

## **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 on-going 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, associate, their environment and existing processes. These responses may be viewed at: [http://www.ifac.org/ComplianceAssessment/published\\_surveys.php](http://www.ifac.org/ComplianceAssessment/published_surveys.php).

### **Use of Information**

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

## **ACTION PLAN**

<b>IFAC Member:</b>	Chartered Professional Accountants of Canada (CPA Canada)
<b>Original Publish Date:</b>	May 2013
<b>Next Update:</b>	May 2014

## **General Background**

### **Overview of Unification of Accounting Profession in Canada**

On January 17, 2012, the Certified Management Accountants of Canada (CMA Canada), the Canadian Institute of Chartered Accountants (CICA), and the Certified General Accountants of Canada (CGA Canada) presented members with a framework to unify the Canadian accounting profession under a new common designation, Chartered Professional Accounting (CPA). Unification involves the potential merger of approximately forty national and provincial accounting bodies in Canada. Effective January 1, 2013, CMA Canada and CICA announced the formation of Canada's newest professional accountancy organization, CPA Canada. CPA Canada will support provincial accounting bodies that have unified, such as Quebec, and all those that will unify, under the banner of CPA. Commencing in 2014, the IFAC SMO Action Plan will be administered and presented by CPA Canada. All of the oversight boards and committees under CMA and CICA Canada will remain in place. This document includes CMA and CICA SMO Compliance Program Action Plans.

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**ACTION PLAN**

<b>IFAC Member:</b>	Society of Management Accountants of Canada
<b>Approved by Governing Body:</b>	CMA Canada Competency Development Committee
<b>Original Publish Date:</b>	April 2011
<b>Last Update:</b>	May 2013
<b>Next Update:</b>	May 2014

**GLOSSARY**

<b>AASB</b>	Auditing and Assurance Standards Board
<b>AcSB</b>	Accounting Standards Board
<b>AcSOC</b>	Accounting Standards Oversight Council
<b>CAS</b>	Canadian Auditing Standards
<b>CEPROC</b>	Code of Ethical Principles and Rules of Conduct
<b>CMA Canada</b>	Society of Management Accountants of Canada
<b>CMA Canada BOD</b>	CMA Canada National Board of Directors
<b>CMA Canada CE</b>	CMA Canada Chief Executive Committee
<b>CMA Canada COC</b>	CMA Canada Council of Chairs
<b>CMA CDC</b>	CMA Canada Competency Development Committee
<b>CMA MDC</b>	CMA Canada Member Development Committee
<b>CMA Partners</b>	CMA Canada Provincial and Regional Affiliated Bodies
<b>CPLD</b>	Continuous Professional Learning and Development
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Education Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>IEIPS</b>	International Education Information Papers (IEIPs)
<b>IEPS</b>	International Education Practice Statements
<b>IES</b>	International Education Standards
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IESBA Code</b>	IESBA Code of Ethics for Professional Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISA</b>	International Standards on Auditing
<b>ISQC</b>	International Standard on Quality Control
<b>PSAB</b>	Public Sector Accounting Board
<b>SMO</b>	Statement on Membership Obligation

**Action Plan Subject:** SMO 1 - Quality Assurance

**Action Plan Objective:** To set out the requirements with respect to quality assurance review systems relevant to CMA members who perform audits, review, other assurance, and related services engagements of financial statements

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Background:</b>					
<p>As noted in SMO Questionnaire Part 2, the vast majority of CMA Canada members practice in the management accounting territory as employees of organizations or on a consultant basis with organizations. This is the core focus of the CMA designation. However, a small segment of the membership does practice in the public accounting territory. Most of those members are practicing within chartered accounting firms. A very small percentage of members (approximately less than 3% of the total membership), have independent practices. Until recently, not all Canadian provinces provided legislation permitting Canadian CMAs to practice public accounting (Quebec, Ontario and Prince Edward Island did not). This changed in 2010, with legislation in the province of Quebec opening up practice rights to CMAs in that province. In addition, the province of Ontario has amended legislation that previously restricted public accounting rights and CMA Ontario is now an Authorized Designated Body with the ability to confer public accounting rights in Ontario effective January 24, 2012.</p> <p>In Canada, regulation of CMA members practicing public accounting is conducted on a CMA Partner basis. CMA Canada, the national body, sets and maintains national standards to which the provincial/regional bodies must adhere. Adherence to the national standard is articulated through a well-defined Monitoring Protocol.</p>					
<b>Adopting CMA Partner Protocol to Confirm Adherence with SMO 1 Requirements</b>					
1.	2013	CMA Canada informed its CMA Partners of the nature of the revisions to the SMO in January 2013. CMA Canada and its CMA Partners will review the revised SMO and will consider any actions that will need to be taken to address new requirements. Those considerations and actions will be reported in each subsequent update to the Compliance Action Plan.	On-going	CMA Canada and CMA Partners; CMA CDC; CMA Canada BOD	CMA Canada Professional Programs Staff
<b>Quality Control Standards and Guidance</b>					
2.	On-going	The National Standard for Public Accounting for Certified Management Accountants sets out mandatory practice inspection requirements that are domestically equivalent to the International Standards on Quality Control (ISQC) 1. The National Standard was refreshed and approved by CMA Canada National Board of Directors (CMA Canada BOD) in February 2013.	Completed February 2013	CMA CDC; CMA Canada BOD	CMA Canada Professional Programs Staff; Volunteer Competency Experts

