



The Ordre des comptables agrés du Québec

A guarantee of excellence



Comptables
agrés
du Québec

OCAO

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profession

A profession that's over one hundred years old

In 1880, an Act of the Quebec legislature established "The Association of Accountants of Montreal," the predecessor of the Ordre des comptables agréés du Québec, making it the oldest accounting organization in North America. In 1946, the Act was amended to change the name of the Association to the Institute of Chartered Accountants of Quebec and grant its members the exclusive right to practice public accountancy. Finally, the Institute became the Ordre des comptables agréés du Québec (the Ordre) in 1973 when this act was replaced by the *Professional Code* and the *Chartered Accountants Act*.

Today, the Ordre has close to 16,600 members, 60% of whom work in industry, government or education and 40% in public practice. A majority of them are French-speaking (76%) and live in the Montreal area (64%) or the Quebec City region (13%). Women account for 32% of the Ordre's membership, but represent 60% of new members.

accountancy

Public accountancy

The Ordre is a professional order representing members of an "exclusive profession." It oversees chartered accountants who, under the *Chartered Accountants Act*, are the only professionals qualified to practice public accountancy, that is, "engagement by a person, for remuneration in the art or science of accountancy or in the auditing of books or accounts..." There are, however, some exceptions to this exclusive right to practice, under which members of other accounting orders may perform audit engagements for certain types of organizations such as municipal governments and school boards.



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mission

Mission of the Ordre

Mission of the Ordre

Under the *Professional Code*, the parent legislation governing the Quebec professional system as a whole, the Ordre is dedicated primarily to the protection of the public. The Ordre fulfils this mission by exercising controls on various areas.

Admission

Only candidates who have met the educational, training period and examination requirements are admitted to the Ordre.

Competence

CAs' competence is monitored by a continuous learning policy and a rigorous professional inspection process, which consists more specifically of a review of Ordre members' files to ensure they adhere to the standards of the profession. When necessary, the Professional Inspection Committee also enquires into a member's professional com-

petence. It has the authority to recommend that a member serve a period of refresher training or take a refresher course or that a member's right to engage in professional activities be limited or suspended until the member has once again met professional standards.

Illegal practice

Members must be entered on the Membership Roll in order to practice as chartered accountants. Through the continuous updating of the roll and various investigative procedures, the Ordre is able to identify persons offering services they are not legally entitled to provide. Investigations of illegal practice, searches and other measures are then implemented to curtail fraudulent activities.

recourse

Effective recourse

The regulations

The *Professional Code*, the *Chartered Accountants Act*, the *Code of Ethics of Chartered Accountants*, other Ordre regulations and numerous provisions of other acts constitute the legal framework governing the CA profession in Quebec.

A new regulation, adopted in 2003, authorizes CAs to partner with other professionals. These new multidisciplinary firms allow CAs to meet the growing expectations of their clients, who thus benefit from one-stop access to a wide range of services. It is therefore important for clients to find out whether the professional they are engaging is indeed a CA so that they can, when necessary, use the recourse mechanisms provided by the Ordre.

The syndic

When a person believes that a CA has violated a professional regulation, he may file a complaint with the syndic of the Ordre. The role of the syndic is to receive complaints

lodged under the *Code of Ethics of Chartered Accountants*, conduct enquiries and follow up on complaints. The syndic may refer the complaint to the Committee on Discipline, institute a conciliation procedure or issue a warning. If the syndic decides to dismiss the complaint, the plaintiff may appeal the decision to the Review Committee.

Conciliation and arbitration of members' accounts

The Ordre also ensures the conciliation of members' accounts. It receives complaints about CA fees and attempts to bring the two parties together through conciliation, failing which the case is referred to the Committee for the Arbitration of Members' Accounts. The number of disputes which go to arbitration is minimal; the first procedure most often suffices to settle the matter.

The Committee on Discipline

A number of sections of the Professional Code are devoted to the disciplinary framework. The Committee on Discipline is a

quasi-judicial body whose procedure is based on that of the civil courts. Complaints are heard by a three-member bench, which includes a lawyer appointed by the government. The Committee may impose penalties that range from a simple reprimand to the revocation of the member's permit, a fine, the imposition of a period of refresher training or a refresher course, the limitation of the right to practice or the temporary or permanent striking off the roll. However, under this disciplinary recourse, plaintiffs are not entitled to monetary compensation. Only civil or criminal proceedings can result in the awarding of monetary compensation or the imposition of a penalty such as imprisonment if a criminal act has been committed. The decisions of the Committee on Discipline may be appealed to the Professions Tribunal.



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The Professions Tribunal

The Professions Tribunal may confirm, alter or quash a decision rendered by the Committee on Discipline. It may hand down the decision it believes should have been rendered in the first instance. It may also substitute any other penalty for a penalty imposed by the Committee on Discipline.

Professional liability insurance

All chartered accountants engaged in the practice of public accounting for their own account or within a CA partnership or a joint-stock company, full time or part time, must take out insurance coverage in the amount of not less than \$250,000 per claim. In a partnership of four partners or more, this coverage must not be less than \$1 million.

In addition, a regulation provides that members carrying on their activities within a limited liability partnership (LLP) or a joint-stock company (JSC) are required to take out between \$500,000 and \$1 million in additional insurance coverage to cover possible professional faults, in addition to the compulsory insurance for all practicing CAs.

