC	PICAs/Ordre
43.	Ongoing	Once an amendment to the IESBA Code has been approved it is referred to the RHC by the PTC for drafting as appropriate to the Canadian RPC.	Ongoing	PTC	RHC PICAs/Ordre
44.	Ongoing	The proposed amendments are circulated to the PICAs/Ordre for review and comment and ultimately for approval.	Ongoing	RHC	PICAs/Ordre
45.	When appropriate	The CICA indicates its interest in and commitment to the work of the IESBA by nominating, when appropriate, potential members to serve on the IESBA.	Ongoing	CICA Board of Directors	CICA President CSE
46.	Recent	A member of the current IESBA was nominated by the CICA. The PTC provides technical advice and support to that member. The resources of the PICAs/Ordre are available to support the PTC and the member.	Recent	CICA Board of Directors	CICA President CSE
<i>Maintaining Ongoing Processes</i>					
47.	Ongoing	See the general information on PTC monitoring of IESBA developments. It is anticipated that these	Ongoing	PTC	N/A

#	Start Date	Actions	Completion Date	Responsibility	Resource
		processes are capable of adapting to handle future monitoring needs. Should the need arise PTC will augment these processes as necessary.			
48.	September 2008	<p>We have been monitoring the proposed changes to the IESBA Code particularly those pertaining to Independence requirements as well as the Clarity Project. We have established an Independence Task Force to review the amendments in order to identify necessary changes to the Canadian RPC.</p> <p>(Current Canadian standards meet or exceed the IESBA Code and changes will require extensive consultation. Adoption of revisions to the Independence requirements is scheduled for mid-2012.)</p>	Work on this project continues and while necessary changes have been identified, the necessary consultation processes to seek approval/adoption will likely mean that adoption will not take place prior to June 2012.	PTC	ITF RHC PICAs/Ordre
49.	When appropriate	When the CICA does not have a member nominated by it serving on the IESBA, it will consider whether to send an observer to IESBA meetings to assist it in keeping abreast of IESBA developments and providing input to the IESBA on a timely and informed basis.	Not determined	CICA Board	CICA President CSE
<i>Review of CICA's Compliance Information</i>					
50.	Ongoing	Perform periodic review of CICA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated inform IFAC Compliance Staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CICA Executive Office	PTC

Action Plan Subject: SMO 5 International Public Sector Accounting Standards (IPSASs) and other IPSASB Guidance
Action Plan Objective: Continue to use best endeavors to encourage convergence of Canadian public sector standards with IPSASs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>The Public Sector Accounting Board (PSAB) establishes accounting and reporting standards and other guidance for use by governments. It also participates in the development of internationally accepted public sector accounting standards. PSAB sets its accounting and reporting standards and other guidance in the public interest after an extensive due process of consultation with organizations and individuals that are interested in or affected by the standards. PSAB is accountable to the Accounting Standards Oversight Council (AcSOC), an independent body established in September 2000 by the Canadian Institute of Chartered Accountants. Reporting to the public and consisting of up to 25 prominent business and government leaders, AcSOC brings a broad perspective to complex issues facing standard setters. AcSOC supports PSAB in setting accounting standards and other guidance in Canada and in contributing to the development of internationally accepted accounting standards. AcSOC's responsibilities include appointing PSAB members, providing input on strategic priorities and evaluating the performance of PSAB. AcSOC members include regulators, investors, preparers and auditors of financial reports.</p> <p>The financial and human resources necessary to support the work of the PSAB and AcSOC are provided by the CICA, but the use of these resources is determined by the PSAB and AcSOC. The CICA, PSAB and AcSOC work in collaboration, with the CICA limiting its role to assisting in the implementation of decisions made by the AcSB.</p>					
51.	2003	Notify members of IPSASB's documents, including exposure drafts and encourage comments. <i>(a) PSAB web site provides an update on new IPSASB pronouncements and provides a direct link to IPSASB website. Presentations made to stakeholders include IPSASB updates and encouragement to comment on outstanding papers.</i> <i>(b) PSAB is provided with a regular update of IPSASB activities by IPSASB staff at each of its meetings and highlights included in PSAB decision summary.</i>	Ongoing	Vice-President Standards	PSAB staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<i>(c) Canadian public sector stakeholders are encouraged to respond to IPSASB documents for comment.</i>			
<i>Using Best Endeavors to Incorporate the Requirements of IPSASs in Canadian Standards (see note below)</i>					
52.	April 2009	Undertake a comparative study of extent to which IPSASs requirements are already included in Canadian public sector standards.	March 2010	Vice-President, Standards	PSAB staff
53.	2000	Selective IPSASs requirements dealing with public sector specific issues are adopted for use in Canadian standards.	Ongoing	PSAB staff	PSAB staff
54.	Ongoing	Issued exposure draft on Tax Revenue based on IPSAS 23 – Non-Exchange Revenue.	Final Statement expected 2009 A new re-exposure draft expected 2009	PSAB staff	PSAB staff
<i>Contribution to Standard Setting Activities of the IPSASB</i>					
55.	1980s	Continue to provide administrative, financial and professional staff support to CICA’s nominee to the IPSASB and his technical advisor.	Ongoing	CICA Vice President, Standards	PSAB staff
56.	1980s	CICA’s nominee will continue to actively participate as members of various IPSASB task forces when requested.	Ongoing	CICA’s nominee	CICA’s nominee
57.	2004	PSAB staff providing staff support on IPSASB’s conceptual framework project.	2007	Director, Public Sector Accounting	Director, Public Sector Accounting
<i>Review of CICA’s Compliance information</i>					
58.	Ongoing	Perform periodic review of CICA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated inform IFAC Compliance Staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CICA Executive Office	PTC