#	Start Date	Actions	Completion Date	Responsibility	Resources
3.	On-going	CMA members who practice public accounting are subject to practice reviews and continuous quality monitoring at the provincial level.	On-going	CMA Partners Professional Standards Committees	CMA Partners Staff
4.	On-going	CMA Canada communicates both new and on-going requirements of ISQC 1 to all CMA Partners and publishes links to International Standards.	On-going	CMA Canada Staff	CMA Canada Staff
<b>Improvements to Processes</b>					
5.	On-going	CMA Canada's objective is to maintain high quality standards for practice reviews. This is accomplished through collaboration with CMA Partners who monitor public practitioner compliance and quality control standards. The CMA Partners demonstrate support for this objective in accordance with a CMA Canada Affiliation Agreement and the National Standard for Public Accounting for Certified Management Accountants last updated in February 2013.	On-going	CMA Canada BOD; CMA Canada COC	CMA Canada Staff; CMA Partners Staff
6.	On-going	The CMA Canada MDC meets on a regular basis to review recommendations submitted by CMA Canada. These recommendations are inclusive of International Standards.	On-going	CMA MDC; CMA Canada CE; CMA CDC	CMA Canada Staff; CMA Partners Staff; CMA MDC
7.	On-going	A mandatory review cycle is in place requiring firms to be inspected on a three-year cycle. The practice review is premised on protecting the public interest and ensuring that firms comply with all relevant standards as they relate to assurance, reviews, compilations and other special engagements.	On-going	CMA Canada Staff; CMA Partners	CMA Partners Staff
8.	1st Quarter 2011	A Public Accounting Task Group was established to review and update the CMA National Standard for Public Accounting.	Completed February 2013	CMA Canada BOD; CMA Canada COC; CMA MDC	CMA Canada Staff; CMA Partners Staff
9.	Winter 2011	Adopt CMA Partner Protocol to confirm adherence with SMO 1 requirements.	On-going	CMA Canada BOD; CMA Canada COC	CMA Canada Staff; CMA Partners Staff

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Review of CMA Canada's Compliance Information</b>					
10.	On-going	Complete periodic review of IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 1 as required. Assess any proposed CMA changes against the requirements of IFAC.	On-going	CMA Canada Vice President, Program Development; CMA MDC; CMA Canada CE	CMA Canada Staff; CMA Partners Staff

**Action Plan Subject:** SMO 2 - International Education Standards for Professional Accountants and Other Pronouncements issued by IAESB  
**Action Plan Objective:** Ensure that CMA Canada’s education and training continues to comply with IES requirements and incorporate changes in standards on a timely basis

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Background:</b>					
<p>CMA Canada has an on-going cyclical process for reviewing its educational requirements. The three-year cycle starts with a review and update of the CMA Canada Strategic Plan. This is followed by a review and update of the CMA Competency Map, which in turn is followed by a review and update of the professional programs that lead to the CMA designation. The International Accounting Education Standards Board’s (IAESB) International Education Standards (IES) and Practice Statements are part of this review to ensure that CMA Canada programs meet or exceed IES.</p> <p>A National Standard has also been established for Continuous Professional Learning and Development (CPLD). This Standard defines requirements for members to pursue post designation learning to develop their individual competency during their career progression. The Standard is aligned to IES. It is also supplemented with the CMA Competency Map which identifies competencies that members should be developing post designation.</p> <p>Delivery and monitoring of CPLD is done by CMA Canada’s affiliated Partners (Provinces and Territories).</p>					
<b>Adopting CMA Partner Protocol to Confirm Adherence with SMO 2 Requirements</b>					
11.	2013	CMA Canada informed its CMA Partners of the nature of the revisions to the SMO in January 2013. CMA Canada and its CMA Partners will review the revised SMO and will consider any actions that will need to be taken to address new requirements. Those considerations and actions will be reported in each subsequent update to the Compliance Action Plan.	On-going	CMA Canada and CMA Partners; CMA CDC; CMA Canada BOD; CMA MDC	CMA Canada Professional Programs Staff; CMA Canada Partners
<b>Continuing to Monitor IES and Practice Statement to Keep CMA Programs of Professional Studies Current</b>					
12.	On-going	IES and Practice Statements are reviewed on an on-going basis as they are introduced. Significant changes are incorporated into the CMA Professional Program on an annual basis as required; however, many changes occur on a three-year cycle with the review of the CMA Competency Map and Professional Programs updates.  A comprehensive update of the CMA Competency Map was completed in February 2011.	Completed February 2011	CMA Canada Professional Programs Staff; CMA MDC; CMA CDC	CMA Canada Professional Programs Staff



<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resources</b>
13.	January 2010	This update included consultations with competency experts and a survey of future competencies that will be expected of management accountants. The update included a review of current International Standards and IFAC Professional Accountant in Business (PAIB) publications.	Completed February 2011	CMA Canada Professional Programs Staff; CMA MDC; CMA CDC	CMA Canada Professional Programs Staff
14.	On-going	International Financial Reporting Standards (IFRS), (as well as Accounting Standards for Private Enterprises "ASPE"), has been incorporated into the CMA Professional Programs including the CMA Entrance Exam and Case Exam. This includes all standards that are implemented or scheduled for implementation in Canada.	On-going	CMA Canada Professional Programs Staff; CMA MDC; CMA CDC	CMA Canada Professional Programs Staff
15.	On-going	CPLD covering all relevant IFRS topics is made available to all CMA Canada members as part of on-going CMA Canada Partner CPLD programs.	On-going	CMA Partners Professional Programs Staff	CMA Canada Professional Programs Staff; Subject Matter Experts on IFRS
16.	On-going	Ensure that CMA Canada National Standards for Certification and CPLD are aligned with IESs. Revisions are approved by CMA Canada Council of Chairs CMA Canada COC and CMA Canada BOD for adoption by all CMA Partners.	On-going	CMA Canada Professional Programs Staff; CMA MDC; CMA CDC	CMA Canada Professional Programs Staff
17.	On-going	CMA Canada continues to consult with subject matter experts in developing materials for the CMA Professional Programs that cover IFRS requirements in Canada as they are introduced.	On-going	CMA CDC	CMA Canada Professional Programs Staff; CMA MDC
18.	On-going	CMA Canada has established a National Standard for CPLD that is updated on a three-year cycle. IAESB IES requirements are followed in updating this Standard. Revisions are approved by the CMA Canada COC and CMA Canada BOD for adoption by all CMA Partners.	Completed September 2012	CMA CDC, CMA Canada BOD	CMA Canada Professional Programs Staff; CMA MDC

