Submitted on Fri, 03/05/2021 - 15:05

Application ID: 30021

Submitted values are:

Bill or item of business: **Bill 245, Accelerating Access to Justice Act, 2021**

Choose a topic

Do you know the bill title or business (e.g., pre-budget consultations) you'd like to speak or submit material about?
Yes

Choose an application

Which application would you like to submit?
Request to appear as a committee witness (with the option of submitting material)

Add your information

Are you applying to appear as an individual or on behalf of an organization?
I am an employee or member applying to appear on behalf of an organization

Full name
Mr Zubair Choudhry

Job title or role
President

Contact phone number
416-722-1746

Email address
president@rpacanada.org

Organization name
The Society of Professional Accountants of Canada

Branch, division, or office (e.g., "Bloor-Gladstone Branch" or "Sudbury Chapter")
Ontario Office

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48 Village Center Place

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L4Z 1V9

Province or state
Ont

Country
Canada

To be decided
No

Presenter1
Mr Zubair Choudhry, President

Presenter2
Mr Bernie DiVona, Director

Language of your presentation
English

Do you require any special accommodation (e.g., accessibility, technology)?
No

Do you want to include an electronic written brief alongside your application to appear (optional)?
No

Would you like to add any other information?
I would like to appear as President of the Society of Professional Accountants of Canada ("SPAC") to share a concern that relates to the Schedule 7 amendment to the Public Accounting Act,

Testimony before the Standing Committee on the Legislative Assembly regarding Bill 245, *Accelerating Access to Justice Act, 2021*

Zubair Choudhry, RPA, APA
President and CEO, Society of Professional Accountants of Canada
March 12, 2021

Good afternoon distinguished members of this committee and thank you for the invitation to appear before you today.

The Society for Professional Accountants ("Society") is a private professional organization established in 1978 for the ongoing education and regulation of its members. Since 1989, SPAC has been operating two certification programs: the Registered Professional Accountant (RPA) and the Accredited Professional Accountant (APA) programs. Both designations are subject to a registered certification mark under the *Trademarks Act.*

Candidates with post-secondary education who complete the required courses and successfully pass examinations may be admitted to the Society and are licensed to use the corresponding designations, RPA or APA, in the delivery of accounting services to the public. Sheridan College, Durham College and McMaster University have provided, and continue to provide, an RPA certification pathway for college and university students. The Society has also signed international mutual recognition agreements with counterpart organizations in Australia, Pakistan and the United States.

The Society has members across Canada and internationally with proven capability in their chosen profession. The Society also provides opportunities for new Canadians who have the required accounting qualifications and expertise from other jurisdictions to practice as professional accountants under the RPA or APA designation upon successful completion of their competency exams.

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The members of the Society also have the singular distinction of providing valuable, cost-effective and reliable services to small and medium sized businesses. They play an important role in helping local entrepreneurs promote economic growth and job creation in their communities.

Schedule 7 amends the *Public Accounting Act*, 2004 to dissolve The Public Accountants Council for the Province of Ontario, which currently governs public accounting under the Act, and to transfer the governance of public accounting in Ontario to the Chartered Professional Accountants of Ontario (CPA Ontario). The *Public Accounting Act (2004)* also amends *The Chartered Professional Accountants of Ontario Act* (2017) to reflect CPA Ontario's governance role.

While Schedule 7 does not propose to amend, repeal or revoke the legislative provisions of the *Public Accounting Act,* 2004, we are deeply concerned that RPA's and APA's will inadvertently be obliged to become members of CPA Ontario or be under the impression they must do so.

At issue - and of great concern to us - is the potential confusion between professional accounting and public accounting in relation to the exception to public accounting under paragraph 3 of subsection 2 of the *Public Accounting Act*, 2004, which states:

A public accounting license is not required to perform a compilation engagement provided that it can reasonably be expected that all or any portion of the compilation or associated materials prepared by the member providing the service will not be relied upon or used by a third party, whether or not the compilation or associated materials are accompanied by the prescribed Notice to Reader.

I am here to emphasize that RPAs and APAs prepare financial statements with a compilation report accompanied by a Notice to Reader that are acceptable to the Canada Revenue Agency (CRA), the banks and their clients, whereas public accountants provide the financial information with audit and review engagements ("assurance") relied upon by public/third-parties.

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CPA Ontario has introduced the Compilation Engagement Standards CSRS 4200 that will be implemented in December 14, 2021. We are already preparing themselves for the adoption of these newly set standards by CPA Ontario. However, we deserve continued assurance that the proposed amendments to Schedule 7 will not extend the powers of CPA Ontario, allowing it to infringe upon the rights of RPAs or APAs to perform a compilation engagement.

The President of CPA Ontario yesterday acknowledged that their organization has no intention to regulate the work of RPAs and APAs. Nevertheless, we are concerned that the situation may change in the future and we are therefore requiring assurances to protect RPAs and APAs. We believe that our regulatory and governance framework regarding our professional accountants should be protected.

We have recently asked the Attorney General of Ontario to ensure that the drafting of the new legislation take into consideration the need to differentiate between public accountants and professional accountants. Greater clarity on the government's intention is required to preserve and protect the well-established rights of the Society to regulate the RPA and APA designations as it has done so ably since 1989 to provide great value to Ontarians.

As a practical first step, we submit that the *Chartered Professional Accountants of Ontario Act,* 2017 be renamed as the Chartered Public Accountants of Ontario Act to avoid confusion.

Such initiative would pave the way for the Government of Ontario to enact legislation respecting the Society of Professional Accountants of Ontario to grant to its registered members the exclusive right to use the designations RPA and APA and to govern and discipline its members. This would contribute to delineate the rights and obligations of public accountants and professional accountants.

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For greater certainty, we ask the Government of Ontario to amend the *Public Accounting Act,* 2004 by adding a fourth paragraph after paragraph 3 of subsection 2. The fourth paragraph would state:

(4) This Act does not affect or interfere with the right of any individual who is not a member of CPA Ontario to:

(a) use the designation of Registered Professional Accountant or Accredited Professional Accountant if that designation is granted by the Society of Professional Accountants of Canada; and

(b) perform a compilation engagement that falls within paragraph 3 of subsection 2.

I thank you again and look forward to your questions.

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