The Indemnity Fund

The Ordre has an Indemnity Fund to be used solely to repay the amounts of money or other securities used by a member for purposes other than those for which they had been delivered to him in the practice of his profession, particularly in the case of fraud or misappropriation of property or funds.

A claim to the Indemnity Fund must be addressed in writing to the President and CEO of the Ordre. It must clearly explain the facts supporting the claim and indicate the amount claimed. Made under oath, this claim must be filed within 12 months from the time the claimant is aware of the facts giving rise thereto.

professionals

Professionals on the cutting edge of knowledge

The protection of the public also involves developing and maintaining CA competencies.

Professional education, training period and examination

In 2002, the CA profession in Canada adopted a new, competency-based approach to the education and qualification of new CAs, defining the educational, training period and examination requirements governing candidates for the practice of the profession. The *CA Competency Map* describes in detail the values, pervasive qualities and technical expertise CAs should possess.

The competency-based approach defines CAs in terms of what they can do. Competency includes a broad range of knowledge, attitudes and behaviour that together account for the ability to deliver professional services. First there are the pervasive qualities of integrity, initiative, and the ability to communicate, and then there are the technical skills related to organizational effectiveness,

finance, taxation, assurance, performance measurement and information technology.

The practical training period is a significant source of competency and knowledge development. In Quebec, the 24-month training period consists of 2,500 hours of professional services, including at least 1,250 hours in public accounting and 100 hours in taxation. Of the 1,250 hours in public accounting, at least 625 hours of auditing are required.

The Canadian CA Uniform Evaluation, commonly referred to as the UFE, is known the world over as one of the most demanding of its kind and its reputation for rigor is widely recognized. This examination challenges candidates to demonstrate their proficiency in the CA competencies by responding to professional situations a new CA is likely to encounter.

Continuous learning policy

All CAs active in Quebec must comply with the continuous learning policy.

Given the pace and scope of the changes impacting their environment, CAs need to update their knowledge on an ongoing basis. As part of its mission to protect the public, the Ordre believes that each member should devote at least 100 hours per three-year period to continuous learning.



Continuing education

The Ordre des comptables agréés offers its members a continuing education program comprising some 200 courses on profession-related topics for practitioners as well as for CAs in industry and in government. Over 500 sessions are organized each year across Quebec. The Ordre's continuing education program also includes in-house training and a number of partnerships with various organizations.

Tools and assistance

Telephone assistance on *CICA Handbook* accounting and assurance standards is available to all Ordre members. A number of model documents are also available to CAs. These tools help members keep current with changes that are likely to have an impact on their practice.

Strategic directions

Together with its primary responsibility to protect the public, the Ordre has the mission to ensure that CAs are recognized as leaders for their competence in decision-making information and assurance, as well as for their objectivity and integrity. CAs are central to decision-making intended to improve organizational performance.

Positioning CAs as central to decision-making is the first thrust of the profession's strategic directions. These directions also focus on the broadening of CAs' range of competencies and specialties, the development of sufficient numbers of high-calibre new CAs, the evolution of the legal and regulatory framework governing CA practice, and the development of services adapted to the needs of Ordre members.

standards

High professional standards

The Canadian Institute of Chartered Accountants (CICA)

The CICA conducts research into current business issues and sets accounting and assurance standards for the private and public sectors. It issues recommendations on control and governance and documents intended for the accounting profession. It develops continuing education programs and represents the CA profession nationally and internationally.

Accounting standards

The Accounting Standards Board (AcSB), established by the CICA, is responsible for setting authoritative Canadian standards for financial accounting and reporting. These standards, which are developed through an organized standard-setting process, specify how an enterprise's activities are to be recognized, measured, presented and disclosed in the financial statements. They are intended to meet the needs of financial statement users by providing the information needed to make informed decisions. The *CICA Handbook* is the source of generally accepted accounting principles (GAAP). It contains standards applicable to all types of profit-oriented enterprises and not-for-profit organizations. The Public Sector Accounting Board (PSAB) develops the standards set out

in the *CICA Public Sector Accounting Handbook* for federal and provincial governments.

The Accounting Standards Oversight Council (AcSOC) independently oversees the activities of the AcSB. Established in 2000 by the CICA, the AcSOC contributes to the development of accounting standards in Canada and internationally. AcSOC members include senior members from business, finance, government, academe, the accounting and legal professions, regulators and the financial analyst communities.



Assurance standards

The Assurance Standards Board (ASB) is the national body set up by the CICA to establish assurance and auditing standards for the public and private sectors.

The ASB aims to enhance the quality of assurance services by continually developing and disseminating guidance and generally accepted auditing standards (GAAS) and other assurance standards. The Auditing and Assurance Standards Oversight Council (AASOC) independently oversees the activities of the ASB and ensures not only that auditing and assurance standards are clear and transparent, but that the standard-setting process itself is also open and independent, and subject to public scrutiny.

The Canadian Public Accountability Board (CPAB)

The Canadian Securities Administrators, the Office of the Superintendent of Financial Institutions and the Canadian accounting profession joined forces to create the Canadian Public Accountability Board. Its task is to independently oversee accounting firms that audit public companies. In conjunction with the Ordre, CPAB works to strengthen investor confidence in the audit process and to enhance the credibility of public company financial statements. The oversight, accountability and sanction processes take account of the legislative and professional environment in Quebec.



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