#	Start Date	Actions	Completion Date	Responsibility	Resources
19.	On-going	CPLD is monitored by affiliated CMA Partners and complies with IES requirements. CPLD is mandatory in all jurisdictions. Monitoring CPLD includes annual member confirmation of compliance and is followed up by a random audit process.	On-going	CMA Partners Professional Development Staff	CMA Partners Professional Development Staff
<b><i>Strengthening IES's and New Developments</i></b>					
20.	On-going	Continue to monitor and implement IESs within the CMA Canada certification program to ensure that IES Standards and Guidelines are met or exceeded.	On-going	CMA Canada Vice President, Program Development; CMA CDC	CMA Canada Professional Programs Staff
21.	On-going	Continue to monitor and provide commentary on all relevant IFAC Exposure Drafts.	On-going	CMA Canada Vice President, Program Development	CMA MDC; Commentary Task Groups
22.	First Quarter 2011	Links to IAESB IESs, International Education Practice Statements (IEPSs) and International Education Information Papers (IEIPs) were placed on CMA Canada website and will be reviewed periodically to ensure they are active and current.	On-going	CMA Canada Vice President, Program Development	CMA Canada Professional Programs Staff
23.	Winter 2011	Adopt CMA Partner Protocol to confirm adherence with SMO 2 requirements.	On-going	CMA Canada BOD; CMA Canada COC	CMA Canada and CMA Partners Staff
<b><i>Maintaining On-going Processes</i></b>					
24.	On-going	The CMA Canada Competency Map, Professional Programs and CPLD Standards and Policies are reviewed every three years and updated to comply with IES.	On-going	CMA Canada CEO; CMA Canada BOD; CMA CDC	CMA Canada Professional Programs Staff
<b><i>Review of CMA Canada's Compliance Information</i></b>					
25.	On-going	Complete periodic review of IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 2 as required. Assess any proposed changes against the requirements of IFAC.	On-going	CMA Canada Vice President, Program Development; CMA MDC; CMA Canada CE	CMA Canada Staff; CMA Partners Staff

**Action Plan Subject:** SMO 3 - IAASB Pronouncements  
**Action Plan Objective:** International Standards, Practice Statements and other IAASB papers

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Background:</b>					
<p>The Auditing and Assurance Standards Board (AASB) has issued International Standards on Auditing (ISAs) and these have been adopted in Canada as Canadian Auditing Standards (CASs) for the audits of financial statements for periods ending on or after December 14, 2010. These new auditing standards are effective for all entities, including public, private, not-for-profit and public sector, and will apply to any financial reporting framework including IFRS, Accounting Standards for Private Enterprises (ASPE), and Accounting Standards for Not-For-Profit Organizations (NPO). The AASB has also adopted the ISQC 1 as the Canadian Standard on Quality Control (CSQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance Engagements</i>.</p>					
<b>Adopting CMA Partner Protocol to Confirm Adherence with SMO 3 Requirements</b>					
26.	2013	CMA Canada informed its CMA Partners of the nature of the revisions to the SMO in January 2013. CMA Canada and its CMA Partners will review the revised SMO and will consider any actions that will need to be taken to address new requirements. Those considerations and actions will be reported in each subsequent update to the Compliance Action Plan.	On-going	CMA Canada and CMA Partners; CMA CDC; CMA Canada BOD	CMA Canada Professional Programs Staff
<b>Support for ISA Development</b>					
27.	On-going	Provide input to International Auditing and Assurance Standards Board (IAASB) where applicable with the Canadian IFAC technical advisor.	On-going	CMA Canada Vice President, Program Development	CMA Canada Professional Programs Staff; IFAC Technical Advisor; Commentary Task Groups
28.	On-going	Respond to IAASB requests for comments and Exposure Drafts where applicable.	On-going	CMA Canada Vice President, Program Development	CMA Canada Professional Programs Staff; IFAC Technical Advisor; Commentary Task Groups

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Member Communication</b>					
29.	On-going	Provide input to IAASB consultations with input from practitioners.	On-going	CMA Canada Vice President, Program Development	CMA Canada Professional Programs Staff; Commentary Task Groups; Member Consultation
30.	On-going	Provide updates to members via CMA Magazine, CMA Online Newsletters and the CMA website.	On-going	CMA Canada Vice President, Program Development	CMA Canada Staff
<b>Adopting IAASB Requirements</b>					
31.	On-going	Monitor and adopt changes in IAASB requirements within the CMA Professional Programs, CMA National Standards and Practices.	On-going	CMA Canada Vice President, Program Development; CMA Partners Staff; CMA CDC	
32.	Winter 2011	Adopt CMA Partner Protocol to confirm adherence with SMO 3 requirements.	On-going	CMA Canada BOD; CMA Canada COC	CMA Canada Staff; CMA Partners Staff
<b>Review of CMA Canada's Compliance Information</b>					
33.	On-going	Complete periodic review of IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 3 as required. Assess any proposed changes against the requirements of IFAC.	On-going	CMA Canada Vice President, Program Development; CMA MDC; CMA Canada CE	CMA Canada Staff; CMA Partners Staff

**Action Plan Subject:** SMO 4 - IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** To communicate to CMA Members and Candidates the provisions of the IESBA Code of Ethics and Pronouncements by IESBA and to incorporate the IESBA Code of Ethics where appropriate

