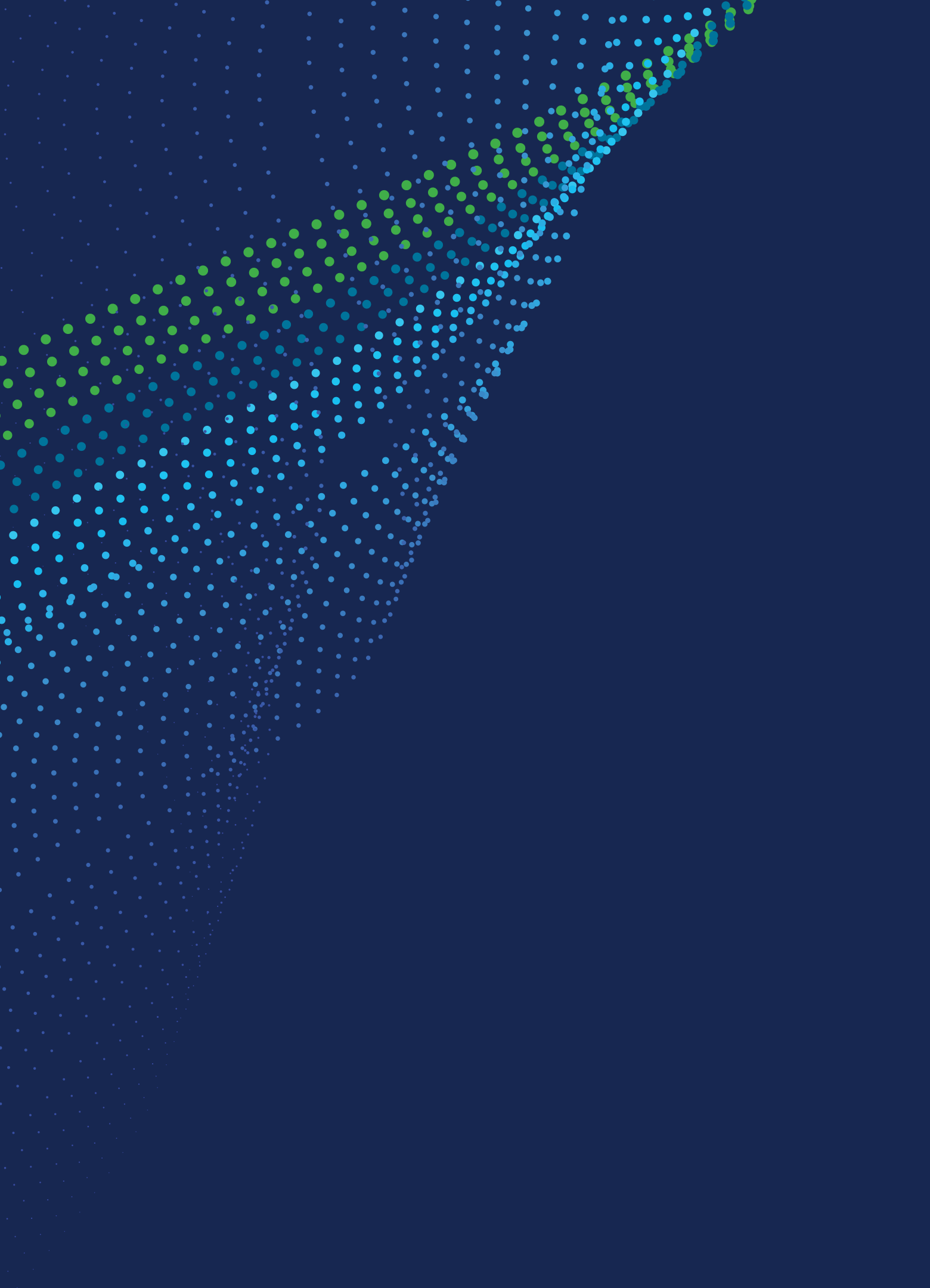


# FUTURE FORWARD

ANNUAL REPORT 2023





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# OUR MANDATE

We are a community of over 100,000 CPAs and over 20,000 students across the province committed to innovation, ethics and upholding the highest standards of the profession.

The professional accounting profession is a provincial responsibility governed by the *Chartered Professional Accountants of Ontario Act, 2017* and the *Public Accounting Act, 2004*.

Through this legislation and delegated authority from the government, CPA Ontario is the regulatory body responsible for overseeing CPAs and accounting firms in Ontario.

Like our Provincial, Territorial, and Bermudian (PTB) CPA body partners across Canada, the critical work we do protects the public, enables us to advance the profession and enables CPAs to lead business and society forward.

Going forward, we will continue to work in collaboration with our partners across the country as one CPA designation to deliver on these important responsibilities that government has entrusted to us:

**SHAPE THE FUTURE OF THE PROFESSION** by attracting the next generation of talent and seizing opportunities for innovation.