Action Plan Subject: SMO 6 and Investigation and Discipline
Action Plan Objective: Ongoing activities to maintain compliance with SMO 6

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Provincial Institutes/Ordre of Chartered Accountants (PICAs/Ordre) have appropriate programs that provide for investigating and disciplining members (and in some cases, firms) for misconduct including breaches of professional standards and rules.</p> <p>No recommendations for action in this area were received from IFAC Compliance staff.</p> <p>The PICAs/Ordre derive their powers, including the powers to set and enforce, through investigation and discipline, standards of ethics from a statute in their provincial jurisdiction.</p> <p>The Rules of Professional Conduct (RPC) applied by the PICAs/Ordre have been harmonized to the extent possible. Each PICA/Ordre has created committees to handle the investigation and discipline processes.</p> <p>The CICA’s objective is to use its “best endeavours” to ensure that the Provincial Institutes/Ordre of Chartered Accountants (PICAs/Ordre) adopt investigation and discipline processes that comply with IFAC SMO 6.</p> <p>The PICAs/Ordre have demonstrated their interest in ensuring that they support and adhere to the SMO 6.</p>					
<i>Improve and Ensure Ongoing Maintenance of the Existing Investigation and Disciplinary Programs</i>					
59.	Ongoing	The Canadian CA profession’s CSE has an inter-institute committee, the PTC that reviews recommendations as to consistent investigation and discipline programs.	Ongoing	CSE	PTC
60.	Ongoing	The PTC monitors and reviews developments related to best practices in investigation and discipline processes through the establishment of a Discipline Resource Group (DRG).	Ongoing	PTC	DRG PICAs/Ordre
61.	Ongoing	The DRG has developed recommendations to achieve best practices in the investigation and discipline	Ongoing	PTC	DRG PICAs/Ordre

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>processes that meet or exceed SMO 6 requirements. The PICAs/Ordre have agreed to adopt these recommendations on a best efforts basis.</p> <p>Recommendations have been made in the areas of:</p> <ul style="list-style-type: none"> • Initiation and Investigation • Hearings and Appeals • Sanctions and Publication • Administrative Processes <p>There are two areas noted in the Response to IFAC Part 2, SMO Self-Assessment Questionnaire where specific recommendations have been developed to address inconsistent application of SMO 6 in some Canadian jurisdictions. These include:</p> <ul style="list-style-type: none"> • Independent Review (6.5.6.12) • Reporting to Outside Bodies (6.5.4.1) <p>These differences continue due to legislative requirements in various jurisdictions.</p>			
<i>Maintaining Ongoing Processes</i>					
62.	Ongoing	See the general information on PTC monitoring of developments related to investigation and discipline programs. These processes are capable of adapting to handle future monitoring needs. Should the need arise PTC will augment these processes as necessary.	Ongoing	PTC	DRG
<i>Review of CICA's Compliance Information</i>					
63.	Ongoing	Perform periodic review of CICA response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated inform IFAC Compliance Staff about	Ongoing	CICA Executive Office	PTC

#	Start Date	Actions	Completion Date	Responsibility	Resource
		the updates in order for the Compliance staff to republish updated information.			

