



QUICK REFERENCE GUIDE: UNDERSTANDING HOW THE CPA CODE APPLIES TO MEMBERS

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The CPA Code applies to all CPA Ontario members and firms, irrespective of the types of services they provide. As the public trusts CPAs to provide sound and fair reporting and competent business advice, members and firms have a fundamental responsibility to act in the public interest and comply with the CPA Code.

Compliance with the CPA Code of Professional Conduct

In addition to their own compliance, members and firms are also responsible to CPA Ontario for compliance with the CPA Code by individuals under their supervision and by those who share a proprietary interest in a firm or other enterprise (others).¹ This holds true regardless of employment status (employed or retired) or whether compensation is provided.

Professional services versus public accounting

Members and firms providing public accounting services have additional requirements under the CPA Code. As such, it is important to understand the definitions of professional services and public accounting services.

Professional services are the activities of a member or firm, whether undertaken for remuneration or not, where the public or a colleague relies on membership or registration with CPA Ontario to provide the member or firm with a particular competence. Professional services require due care, integrity and an objective state of mind.

Relevant rules in the [CPA Code of Professional Conduct](#) (CPA Code):

- Rule 204, *Independence*

Relevant sections of the [CPA Ontario By-Law](#) (By-law):

- 1.1.48, *Practice of Public Accounting*
- 1.1.53, *Providing Accounting Services to the Public*

¹ Preamble to the CPA Code of Professional Conduct

Public accounting refers to both the “practice of public accounting”² and “providing accounting services to the public,”³ as defined in the By-law. Members not engaged in the practice of public accounting must observe the CPA Code unless the rule makes it clear that it relates to the practice of public accounting only.

The public *may* include: clients, employers and not-for-profit or other organizations.

Structure of the CPA Code

When referring to the CPA Code, it is important to understand the difference between the rules and guidance. The rules impose an obligation on members and firms; compliance is mandatory. Guidance, however, is intended to assist in the understanding and application of the related rule.

The CPA Code must be read and applied with the preamble, By-law and legislation in mind. The preamble introduces the underlying philosophy governing CPAs’ responsibilities and sets out the following five fundamental principles of ethics:

- **Professional behaviour** – CPAs must always conduct themselves in a manner that will maintain the profession’s good reputation and serve the public interest.
- **Integrity and due care** – CPAs must perform professional services with integrity and due care.
- **Objectivity** – CPAs must not allow their professional or business judgment to be compromised by bias, a conflict of interest or the undue influence of others.
- **Professional competence** – CPAs must maintain their professional skills and competence by keeping informed of, and complying with, developments in their area of professional service.
- **Confidentiality** – CPAs must protect confidential information acquired from professional, employment and business relationships. They must not disclose this information without proper and specific authority, nor exploit it for personal advantage or the advantage of a third party.

Application of the CPA Code

The Code is structured in three sections pertaining to all members, members providing professional services and members in public accounting, as outlined in the table below.

	Members in Public Accounting		
	Members Providing Professional Services		
	All Members		
100 Professional Governance	101, 102, 103, 104, 105		
200 Public Protection	201, 202.2, 203, 205, 206, 207, 208 (part), 211, 212, 213, 217	202.1, 208 (part), 209, 210, 214, 216, 218	204, 215
300 ⁴ Professional Colleagues		302, 303, 304, 305, 306	
400 ⁴ Public Accounting Practices			401, 402, 403, 404, 405, 406, 408, 409
500 Firms			501, 502, 503

For your convenience, each rule in the table above is listed on the following page by name.

² By-law 1.1.48

³ By-law 1.1.53

⁴ Rules 301 and 407 do not currently exist and are reserved for future use

All members

100 Professional Governance

- 101 *Compliance with governing legislation, bylaws, regulations and the CPA Code*
- 102 *Matters to be reported to CPA Ontario*
- 103 *False or misleading applications*
- 104 *Requirement to cooperate*
- 105 *Hindrance, inappropriate influence and intimidation*

200 Public Protection

- 201 *Maintenance of the good reputation of the profession*
- 202 *Integrity and due care and objectivity: Rule 202.1*

- 203 *Professional competence*
- 205 *False or misleading documents and oral representations*
- 206 *Compliance with professional standards*
- 207 *Unauthorized benefits*
- 208 *Confidentiality of information: Rule 208.1; 208.2; 208.3(a)*
- 211 *Duty to report breach of the CPA Code*
- 212 *Handling property of others*
- 213 *Unlawful activity*
- 217 *Advertising, solicitations and endorsements*

Members providing professional services

The following rules apply to members providing professional services, in addition to the rules listed above for all members.

200 Public Protection

- 202 *Integrity and due care and objectivity: Rule 202.2*
- 208 *Confidentiality of information: Rule 208.3(b)*
- 209 *Borrowing from clients*
- 210 *Conflicts of interest*
- 214 *Fee quotations and billings*
- 216 *Commission or similar compensation arrangements*
- 218 *Retention of documentation and working papers*

300 Professional Colleagues

- 302 *Communication with predecessor*
- 303 *Provision of client information*
- 304 *Joint engagements*
- 305 *Communication of special engagements to incumbent*
- 306 *Responsibilities owed to an incumbent*

Members providing public accounting services

The following rules apply to members providing public accounting services. These rules are in addition to those listed for all members providing professional services.

200 Public Protection

- 204 *Independence*
- 215 *Contingent fees*

400 Public Accounting Practices

- 401 *Practice names*
- 402 *Use of descriptive style*
- 403 *Association with firms*
- 404 *Access to members practising public accounting*
- 405 *Office by representation*
- 406 *Responsibility for a non-member*
- 408 *Association with non-member in public practice*
- 409 *Practice of public accounting in corporate form*

500 Firms

- 501 *Policies and procedures for compliance with professional standards*
- 502 *Policies and procedures for the conduct of a practice*
- 503 *Association with firms*

Please note that this article is considered to be non-authoritative guidance only.

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Have a question? Our Professional Advisory Services team is here to help, making first point of contact within 24 hours.

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