**GOVERN AND REGULATE CPAS AND ACCOUNTING FIRMS IN ONTARIO** which includes compliance and disciplinary processes.

**ENSURE THE CPA PIPELINE MEETS MARKET DEMANDS** through recruitment activities within PSIs and high schools, and by supporting new entrants to Canada.

**EDUCATE AND ASSESS CPA STUDENTS** by delivering a world-class professional education program.

**FACILITATE COMMON ENTRY INTO THE PROFESSION** by working with our PTB CPA counterparts.

**GRANT CPA DESIGNATIONS AND PUBLIC ACCOUNTING LICENSES** while maintaining the rigour and high standards that set the profession apart.

**ENHANCE THE SKILL AND KNOWLEDGE OF MEMBERS** through professional development and thought leadership.

**SUPPORT STANDARD SETTING WITHIN CANADA** and at the international level.

**ENABLE MOBILITY OF CPAS** through agreements with PTBs as governed by provincial laws.





# OUR PURPOSE

We **PROTECT** the public.

We **ADVANCE** the profession.

We **ENABLE** CPAs to lead  
business and society forward.

# OUR VALUES

How we do things is just as important as what we do.

**Values** guide the way we work and the decisions that we make. They reflect who we are as an organization and what we believe is right. Our values align with our purpose and enable us to deliver our strategy in a way that we can all be proud of.

These values embody how we aspire to behave in all situations with each other, members and students, and other stakeholders. They set the expectations we have of each other.

## WE ACT WITH INTEGRITY

We always do the right thing and take accountability for our decisions and work.

## WE ARE THOUGHTFUL

We are considerate in the way we make decisions, and how we engage with the public, employers, our members, students, and colleagues.

## WE WORK TOGETHER

We are a supportive and inclusive team and empower each other to achieve our personal and professional goals.

## WE MAKE AN IMPACT

We strive to make a meaningful difference to our stakeholders and the profession, delivering results with excellence.

## WE ARE FORWARD-THINKING

We are curious, innovative and data-driven, and ensure our work benefits business and society.

# OUR STRATEGIC PRIORITIES

Our strategy defines our priorities as an organization and clearly sets out the work we need to do. Since the strategy was last revised, the world around us has changed in incredible ways.

And so, our strategy has evolved with the environment and in line with the needs of members, students and firms, as well as the broader business community.

Five strategic pillars focus our efforts. Everything we do supports these pillars and ensures that our work helps us achieve this purpose. We are committed to working closely with our counterparts across Canada to deliver on these priorities as a unified profession.

## PROTECT

the public interest ensuring our members, students and employees maintain the highest standards of integrity.

## ADVANCE

the profession by developing CPAs who can lead in an ever-evolving world.

## BUILD

a robust pipeline of high-calibre individuals.

## CREATE

a strong brand and demand for CPAs.

## CULTIVATE

an environment that enables our people to thrive together.

# MESSAGE FROM THE CHAIR



We are all Canadian CPAs.

This may seem like a simple statement, but it is meaningful to each of us. Every day, as CPAs we work to uphold our responsibility to protect the public, maintain our high standards and build a strong, vibrant Canadian economy. As a CPA, I share this sense of pride in our designation and, together with my colleagues on Council, I feel a great degree of responsibility for the role Council plays as stewards of that designation.

Much has happened over the course of the past year, and this annual report highlights many achievements of which we can all be proud. As we start a new year, we have begun the formal process of redefining our approach to national collaboration with CPA Canada and our Provincial, Territorial and Bermudian (PTB) counterparts.

The decision to do this was taken by Council after years of deliberation with our partners and with the best interests of the profession and our responsibility to protect the public as our guide. In the weeks following our announcement, we heard from some of you, and I want to take this opportunity to reflect back what we've been sharing through these conversations.

First, the relationship between CPA Canada and the PTBs is formalized through a Collaboration Accord, which dates back seven years and was designed to support the early stages of unification. The intent was always that this agreement would be reviewed after two years and amended as necessary. Accordingly, five years ago, discussions began on how PTBs and CPA Canada should change the terms of national collaboration. Over the course of those years, it became clear that the governance structure of the Collaboration Accord does not best serve the profession in Ontario today or into the future.

Second, CPA Ontario and CPA Canada are different organizations with different mandates and responsibilities.

CPA Ontario is the regulatory body created by provincial legislation to oversee CPAs

and accounting firms in Ontario. We are responsible for granting the CPA designation and Public Accounting Licence (PAL), protecting the public, managing the educational journey, and enabling mobility of CPAs across Canada and internationally. We support one set of standards across Canada, and participate in standard setting, including the most recently released ISSB Sustainability Standards.

It is important to understand CPA Canada is not a regulatory body and has no legislative responsibilities. Rather, it is a not-for-profit that delivers services and programs at the request of and on behalf of PTBs. CPA Canada has never had a national governing role nor is it responsible for the mobility of CPAs across Canada and internationally, as that is governed by provincial laws.