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Background:</b>					
CMA Canada Partners comply with codes of ethics and rules for professional conduct which are embedded into their provincial by-laws and generally meet the relevant International Ethics Standards Board for Accountants (IESBA) standards. Investigation and disciplinary matters are also addressed within the provincial by-laws.					
CMA Canada, together with the CICA has engaged a work group under CPA Canada with the potential for developing a unified code of conduct in the near future, incorporating the relevant requirements of the IESBA Code of Ethics.					
<b>Adopting CMA Partner Protocol to Confirm Adherence with SMO 4 Requirements</b>					
34.	2013	CMA Canada informed its CMA Partners of the nature of the revisions to the SMO in January 2013. CMA Canada and its CMA Partners will review the revised SMO and will consider any actions that will need to be taken to address new requirements. Those considerations and actions will be reported in each subsequent update to the Compliance Action Plan.	On-going	CMA Canada and CMA Partners; CMA CDC; CMA Canada BOD	CMA Canada Professional Programs Staff
<b>Adopting the IESBA Code of Ethics</b>					
35.	On-going	Review the International Ethics Standards Board of Accountants (IESBA) Code of Ethics.	On-going	CMA CDC	CMA Canada Staff
36.	Spring 2010	CMA Canada, together with the CICA has engaged a work group under CPA Canada with the potential for developing a unified code of conduct in the near future, incorporating the relevant requirements of the IESBA Code of Ethics.	On-going	CMA CDC; CMA Canada BOD; CMA Partners Boards of Directors	CMA Canada Staff; CMA Partners Staff; CMA MDC

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Promoting the Code of Ethics to Members and Students</b>					
37.	On-going	Publish Code of Ethics and Rules of Conduct on provincial and regional websites. Compliance required under provincial/regional by-laws.	On-going	CMA Canada; CMA Partners	CMA Partners Staff
<b>Ethics Support Services</b>					
38.	On-going	Provincial Partners provide on-going support to members. Larger affiliates have dedicated resources such as "Manager, Professional Standards" to address member inquiries. Smaller affiliates provide support on an ad-hoc basis. In the same manner, any non-compliance reported by the public is addressed through formal processes adopted provincially.	On-going	CMA Partners Professional Standards Committees	CMA Partners Staff
39.	On-going	Professional Development Programs on Ethics and Ethical Decision Making are offered by CMA Partners on a regular basis. Ethical decision making underpins the CMA Canada Professional Program.	On-going	CMA Partners Professional Development Staff	CMA Partners Professional Programs Staff
<b>Review of CMA Canada's Compliance Information</b>					
40.	On-going	Complete periodic review of IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 4 as required. Assess any proposed changes against the requirements of IFAC.	On-going	CMA Canada Vice President, Program Development; CMA MDC; CMA Canada CE	CMA Canada Staff; CMA Partners Staff
41.	Winter 2011	Adopt CMA Partner Protocol to confirm adherence with SMO 4 requirements.	On-going	CMA Canada BOD; CMA Canada COC	CMA Canada Staff; CMA Partners Staff

**Action Plan Subject:** SMO 5 - International Public Sector Accounting Standards and Other Pronouncements Issued by IPSASB  
**Action Plan Objective:** Set out requirements of CMA Canada members with respect to IPSASs and other pronouncements issued by IPSASB

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Background:</b>					
<p>In Canada, the Public Sector Accounting Board (PSAB), as an independent body serving the public interest, sets the accounting standards for the public sector. The PSAB is accountable to an oversight board, the Accounting Standards Oversight Council (AsSOC). PSAB supports and contributes to the activities of the IPSAS.</p> <p>CMA Canada partners with The Chartered Institute of Public Finance and Accountancy (CIPFA) to deliver public sector courses customized to the Canadian federal and provincial governments.</p>					
<b>Adopting CMA Partner Protocol to Confirm Adherence with SMO 5 Requirements</b>					
42.	2013	CMA Canada informed its CMA Partners of the nature of the revisions to the SMO in January 2013. CMA Canada and its CMA Partners will review the revised SMO and will consider any actions that will need to be taken to address new requirements. Those considerations and actions will be reported in each subsequent update to the Compliance Action Plan.	On-going	CMA Canada and CMA Partners; CMA CDC; CMA Canada BOD	CMA Canada Professional Programs Staff
<b>Member Updates</b>					
43.	On-going	Provide access to International Public Sector Accounting Standards (IPSAS) and guidelines via the IFAC website.	On-going	CMA Canada Vice President, Program Development	CMA Canada Marketing & Communications Staff
44.	On-going	Issue timely updates to members via the CMA Canada website on new or updated IPSASs.	On-going	CMA Canada Vice President, Program Development	CMA Canada Marketing & Communications Staff
45.	On-going	Advise the affiliated Partners of new or updated IPSAS publications as they are introduced. Affiliated Partners will then convey information updates to members practicing as public accountants.	On-going	CMA Canada Vice President, Program Development	CMA Canada Marketing & Communications Staff

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b><i>Review of CMA Canada's Compliance Information</i></b>					
46.	On-going	Complete periodic review of IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 5 as required. Assess any proposed changes against the IFAC requirements.	On-going	CMA Canada Vice President, Program Development; CMA MDC; CMA Canada CE	CMA Canada Staff; CMA Partners Staff
47.	Winter 2011	Adopt CMA Partner Protocol to confirm adherence to SMO 5 requirements.	On-going	CMA Canada BOD; CMA Canada COC	CMA Canada Staff; CMA Partners Staff



**Action Plan Subject:** SMO 6 - investigation and Discipline

**Action Plan Objective:** To continue to foster CMA Canada's best efforts to facilitate Compliance with IFAC SMO 6 and provide an effective investigation and discipline process