Action Plan Subject: SMO 7 and International Financial Reporting Standards
Action Plan Objective: Continue to use best endeavors to maintain and continuously improve an ongoing program to support Canada’s adoption and implementation of IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Accounting Standards Board (AcSB) website contains information on all of International Accounting Standards Board’s (IASB) key activities with direct links to the IASB website.</p> <p>The AcSB is fully engaged with all of the IASB’s projects, although the nature and depth of involvement varies by project. CICA staff has acted as project staff for the IASB in two cases and also carry out a communications program to inform stakeholders of IASB activities and encourage Canadian participation. All IASB invitations to comment are publicized on the AcSB website (hosted by CICA) to encourage Canadian stakeholders to respond, and are responded to by the AcSB or its staff.</p>					
<i>Support the Work of the IASB by Notifying Members of Every IFRS</i>					
64.	2000	<p>The AcSB web site contains information on all of IASB’s key activities with direct links to the IASB website.</p> <p>The AcSB is fully engaged with all of the IASB’s projects, although the nature and depth of involvement varies by project. CICA staff has acted as project staff for the IASB in two cases and also carry out a communications program to inform stakeholders of IASB activities and encourage Canadian participation. All IASB invitations to comment are publicized on the AcSB website (hosted by CICA) to encourage Canadian stakeholders to respond, and are responded to by the AcSB or its staff.</p>	Ongoing	Vice-President, Standards	CICA Accounting Standards department staff, which is dedicated to supporting the AcSB
<i>Use Best Endeavors to Incorporate IFRSs Requirements into Canadian Financial Reporting Standards</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
65.	2006	<p>Proceed with plan to implement adoption of IFRSs for publicly accountable enterprises in Canada with effect for periods beginning on or after January 1, 2011.</p> <p><i>(a) finalized the strategy to adopt IFRS for Canadian publicly accountable enterprises, after widespread consultation</i></p> <p><i>(b) assist in the development of information on IFRSs for the benefit of stakeholders who will be implementing IFRSs by 2011</i></p>	2011	Vice-President, Standards	CICA Accounting Standards department staff
66.	2006	<p>Review existing awareness and training strategies on both new and existing IFRS.</p> <p>AcSB took account of awareness and training issues in finalizing its implementation plan for the IFRS adoption strategy. It developed a communications plan to raise awareness of its IFRS adoption program. With encouragement and staff support from the AcSB, the CICA Continuing Education department staff developed an ongoing program of courses and conferences to assist its members in preparing for the changeover to IFRS. The CA Qualification department has modified the CA competency map and examination syllabus to include an appropriate level of knowledge of IFRS amongst CICA members. The Information & Productivity Resources department publishes the IFRS in Canada under license from the IASC Foundation.</p>	Ongoing	<p>Vice-President, Standards</p> <p>CICA Continuing Education department and CA Qualification committees</p>	CICA Accounting Standards, Continuing Education, Information & Productivity Resources and CA Qualification department staffs

#	Start Date	Actions	Completion Date	Responsibility	Resource
67.	2006	Analyze and implement recommendations on the strategies for enhancing awareness and providing training. The programs indicated in item 3 are being carried out on an ongoing basis.	Ongoing	Vice President, Standards CICA Continuing Education department	CICA Accounting Standards and Continuing Education department staffs
68.	Unknown	Prepare implementation program for IFRS for SMEs This work will be commenced at such time as the AcSB decides it is timely to adopt IFRS for SMEs as Canadian GAAP for private enterprises. As and when the AcSB decides it may be appropriate to adopt the IFRS for SMEs, the CICA will undertake a suitable program of training for its members.	Unknown	AcSB	CICA Accounting Standards department staff
<i>Maintaining Ongoing Processes</i>					
69.	Ongoing	Continue to use best endeavours by identifying opportunities to assist further in the implementation of IFRS. This includes review of the existing activities and updating the Action Plan for the future activities where necessary. Awareness, training and implementation support programs are continuing to be developed as publicly accountable enterprise work towards initial application of IFRS.	Ongoing	AcSB CICA Continuing Education department	CICA Accounting Standards and Continuing Education department staffs
<i>Review of CICA Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
70.	Ongoing	<p>Perform periodic review of the response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated inform IFAC Compliance staff to republish updated information</p> <p>IFRS implementation programs are being reviewed and expanded on a continuing basis as stakeholder needs are identified. This Action Plan will be updated as required, generally on an annual basis.</p>	Ongoing	CICA Vice-President, Standards	CICA Accounting Standards and Continuing Education department staffs

Explanatory endnote

Financial reporting standards in Canada are set through independent standard-setting bodies as described below.

The Accounting Standards Board

The Accounting Standards Board (AcSB) establishes financial accounting and reporting standards for use by Canadian companies and not-for-profit organizations. It also participates in the development of internationally accepted accounting standards. The AcSB sets its financial accounting and reporting standards in the public interest after an extensive process of consultation with organizations and individuals that are interested in or affected by the standards.

The Accounting Standards Oversight Council

The AcSB is accountable to the Accounting Standards Oversight Council (AcSOC), an independent body established in September 2000 by the Canadian Institute of Chartered Accountants. Reporting to the public and consisting of up to 25 prominent business and government leaders, AcSOC brings a broad perspective to complex issues facing standard setters. AcSOC supports the AcSB in setting accounting standards in Canada and in contributing to the development of internationally accepted accounting standards. AcSOC's responsibilities include appointing AcSB members, providing input on strategic priorities and evaluating the performance of the AcSB. AcSOC members include regulators, investors, preparers and auditors of financial reports.

The financial and human resources necessary to support the work of the AcSB and AcSOC are provided by the CICA, but the use of these resources is determined by the AcSB and AcSOC. The CICA, the AcSB and AcSOC work co-operatively, with the CICA limiting its role to assisting in the implementation of decisions made by the AcSB.

In the context of SMO 7, the CICA's best endeavours constitute efforts to support decisions by the AcSB, primarily through communication (awareness), publications and training activities. The various activities are publicized and made available to CICA members and the general public primarily through a website (www.cica.ca/ifrs). The AcSB's activities are publicized through its website (www.acsbcanada.org).