Finally, as the regulatory body and granter of the designation in Ontario, Council is obligated to act in accordance with our mandate and responsibilities – to protect the public interest and support members in upholding the highest standards. We take this responsibility seriously and will continue to have this guide our decision-making.

We are now working through a contractual 18-month period of transition. During this time, we are engaging with members to ensure we benefit from your perspective and insight. These productive discussions are already underway, and the future state of national collaboration will benefit greatly from them.

Thank you for placing your trust in Council, and in me, over these past two years as Council Chair. It has been my great honour to serve in this role and I have every confidence in the bright future of our profession.

A handwritten signature in black ink, appearing to read 'J. Desgagné', with a stylized flourish at the end.

**JEAN DESGAGNÉ**, CPA, CA  
CHAIR, CPA ONTARIO COUNCIL

MESSAGE FROM THE

# PRESIDENT & CEO



This past year, CPA Ontario reached the incredible milestone of 100,000 members. A milestone that reflects the growing demand for CPAs in the province and across the country, driven by the value and the insights they bring to lead business and society forward. It speaks to the power of the designation and its appeal to deliver a career with a sense of purpose, and I am so proud to steward the profession in Ontario amid such growth.

To meet this demand, we must remain focused on the future of the profession, and the future of the designation. CPAs need the right knowledge and training as we navigate through this unprecedented period of economic and societal change. We need to move forward. We need to look to the future and prepare our profession for where the world is heading.

As former Governor of the Bank of Canada Mark Carney said at our Insights event in October, there has never been a more exciting time to be part of the profession.

This leads us to understand that now is the time to redefine the way the profession works together across Canada. To move beyond existing structures into a way that is a better fit for the world we find ourselves in today. A path that will reinforce our role in protecting the public, maintain our world-class, unified Canadian designation both here at home and around the world, and look to the exciting and challenging future of the profession.

This requires us to be nimble, innovative and adaptive in helping members and students play the role they are being asked to play as they advance business and society. And we must focus on the needs of the rapidly changing economy while addressing challenges, such as AI, blockchain, the innovation economy and sustainability.

In the coming years, a unified set of standards for sustainability reporting will come into effect, which will allow CPAs to bring the rigour,

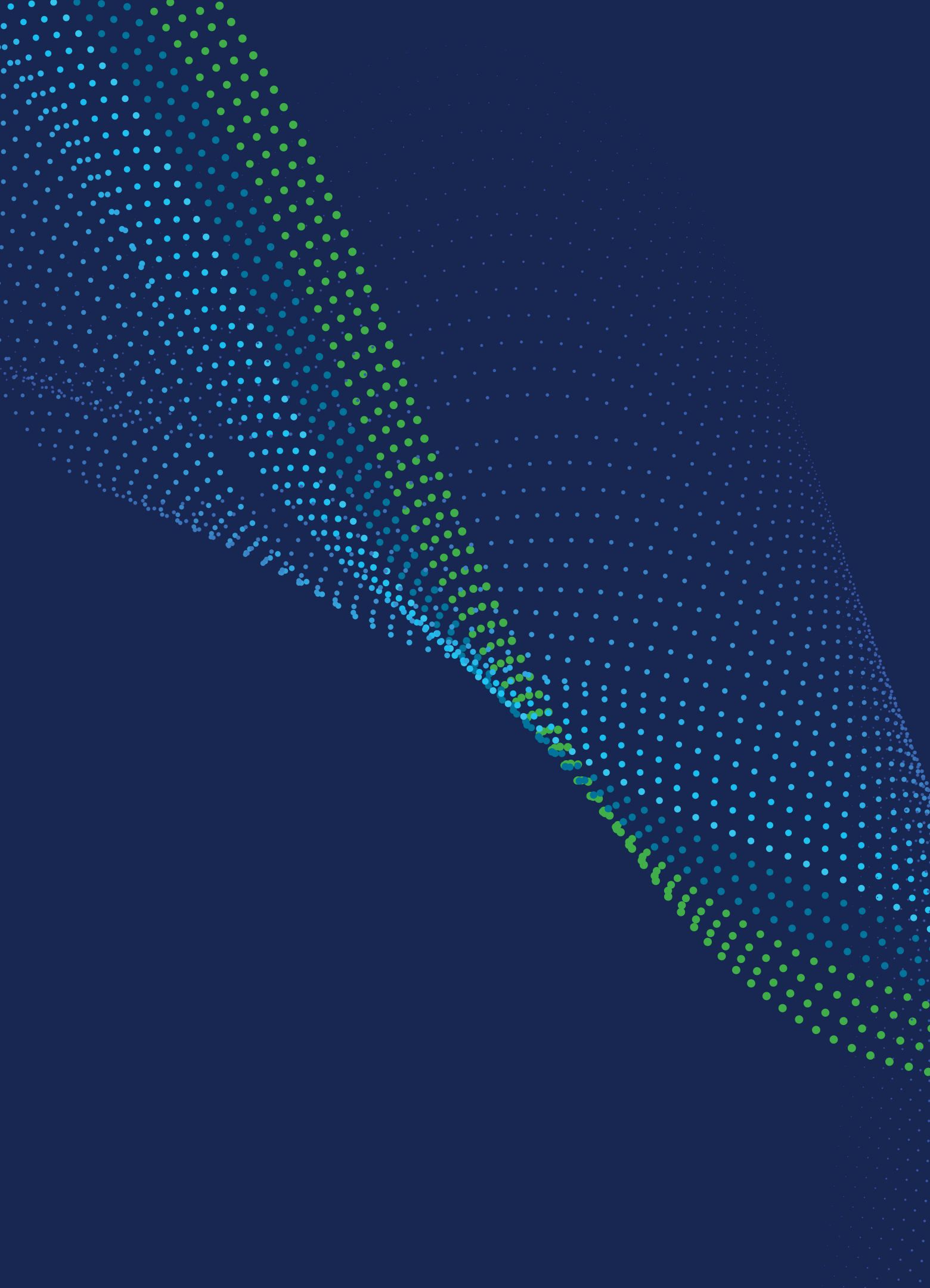
accuracy and high standards the profession is known for to key non-financial metrics. CPAs are well-positioned to lead the way in driving results in sustainability. During the development of the ISSB standards, we convened influential voices on sustainability, ESG and assurance and shared Ontario's view with standard setters to bring the voice and perspective of the province's CPAs to the process.