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Background:</b>					
CMA Canada's complaints and disciplinary process is under the jurisdiction of each CMA provincial/regional body. It is embedded in the by-laws or legislation and the governance of each jurisdiction. In that context, the process is limited to discipline of members for any breach of the provincial/regional code of ethics and professional conduct. Information about the complaints process is made available through each provincial/regional body. The complaints process involves: receipt of written complaint; member response; Complaints Inquiry Committee review; dismissal or proceeding to investigation; hiring investigator and completion of investigation; review by Complaints Committee; dismissal or forwarding to Discipline Tribunal; warning; penalty, suspension or termination enacted.					
<b>Adopting CMA Partner Protocol to Confirm Adherence with SMO 6 Requirements</b>					
48.	2013	CMA Canada informed its CMA Partners of the nature of the revisions to the SMO in January 2013. CMA Canada and its CMA Partners will review the revised SMO and will consider any actions that will need to be taken to address new requirements. Those considerations and actions will be reported in each subsequent update to the Compliance Action Plan.	On-going	CMA Canada and CMA Partners; CMA CDC; CMA Canada BOD	CMA Canada Professional Programs Staff
<b>Maintaining On-going Process</b>					
49.	On-going	Each CMA provincial/regional body has a disciplinary committee that oversees the process. In some jurisdictions the process is mandated by provincial legislation.	On-going	CMA Partners Complaints Committees	CMA Partners Compliance Staff
50.	On-going	Ensure the complaints and disciplinary and communication process meets or exceeds IFAC guidance.	On-going	CMA Partners Complaints Committees	CMA Partners Compliance Staff
51.	On-going	Monitor any updates in IFAC guidance and convey such changes to the membership via each provincial/regional body.	On-going	CMA Canada Staff	CMA Canada Professional Programs Staff

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b><i>Review of CMA Canada's Compliance Information</i></b>					
52.	On-going	Complete periodic review of IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 6 as required. Assess any proposed changes against the requirements of IFAC.	On-going	CMA Canada Vice President, Program Development; CMA MDC; CMA Canada CE	CMA Canada Staff; CMA Partners Staff
53.	Winter 2011	Adopt CMA Partner Protocol to confirm adherence with SMO 6 requirements.	On-going	CMA Canada BOD; CMA Canada COC	CMA Canada Staff; CMA Partners Staff

**Action Plan Subject:** SMO 7 - International Financial Reporting Standards (IFRS)  
**Action Plan Objective:** To set out requirements of CMA Canada members with respect to IFRS issued by IASB

#	Start Date	Actions	Completion Date	Responsibility	Resources
<b>Background:</b>					
The Accounting Standards Board (AcSB) of Canada is responsible for setting accounting standards in Canada. The AcSB is committed to adopting International Financial Reporting Standards (IFRS) standards for all publicly listed companies. The AcSB also sets accounting standards for private companies and for public sector entities.					
<b>Adopting CMA Partner Protocol to Confirm Adherence with SMO 7 Requirements</b>					
54.	2013	CMA Canada informed its CMA Partners of the nature of the revisions to the SMO in January 2013. CMA Canada and its CMA Partners will review the revised SMO and will consider any actions that will need to be taken to address new requirements. Those considerations and actions will be reported in each subsequent update to the Compliance Action Plan.	On-going	CMA Canada and CMA Partners; CMA CDC; CMA Canada BOD	CMA Canada Professional Programs Staff
<b>Maintaining On-going Process</b>					
55.	On-going	Continue to monitor updates and timelines for IFRS in Canada.	On-going	CMA Partners Staff; CMA Canada Vice President, Program Development	CMA Canada Staff
56.	On-going	Continue to provide commentary on IFRS Exposure Drafts as determined appropriate.	On-going	CMA Canada Vice President, Program Development	CMA Canada Staff; Commentary Task Groups
57.	On-going	CMA Canada Partners' Staff facilitate the availability of IFRS documentation to all members through website links and professional development workshops. In practice, most members can readily access material through the Canadian Institute of Chartered Accountants (CICA) or their external auditors.	On-going	CMA Partners Staff; CMA Canada Vice President, Program Development	CMA Canada Staff

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resources</b>
58.	On-going	Keep members up to date on all IFRS pronouncements as described above.	On-going	CMA Partners Staff; CMA Canada Vice President, Program Development	CMA Canada Staff
<b><i>Review of CMA Canada's Compliance Information</i></b>					
59.	On-going	Complete periodic review of IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 7 as required. Assess any proposed changes against the requirements of IFAC.	On-going	CMA Canada Vice President, Program Development; CMA MDC; CMA Canada CE	CMA Canada Staff; CMA Partners Staff
60.	Winter 2011	Adopt CMA Partner Protocol to confirm adherence with SMO 7 requirements.	On-going	CMA Canada BOD; CMA Canada COC	CMA Canada Staff; CMA Partners Staff

**ACTION PLAN**

**IFAC Member:**

**Approved by Governing Body:**

**Original Publish Date:**

**Last Updated:**

**Next Update:**

Canadian Institute of Chartered Accountants (CICA)

Chief Executive

February 2009

October 2012

October 2014

**GLOSSARY**

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

**Action Plan Subject:** SMO 1 - Quality Assurance  
**Action Plan Objective:** Ongoing activities to maintain CICA's compliance with SMO 1.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><b>Background</b></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: <a href="http://www.cpab-ccrc.ca">http://www.cpab-ccrc.ca</a></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><b>Review and Improve Existing Quality Assurance Programs</b></p>					
1.	Ongoing	The PICAs/Ordre carefully review all reports from CPAB to identify areas where common deficiencies 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.	Ongoing	PICA/Ordre	PICA/Ordre

#	Start Date	Actions	Completion Date	Responsibility	Resource
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"> <li>• Develop strategic and policy recommendations for presentation to the Board and to PICA/Ordre Councils/Bureau as appropriate.</li> <li>• Develop and maintain strategic (longer-term) and business plans (shorter-term) for presentation to the CICA Board of Directors and PICA/Ordre Councils/Bureau.</li> <li>• Implement strategy by developing and implementing business plans, assembling necessary resources and coordinating relevant relationships.</li> <li>• 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.</li> <li>• Monitor performance and conduct periodic self-assessments.</li> <li>• Conduct affairs in the spirit of the Protocol.</li> </ul>	Ongoing	CSE	PTC
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>	Ongoing	PTC	PIPSS PICAs/Ordre