As we continue to support all types of standard setting, we look forward to working together with our PTB partners across the country to ensure a strong, united Canadian profession. Included in that is supporting the high standards of entry through the CPA certification program, of which exciting changes are being made, and ensuring the portability of CPAs across Canada and abroad.

As I look back on the year, I want to thank everyone on the team at CPA Ontario for their work protecting the public, and supporting members and students, much of which is detailed in the pages of this report. Your dedication and conviction never fails to inspire me. And thank you to our Council, who give their time, expertise and leadership to oversee the profession here in Ontario.

A handwritten signature in black ink, appearing to read 'Carol Wilding'.

**CAROL WILDING**, FCPA, FCA  
PRESIDENT & CEO



# PROTECTING THE PUBLIC

Safeguarding the integrity of the profession is a dedicated team of professionals whose core mandate is to protect the public.

Our regulatory duties follow the continuum of advising, compliance, inspecting, investigating, and imposing discipline if members, students or firms fall short of the profession's high standards, which include but are not limited to a commitment to ethics and integrity, leadership and thoughtful decision-making, and a growing list of competencies that help modern businesses thrive.

As a regulator, CPA Ontario must be adaptable and agile to help members, students and firms navigate increasingly complex business challenges and make sound, ethical decisions. When issues emerge, we must take action to protect the public.

Audit quality is crucial in maintaining the integrity and operation of Ontario's capital markets, supporting confidence in decision-making by members of the public. That is why CPA Ontario continued to build on its regulatory measures this year, with a review of audit quality at public accounting firms to determine where deficiencies may exist, and refer firms with deficiencies for further inspection, if necessary.

## SUPPORTING INFORMED DECISION-MAKING

In a dynamic and rapidly changing world, the right information is essential for navigating ambiguity and uncertainty with confidence. Given the vital role that CPAs play in fostering public and

investor confidence, it is equally vital for CPAs to have a deep and thoughtful understanding of professional standards.

The environment in which CPAs work is complex and constantly changing, and to help members stay informed and empowered as they navigate our dynamic world, Professional Advisory Services (PAS) provides technical and practical guidance on rules, professional and other standards, regulations and CPD requirements. Their position on the frontlines between CPA Ontario as a regulator and our membership also helps provide the regulatory team with the intelligence they need to proactively identify emerging trends, develop mitigation strategies, and help CPAs understand and apply regulatory changes, with updates provided through the [Compliance Knowledge Hub](#).

PAS inquiries are an example of how we learn what is top of mind for our membership. Of the more than 3,000 inquiries fielded by advisors in 2022, some of the most important themes included the new Compilation Engagement Standard, Canadian Standard on Related Services (CSRS) 4200, and the CPA Code of Professional Conduct. In response, CPA Ontario prioritized professional development offerings and opportunities for members, from Meet Your Regulator sessions to course offerings, to help deepen members' knowledge and understanding of these requirements.

This past year also saw the move to a more proactive quality management standard with Canadian Standard on Quality Management (CSQM) 1 and 2. This change represented a significant shift in the approach to quality, from a reactive approach of quality control to a proactive

approach of quality management, with a focus on continuous review and establishing a culture of quality at the heart of every practice. The implementation of these new standards represented a significant lift for many firms across the province, and the PAS team will continue to support firms throughout the transition to the new standards.

This support will continue as firms that were outside the scope of the previous standard, the Canadian Standard on Quality Control (CSQC), are captured under the CSQM 1 and CSQM 2. The previous standard only applied to audits and reviews of financial statements, as well as other assurance engagements. Therefore many small- and medium-sized practitioners (SMPs), including sole practitioners, who only perform compilation engagements, were exempt.

That is not the case under CSQM 1 and CSQM 2, and many firms will need to design and implement a System of Quality Management (SOQM) for the first time by December of 2023. The PAS is ready to support SMP and sole practitioners in implementing these new standards.

Quality management is not the only significant change in standards. With new sustainability standards coming, the guidance that PAS provides will only become more important, as will taking advantage of every opportunity to engage with the membership.

Our popular Meet Your Regulator sessions returned this year, providing members, students and firms with the opportunity to engage with their regulator, receive clear guidance, and ask tough questions. Three livestreams were held this year: Students, Continuing Professional Development (CPD) and Professional Ethics. The latter prepared attendees to navigate challenging scenarios with the ethical mindset that is essential to being a CPA. In each, the session leaders reviewed the latest regulatory updates and guided attendees on how best to fulfill their obligations.

## WHAT OUR MEMBERS SAID

### MEET YOUR REGULATOR

*"The examples at the end were relatively common situations for practitioners. I have taught the CPA Code in some of my university courses, so **I found the examples - effectively small case studies - very useful** as ways to teach interpretation of the Code."*

*"It was very challenging to consider how to resolve ethical issues, and I liked that the speakers were empathetic to all considerations to these circumstances. **They appeared very approachable should any advice be sought.**"*

*"**I think the examples were really helpful.** Every CPAs situation will be different so it was good to provide examples of what might be eligible or not according to the situation."*

*"**I enjoyed the discussions involving the various panel members** where they actually clarified terminology and required criteria to **help simplify and break down some of the misconceptions.** Case in point was when they helped explain what qualifies as eligible PD and what does not along with the emphasis on what PD requirements have changed for retired CPAs."*



## PROVIDING PUBLIC ACCOUNTING OVERSIGHT

The Public Accounting Standards Committee (PASC) is a critical component of CPA Ontario's work in protecting the public and providing oversight of the practice of public accounting in Ontario. Its work in 2022 made a significant impact on Public Accounting Licence (PAL) holders across the province, and the country.

This year, the PASC recommended important amendments to existing qualifications for licensure to support harmonization across the country, improve labour mobility, and remove barriers for CPAs. The PASC recommended the expansion of supervision requirements for pre-licensing experience in Ontario. This amendment allows for supervision by members of an affiliated provincial accounting body who hold a valid and equivalent licence or certificate to practise public accounting.

The PASC also recommended the removal of the requirement for a new applicant's experience to include 100 hours in Canadian taxation services, as appropriate experience for licensure is assessed through the other experience requirements, including 1,250 hours in the practice of public accounting.

As these changes impacted the Public Accounting Standards, they were submitted to the Ministry of the Attorney General for review, pursuant to the *Public Accounting Act, 2004*. Upon review, it was noted that these amendments serve to streamline the requirements for qualifying as public accountants in Ontario.

Further information on public accounting licensure is included in the [Annual Supplemental Report on Public Accounting](#).

## DRIVING AUDIT QUALITY

Audit plays a key role in maintaining the integrity and functioning of Canada's capital markets, and the public deserves confidence in the quality of financial audits. That confidence comes from the knowledge that firms have the ethical culture and robust practices in place to meet the standards expected of them.

And as a regulator, it is CPA Ontario's role to ensure those standards are upheld.

Over the last two inspection cycles, Practice Inspection identified concerns with audit quality through inspections that resulted in unacceptable outcomes, a reinspection or a referral. Referrals to the Professional Conduct Committee (PCC) are made when the results of an inspection demonstrate significant risk to the public. These findings, along with the shift from quality control to quality management with the introduction of CSQM 1 and CSQM 2, made it the right time to undertake a comprehensive review of firm quality management practices.

In the fall of 2022, CPA Ontario began a focused review of audit quality, concentrating on public accounting firms that conduct audits of reporting issuers. Fifteen firms were selected, each auditing more than 10 reporting issuer clients, who collectively audit over 99 per cent of the reporting issuers in Ontario.

As every firm and practice is unique, it must develop its own quality management processes, policies, procedures and cultural practices to comply with quality management standards, as well as legislative and regulatory frameworks, including the CPA Code of Professional Conduct, the *Public Accounting Act, 2004*, and the *Chartered Professional Accountants of Ontario Act, 2017*.

In addition to the firm reviews, CPA Ontario also reviewed a sample of PAL holders who are authorized to audit reporting issuers. The review was conducted to ensure their Continuing Professional Development (CPD) met the requirements of the CPA Code of Professional Conduct, CPA Ontario regulations, and international technical competence and ethics standards. Audit quality relies on technical excellence, making robust CPD critical to both audit quality and the integrity of the profession. CPA Ontario also enhanced its oversight of CPD reporting by CPAs who apply for a new PAL.