#	Start Date	Actions	Completion Date	Responsibility	Resource
		Recommendations have been made in the areas of: <ul style="list-style-type: none"> <li>• Practice Inspection Objective</li> <li>• Scope</li> <li>• Inspection Criteria</li> <li>• Quantum of Files for Inspection</li> <li>• Cycle of Inspections (Risk adjusted cycle-based approach)</li> <li>• Evaluation of Deficiencies Methodology</li> <li>• Inspection Committee and Inspector Qualifications and Training</li> <li>• Inspection Committee Process</li> <li>• CA public accounting training office review program.</li> </ul>			
<b>Maintaining Ongoing Processes</b>					
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
<b>Review of CICA's Compliance Information</b>					
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 – International Education Standards  
**Action Plan Objective:** Ongoing activities to maintain its compliance with SMO 2

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Background</b>					
<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 has demonstrated their interest in ensuring that they support and adhere to the IESs.</p>					
<b>Strengthening IES and New developments</b>					
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 Vice President, Education, is a PLC member and provides the group with information on IAESB developments and other international education developments of interest.	Ongoing	CSE	PLC CICA V-P, Education

#	Start Date	Actions	Completion Date	Responsibility	Resource
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	<p>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.</p> <p>Canadian universities generally look at the CA Competency Map (and the Maps of Canada's other two professional accounting bodies), rather than to 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>	Ongoing	CICA Education Department  Competency Map Committee	CICA V-P, Education Staff support, Competency Map Committee Reviews at PICA/Ordre level

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<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: <a href="http://www.cica.ca/become-a-ca/publications-to-download/index.aspx">http://www.cica.ca/become-a-ca/publications-to-download/index.aspx</a></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
<b>Maintaining Ongoing Processes</b>					
14.	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: <a href="http://www.cica.ca/become-a-ca/international-accounting-education-standards/index.aspx">http://www.cica.ca/become-a-ca/international-accounting-education-standards/index.aspx</a>	Ongoing	CICA Education Department	CICA V-P, Education
15.	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.	Ongoing	CICA Education Department Competency Map Committee	CICA V-P, Education Staff support Competency Map Committee

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
16.	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
17.	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
18.	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
19.	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
<b>Review of CICA's Compliance Information</b>					
20.	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 - International Standards on Auditing (ISAs)  
**Action Plan Objective:** Ongoing adoption and implementation of ISAs as Canadian Auditing Standards (CASs) and the adoption of various other types of assurance and related services standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Background</b>					
The Canadian Auditing and Assurance Standards Board (AASB) has adopted International Standards on Auditing (ISAs) as Canadian Auditing Standards (CASs) and International Standard on Quality Control (ISQC 1) as CSQC 1. CICA uses its best endeavours to assist AASB in adopting the ISAs and ISQCs.					
<b>Adoption of ISAs and ISQC1 and Contribution to IAASB's Development of the ISAs</b>					
21.	June 2006	Continue to support AASB's policy of adopting in Canada all ISAs and international quality control standards, with minimal amendments (in accordance with published criteria) to deal with circumstances particular to Canada. Such adoption is made using AASB's due process.  <i>Links to supporting materials on CICA websites:</i> 1. Adopting International Standards on Auditing (ISAs). <a href="http://www.frascanada.ca/auditing-and-assurance-standards-board/what-we-do/international-activities/index.aspx">http://www.frascanada.ca/auditing-and-assurance-standards-board/what-we-do/international-activities/index.aspx</a> 2. AASB's due process for adopting ISAs. <a href="http://www.frascanada.ca/auditing-and-assurance-standards-board/what-we-do/due-process/index.aspx#Adopting">http://www.frascanada.ca/auditing-and-assurance-standards-board/what-we-do/due-process/index.aspx#Adopting</a>	Ongoing	CICA Vice President, Standards	AASB AASB volunteer task forces CICA auditing and assurance standards staff
22.	May 2010	Continue to make each new or revised CAS or quality control standard available in the CICA Handbook-Assurance in English and French within a few months of the publication of the related ISA or international quality control standard.	Ongoing	CICA Vice President, Standards	CICA auditing standards staff CICA operations and quality control staff CICA Handbook production staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Contribution to Standard-Setting Activities of the IAASB</b>					
23.	1980s	Continue to provide technical support to Canadian representatives on the IAASB. When there is a CICA Nominee on the IAASB, continue to provide him/her with financial, administrative and technical support. Director, Auditing and Assurance Standards will continue to attend all IAASB meetings as an observer, or if there is a CICA Nominee, as the Technical Advisor to that Nominee. (Note: At the time of updating this document, CICA does not have a Nominee on IAASB).	Ongoing	CICA Vice President, Standards	Canadian representatives at the IAASB table. CICA auditing and assurance standards staff AASB members CICA Director, Auditing and Assurance Standards
24.	1980s	When requested, continue to actively participate as members of various IAASB task forces, working groups or committees. (Examples of such memberships as at August 2012: (i) Bruce Winter (IAASB members nominated by PwC), member of the Audit Reporting Task Force and member of the Disclosures Working Group); (ii) Phil Cowperthwaite, member of the Small and Medium Practices Committee ; (iii) Greg Shields, member of the IFRS Working Group.	Ongoing	Individual Canadian CAs who are members of various IAASB groups	Individual Canadian CAs who are members of various international groups.
25.	2003	Continue to schedule AASB meetings so that they take place immediately preceding each IAASB meeting, with all significant matters on the IAASB agenda also appearing on the AASB agenda. Provide informative briefing notes (based on AASB discussions) for each IAASB meeting for consideration by Canadian representatives at the IAASB table.	Ongoing	CICA Vice President, Standards	CICA auditing and assurance standards staff Members of the AASB Canadian representatives at the IAASB table (including the CICA Nominee on IAASB when such a Nominee has been appointed)
26.	June 2006	Continue to ensure that the AASB publicly exposes each proposed new or revised CAS soon after the issuance of the Exposure Draft (EDs) of each proposed new or revised IASs, and respond to each IAASB ED by the response deadline.	Ongoing	As above	As above