Our review revealed a recognition and understanding among the firms that audit quality must remain a top priority for the profession. However, we also identified several areas where a risk to quality is present, and that, if left unaddressed, could undermine the firm's system of quality management potentially impacting the quality of audits.

As the regulator of the profession, it is the role of CPA Ontario to protect the public and ensure any such deficiencies are properly addressed and corrected – a task that our Practice Inspection team will be undertaking this year and going forward.

As CSQM 1 and CSQM 2 became effective for audits and reviews of financial statements or other assurance engagements as of December 15, 2022, firms are required to perform an evaluation of the system they have put in place within one year.

This evaluation is an opportunity for firms to review the effectiveness of their own practices. It is incumbent on all of us – members, firms and CPA Ontario as a regulator – to remain vigilant and ensure that the highest standards of quality are being met on a consistent basis.

## MONITORING COMPLIANCE WITH STANDARDS

Regular practice inspection is a core tool in ensuring the profession's rigorous standards are met.

A new inspection system was successfully deployed this year, improving the effectiveness and efficiency of the practice inspection process and providing greater security and transparency for firms to share and access data.

This year, a total of 1,220 practising offices were inspected, of which 460 were assurance offices and 760 were offices that provide compilation services only. Approximately 89 per cent of inspected assurance offices had satisfactory inspection results. The remaining assurance offices were subject to remedial action, ranging from reinspection to referral to the Professional Conduct Committee (PCC) for possible disciplinary action.

However, the results of inspections of compilation-only practising offices were a concern. As the inspection year began, there was a marked trend of increased deficiencies and non-compliance in inspections of practices who adopted the new compilation standard, CSRS 4200. Of the 346 inspections of practitioners who adopted the new standard, only 78 per cent had satisfactory results. Historically, under the old standard, 99 per cent of these inspections were satisfactory.

To increase awareness of this trend, a Practice Inspection Alert was issued, highlighting our significant findings and encouraging practitioners to increase their proficiency and understanding of these new standards, while also ensuring professional development on the new standard was available and accessible for members.

As the scope and complexity of engagements continue to evolve and the work of CPAs evolves as well, CPA Ontario will proactively inspect engagements in new and emerging areas as part of our mandate to protect the public.

## RIGOROUS ENFORCEMENT

Disciplining members, students and firms who fall short of regulatory obligations is central to upholding the public trust, and so a rigorous and timely enforcement process is critical to maintaining the integrity of the accounting profession.

The Standards Enforcement team applies proportionate enforcement and reviews complaints according to risk level. It then determines if further review is required, and either dismisses the complaint with no further regulatory action, refers it for formal investigation or sends it to the Professional Conduct Committee (PCC) for a determination.

In 2022, the Standards Enforcement team once again responded to all complaints in a timely manner, with the appropriate enforcement actions taken to address them.

Approximately 20 per cent of Standards Enforcement decisions related to audit quality and non-compliance with professional standards, while approximately 30 per cent of those complaints resulted in a formal investigation. There were also concerns surrounding ethical issues, such as misrepresentation and unprofessional conduct on social media, and dishonesty, false or misleading advertising, cheating on assessments, or the forging of documents.

In terms of investigations there were 115 completed, of which 30 per cent were closed, 50 per cent were closed with guidance or admonishment from the PCC and 20 per cent were referred to the Discipline Committee.

# CONCLUDED PROCEEDINGS

## TRIBUNAL OUTCOMES

During the past fiscal year, 17 discipline/settlement cases were completed, the results and sanctions of which are set out below.

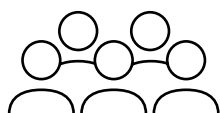
- Professional Standards and Competence 42%
- Profession's Reputation 29%
- Non-co-operation 29%

## TRIBUNAL SANCTIONS

	FY23	FY22
Number of Proceedings Concluded	17	20
<b>SANCTIONS</b>		
Fines	\$322,500	\$452,500
Suspensions	2	4
Revocations	7	5
Practice Restrictions	6	5
<b>COSTS ORDERED</b>	\$237,955	\$513,470

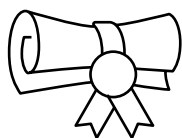
## MEMBERS

# A CHANGING WORLD, A CHANGING PROFESSION



**101,318**

CPA ONTARIO MEMBERS



**1,461**

CPA ONTARIO FELLOWS

We are in a period of “stable instability,” where the only true constant is change and the pace of that change is accelerating. Geopolitical shifts, economic disruption and technological innovation is remaking the world as we know it. But despite this dynamic time in which we all live, there remains a collection of competencies which will always be in high demand: Ethical Decision Making. Navigating Complexity. Delivering Results. Skills that are at the very core of the Chartered Professional Accountant designation.

In 2022, the CPA Ontario community crossed the 100,000 CPA threshold, an important milestone for the profession in Ontario and a clear signal that the profession continues to attract some of the best and brightest talent.

The rigor, knowledge and expertise of the CPA, the role they will play in the new, transformative economy and the way the community works

together and supports one another continues to make those three letters an attractive designation for anyone with the ambition, the ethical mindset and the technical acumen to solve some of the biggest challenges we face today.

And while the core of the designation will never change, the work that CPAs do is changing. Sustainability standards, rapidly evolving digital technology and the emergence of entirely new industries are leading to new opportunities, and new risks. Businesses, governments and non-profits will turn to the CPA to help them navigate this new landscape and shape the future of the economy.

And to help CPAs play their essential role in the economy of the future, we need to expand our core competencies, be nimble, adaptive and look to new ways of working together. While the relationships between the CPA Provincial,

Territorial and Bermudian bodies (PTBs), as well as with CPA Canada, continue to evolve, the foundation of this strong, unified profession and community will always remain: the high standards, professional ethics and strategic insights that drive business and society forward.

## FUTURE-FOCUSED PROFESSIONAL DEVELOPMENT

To seize the opportunities in our changing world, CPAs need to keep up to date with the latest developments and trends, which is why ensuring our membership has access to the professional development (PD) opportunities they need to lead in a changing world is a top priority for CPA Ontario.

This year, over 200 new pieces of content were added to the PD library, covering high interest topics including cybersecurity, data analysis and emerging technologies

Certificate programs, which allow for extended and more in-depth learning opportunities, were expanded. The Fundamentals of ESG on-demand certificate covers several aspects of ESG for CPAs including strategy, metrics and reporting, just ahead of critical reporting standard changes coming in 2024.

And responding to the increasing demand for data analysis and the opportunity it creates for CPAs, a new live-lecture certificate program, Python in Practice, was launched. Participants learn to apply high-level analytical thinking to

solve data analysis problems using this popular programming language.

A range of learning options reflect the demanding nature of a CPA's role and changing work environments, ensuring members can meet their regulatory requirements and thrive in a complex business landscape. The easing of COVID-19 restrictions paved the way for a mix of remote, hybrid and in-person formats, helping ensure that our students could access PD in whatever format worked for their schedules.

As the business community reopened its doors, there was also a need to drive the human connections and informal conversations that are so integral to the CPA community. In response to member requests for more networking opportunities, online learning was coupled with networking, such as sporting events so that members could both learn and connect away from the office while cheering on their favourite teams together.

This year also saw the return of popular in-person regional events—notably the two-day Practical Tax conference—to key cities across the province, including Ottawa, London, Mississauga and Brampton.

In the year ahead, in-person PD will offer even more opportunities for members to connect, engage and experience the CPA community.



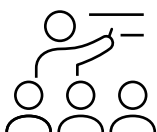
# 210,260

HOURS OF PD DELIVERED



# 77,619

HOURS OF COMPLIMENTARY  
MEMBER PD



# 3,679

SESSIONS DELIVERED



## TOP THREE COURSES TAKEN:

1. CANADIAN BUSINESS ETHICS: WHAT CPAS NEED TO KNOW
2. ETHICS FOR ACCOUNTANTS
3. COMPILATION ENGAGEMENTS — APPLICATION OF CSRS 4200 NEW STANDARD

## DISCUSSIONS WITH A DRAGON

Inspiring members and students to take informed, calculated risks brought TV personality and entrepreneur Manjit Minhas to CPA Ontario, so she could share the principles and values behind her success.

It was moderated by 2022 Emerging Leader Victoria Granova, a community leader and entrepreneur in the CyberTech industry. Manjit discussed the “art of the pitch” and what she has learned as one of Canada’s most successful entrepreneurs, including the need to embrace change, encourage innovation and incentivize disruption at every stage.



# THE CPA DIFFERENCE

Giving back to the community remains a cornerstone of what it means to be a CPA. The longstanding Tax Preparation Assistance Program (TPA) is one way CPA Ontario makes connections between members and their local communities.

Members and students mobilize to offer free support and services to those who need them most. This year, 20 per cent more members volunteered for the TPA, with over 800 volunteers and a record-breaking 80 tax clinics helping thousands of low-income Ontarians receive expert tax help and maximize their returns.

CPAs came together from a wide range of backgrounds and sectors under the unifying banner of a profession long renowned for supporting communities in need. By helping Ontarians manage their finances and navigate available tax benefits, CPAs continue to make a tangible difference in society as well as in business.

## INCREASING MEMBER SUPPORT

Helping members and students get the answers they need is at the heart of our Customer Service team's mission. Across multiple channels, last year our Customer Service team fielded 121,000 enquiries from students, members and prospective CPAs.