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Maintain Ongoing Translation Process</b>					
27.	June 2006	<p>Continue to maintain CICA's high quality translation process (from English to French) so that it meets or exceeds IFAC's requirements.</p> <p>Continue to translate into French all final CASs (adopted ISAs) on a timely basis, for inclusion in the French version of the CICA Handbook-Assurance.</p> <p>Continue to translate in French all proposed CAS (ISA) requirements for inclusion in exposure drafts, and also, where practicable, application and explanatory material.</p>	Ongoing	CICA Vice President, Standards	CICA auditing and assurance standards staff CICA Language Services Dept. French speaking members of AASB
<b>Awareness, Implementation Guidance and Continuing Professional Development</b>					
28.	January 2008	<p>Continue to develop and make available various non-authoritative materials to assist practitioners in implementing CASs (adopted from the ISAs).</p> <p><i>Links to supporting materials on CICA websites:</i>  <a href="http://www.frascanada.ca/canadian-auditing-standards/resources/reference-material/index.aspx">http://www.frascanada.ca/canadian-auditing-standards/resources/reference-material/index.aspx</a>  <a href="http://www.cica.ca/applying-the-standards/canadian-standards-on-quality-control/csqc-resources/index.aspx">http://www.cica.ca/applying-the-standards/canadian-standards-on-quality-control/csqc-resources/index.aspx</a>  <a href="http://www.cica.ca/applying-the-standards/cas/cas-resources/index.aspx">http://www.cica.ca/applying-the-standards/cas/cas-resources/index.aspx</a></p>	Ongoing	CICA Director, Guidance & Support CICA Director, Auditing and Assurance Standards	CICA auditing standards staff CICA guidance and support staff CICA continuing education staff
29.	July 2008	Continue to provide on a timely basis an up-to-date CICA <i>Professional Engagement Manual</i> (PEM), and an up-to-date <i>Quality Assurance Manual</i> (QAM) that includes non-authoritative guidance related to international standards adopted in Canada for use primarily by those in small and medium-sized practices.	Ongoing	CICA Director, Guidance and Support	Developers of the PEM CICA guidance and support staff CICA auditing standards staff



<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
30.	May 2008	Continue to coordinate continuing education efforts regarding adopted ISAs among the CICA and the Provincial Institutes of Chartered Accountants (PICAs).	Ongoing	Continuing Education Principal, Financial Reporting and Governance	CICA staff and consultants involved with continuing education at CICA and the PICAs CICA auditing standards staff
<b><i>Adoption of IAASB's non-ISA Standards</i></b>					
31.	2006	Continue to support AASB in its process for proactively monitoring IAASB's development of standards for assurance and related services and deciding whether to adopt each standard (with appropriate amendments) for use in Canada. For example, the agenda for each AASB meeting (scheduled one week before each IAASB meeting) will continue to include all matters related to assurance and related services on the IAASB's agenda. Input for each IAASB meeting will continue to be provided for consideration by Canadian representatives at the IAASB table. (Note: The AASB has a strong preference for adopting other international standards. The decision to adopt an international standard (other than an ISA) is made on a case by case basis). (For example, Canada has adopted, with minimal amendments, ISAE 3410 (GHG emissions) issued in 2012. The AASB will thoroughly debate whether to adopt ISRS 4410 (Compilation Engagements) and ISRE 3400 (Review Engagements) (approved by IAASB in December 2011 and June 2012 respectively) and ISAE 3000 (Assurance Engagements) (still being developed by IAASB).	Ongoing	CICA Vice President, Standards	CICA auditing and assurance staff Members of the AASB Canadian representatives at the IAASB table (including CICA Nominee on the IAASB when such a Nominee has been appointed).
<b><i>Contribution to Standard Setting Activities of the IAASB</i></b>					
32.	April 2008	Continue to ensure that the AASB (or, at a minimum, senior CICA staff) respond to all IAASB EDs of proposed and assurance and related services standards by the stated deadline.	Dec. 2008	Director, Auditing and Assurance Standards	AASB CICA auditing and assurance standards staff

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
33.	1980s	When requested by the IAASB, Canadian representatives will continue to actively participate in task forces, working groups or other committees developing assurance and related services standards. (For example, Phil Cowperthwaite (the CICA Nominee on IAASB for the six years ended Dec. 31, 2011) chaired the task forces developing ISRE 3400 and ISRS 4410 and Christine Sinclair was a member of the task force that developed ISRE 3410).	Ongoing	CICA's representatives on various IAASB task forces and working groups	Canadian representatives on various IAASB task forces and working groups
<b><i>Review of CICA's Compliance Information</i></b>					
34.	Ongoing	Perform periodic reviews of CICA compliance information re SMO 3 when requested. Also respond to any ED or Invitations to Comment on proposed changes to SMOs by the specified deadlines.	Ongoing	CICA Executive Office	CICA Vice President, Standards CICA Director, Auditing and Assurance Standards

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

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Background</b>					
<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 is nearing completion and has focused on achieving 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>					
<b>Adopting the Latest IESBA Code of Ethics and Ensuring Ongoing Convergence</b>					
35.	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 view to adopting any changes required in Canada.	Ongoing	Public Trust Committee PTC Council of Senior Executives (CSE)	RHC ITF
36.	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

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
37.	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
38.	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
39.	Ongoing	The proposed amendments are circulated to the PICAs/Ordre for review and comment and ultimately for approval.	Ongoing	RHC	PICAs/Ordre
40.	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
41.	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
<b>Maintaining Ongoing Processes</b>					
42.	Ongoing	See the general information on PTC monitoring of IESBA developments. It is anticipated that these processes are capable of adapting to handle future monitoring needs. Should the need arise PTC will augment these processes as necessary.	Ongoing	PTC	N/A
43.	September 2008	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.	Work on this project continues and while necessary changes have been identified, the necessary consultation	PTC	ITF RHC PICAs/Ordre

#	Start Date	Actions	Completion Date	Responsibility	Resource
		(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.)	processes to seek approval/adoption will likely mean that adoption will not take place prior to June 2012.		
44.	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
<b>Review of CICA's Compliance Information</b>					
45.	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><b>Background</b></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>					
46.	2003	<p>Notify members of IPSASB's documents, including exposure drafts and encourage comments.</p> <p><i>(a) PSAB web site notifies stakeholders, 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></p> <p><i>(b) PSAB is provided with a regular update of IPSASB activities by staff at each of its meetings and highlights included in PSAB decision summary.</i></p> <p><i>(c) Canadian public sector stakeholders are encouraged to respond to IPSASB documents for comment.</i></p>	Ongoing	Vice-President Standards	PSAB staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b><i>Using Best Endeavors to Incorporate the Requirements of IPSASs in Canadian Standards (see note below)</i></b>					
47.	June 2011	PSAB undertook a project priority survey identifying IPSASB projects and comparing them to existing PSAB standards as a possible source for project selection.	Completed	Vice-President, Standards	PSAB staff
48.	2000	Selective IPSASs requirements dealing with public sector specific issues are adopted for use in Canadian standards.	Ongoing	Vice-President, Standards	PSAB staff
49.	Ongoing	Assessing IPSAS 21 Impairments of Non-cash Generating Assets for applicability in Canada.	Ongoing	Vice-President, Standards	PSAB staff
<b><i>Contribution to Standard Setting Activities of the IPSASB</i></b>					
50.	1980s	Continue to provide administrative, financial and professional staff support to CICA's nominee to the IPSASB and his technical advisor.	Ongoing	Vice President, Standards	PSAB staff
51.	1980s	CICA's nominee will continue to actively participate as a member of various IPSASB task forces when requested.	Ongoing	CICA Nominee	CICA Nominee
52.	2004	PSAB staff contributed to the conceptual framework and is providing ongoing support to various projects as needed.	Ongoing	Director, Public Sector Accounting	PSAB staff
<b><i>Review of CICA's Compliance Information</i></b>					
53.	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 - Investigation and Discipline  
**Action Plan Objective:** Ongoing activities to maintain compliance with SMO 6

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Background</b>					
<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 derives 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>					
<b>Improve and Ensure Ongoing Maintenance of the Existing Investigation and Disciplinary Programs</b>					
54.	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
55.	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
56.	Ongoing	The DRG has developed recommendations to achieve best practices in the investigation and discipline processes that meet or exceed SMO 6 requirements. The PICAs/Ordre have agreed to adopt these recommendations on a best efforts basis.	Ongoing	PTC	DRG PICAs/Ordre



#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>Recommendations have been made in the areas of:</p> <ul style="list-style-type: none"> <li>• Initiation and Investigation</li> <li>• Hearings and Appeals</li> <li>• Sanctions and Publication</li> <li>• Administrative Processes</li> </ul> <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"> <li>• Independent Review (6.5.6.12)</li> <li>• Reporting to Outside Bodies (6.5.4.1)</li> </ul> <p>These differences continue due to legislative requirements in various jurisdictions.</p>			
<b><i>Maintaining Ongoing Processes</i></b>					
57.	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
<b><i>Review of CICA's Compliance Information</i></b>					
58.	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 the updates in order for the Compliance staff to republish updated information.	Ongoing	CICA Executive Office	PTC

**Action Plan Subject:** SMO 7 - 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
<b>Background</b>					
<p>The Accounting Standards Board (AcSB) website contains information on all of the 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. The CICA staff has acted as project staff for the IASB in a few cases and also carries 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>					
<b>Support the Work of the IASB by Notifying Members of Every Proposed and Newly Issued IFRS</b>					
59.	2000	The AcSB web site contains information on all of the IASB's key activities with direct links to the IASB website. Members and others are kept informed of all new IFRSs and all proposals to revise IFRSs, as well as being encouraged to comment on all proposals. The CICA website provides links to the AcSB's website and other IFRS resources.	Ongoing	Vice-President, Standards	CICA Accounting Standards department staff
<b>Use Best Endeavors to Incorporate IFRSs Requirements into Canadian Financial Reporting Standards</b>					
60.	2006	Support implementation of AcSB adoption of IFRSs for publicly accountable enterprises in Canada with effect for periods beginning on or after January 1, 2011.	Ongoing	Vice-President, Standards CICA Director, Guidance and Support	CICA Accounting Standards department staff and Guidance & Support department staff

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
61.	2006	<p>Maintain existing awareness and training strategies on both new and existing IFRS.</p> <p>AcSB took account of awareness and training issues in its implementation plan for the IFRS adoption strategy. It developed and maintains 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 &amp; Productivity Resources department publishes the IFRS in Canada under license from the IASC Foundation and also a number of practice aids.</p>	Ongoing	<p>Vice-President, Standards</p> <p>CICA Continuing Education and Guidance &amp; Support departments and CA Qualification committees</p>	CICA Accounting Standards, Guidance & Support, Continuing Education, Information & Productivity Resources and CA Qualification department staffs
62.	Unknown	<p>Prepare implementation program for IFRS for SMEs.</p> <p>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.</p>	Unknown	AcSB	CICA Accounting Standards department staff
<b>Maintaining Ongoing Processes</b>					
63.	Ongoing	<p>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 additional activities where necessary.</p>	Ongoing	<p>AcSB</p> <p>CICA Guidance &amp; Support and Continuing Education departments</p>	CICA Accounting Standards, Guidance & Support and Continuing Education department staffs

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Awareness, training and implementation support programs are continuing to be developed and modified as publicly accountable enterprises gain more experience in applying IFRS.			
<b><i>Review of CICA's Compliance Information</i></b>					
64.	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, Guidance & Support, Continuing Education, Information & Productivity Resources and CA Qualification department staffs

## **Explanatory End Note**

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/applying-the-standards/ifrs/index.aspx](http://www.cica.ca/applying-the-standards/ifrs/index.aspx)). The AcSB's activities are publicized through its website ([www.frascanada.ca/international-financial-reporting-standards/index.aspx](http://www.frascanada.ca/international-financial-reporting-standards/index.aspx)).