Joining a recent suite of new customer service tools, including the increasingly popular Live Chat, this year Chatbot "Alfred" was launched to provide even more live support to online users on topics such as becoming a CPA, annual obligations and CPD. Alfred's impact on members and students has been phenomenal, with 59,345 queries answered.

## CPAs GIVING BACK

Volunteers from every corner of Ontario contribute to the strength of CPA Ontario's student pipeline, regulatory functions and provincial presence. Whether through mentoring promising young professionals to help guide them to career success or volunteering with our regional associations and build connections between members on the local level, our community is only as strong as our membership. Thank you to all who played an important part this year.

**37**

ADJUDICATIVE  
TRIBUNALS

**386**

ASSOCIATIONS

**134**

REGULATORY AND  
OTHER COMMITTEES

**11,927**

MENTORS

**3,319**

MEMBER INSIDERS

**134**

CAPSTONE PANELS

# RECOGNIZING THE NEXT GENERATION OF EXCEPTIONAL CPAS

Across the province, in every sector of the economy, a new generation of CPAs are making their presence felt. CPAs who are not afraid to challenge the status quo, to embrace new technologies like generative AI and blockchain, and champion the causes that matter to them. CPAs who go above and beyond and push the boundaries of what it means to be a professional accountant. CPAs who are charting a new course forward for the profession.

And every year, CPA Ontario recognizes a group of these outstanding CPAs under the age of 35 with the CPA Ontario Emerging Leader Award. Passionate about innovation and recognized for their strategic insights and leadership skills, these exciting and energetic young professionals are redefining the role of the professional accountant.

Our 2022 Emerging Leaders are playing key roles in solving some of the biggest challenges of our time from automation and environmental reporting, to cybersecurity, digital transformation and data analytics, demonstrating that for these energetic young professionals, leadership is a choice.

Now in its fifth year, the Emerging Leader community is helping to lead the profession into the future by helping to recruit and mentoring to the next generation of aspiring CPAs.





SARMAD GILANI, CPA, CA



VICTORIA GRANOVA, CPA



SALMAN HUSSAIN, CPA, CA



BRADLEY JESSON, CPA, CA



CHESSA JOHE, CPA, CA



RAINA KAMDAR, CPA



SHAHBAZ KHAN, CPA, CA



ALEX METAXAS, CPA, CMA



SABREEN SALMAN, CPA, CA



ROSE THURINGER, CPA, CA



BRENDA VETHANAYAGAM, CPA, CA

# CELEBRATING THE STEWARDSHIP OF NEW FELLOWS





Recognized by their colleagues for their outstanding professional achievement, involvement in the accounting profession and contribution to the community, the FCPA represents the very pinnacle of the CPA profession.

Whether driving innovation to build better businesses, a better economy and a better future, mentoring the next generation of leaders, or helping the most vulnerable and supporting important causes, Fellows are true examples of their own values and the values of the CPA.

The FCPAs are our leading lights, guiding us through the challenges and opportunities of this

transformative time in the profession. This year's FCPAs are a true representation of the diversity of the CPA and the breadth of what can be accomplished with the designation, demonstrating their leadership in fields ranging from government, financial services and real estate to academia, healthcare and technology.

We congratulate the 34 FCPAs we recognized in 2022 and thank them for everything that they have done for the profession, for the province and for the country. It was our pleasure to celebrate their achievement with them, along with their family, friends and peers, during a special in-person award ceremony hosted by Peter Mansbridge.



# SUSTAINABILITY REPORTING: A LANDMARK YEAR



Three years ago, CPA Ontario released CPAs and the New Social Contract: The Rise of the Warrior Accountant, which laid out a comprehensive vision of how CPAs will help lead the way in the reporting of non-financial metrics by bringing their expertise in measurement, disclosure and audit to ensure consistency and comparability to sustainability reporting.

Since then, the pace of change has only accelerated. With climate and sustainability disclosure becoming mandatory in the near future, there is a growing demand for the skills and expertise to deliver those disclosures.

In recognition of the country's prominent role at the forefront of the sustainable finance community, the International Sustainability Standards Board (ISSB) opened an office in Montreal this year, while the Canadian Sustainability Standards Board (CSSB) was established to develop and support the adoption of international standards in Canada.

As home to Canada's capital markets, CPA Ontario convened roundtables with regulators and business leaders to inform an Ontario response to the ISSB exposure draft standards and the proposed climate-related disclosure requirement from the Securities and Exchange Commission (SEC).



CPA Ontario was also invited to take part in an International Ethics Standards Board for Accountants (IESBA) roundtable in New York to help shape the development of new ethics and independence standards for sustainability. The IESBA plays a vital role in setting high-quality, international ethics standards relevant to sustainability reporting and assurance, strengthening public trust in financial and non-financial information. It was an opportunity to ensure the voice and perspective of Ontario's CPAs were shared at the highest-level conversations on sustainability assurance and ethical considerations.

This spring the ISSB announced that its standards for harmonizing corporate environmental disclosures would be available for adoption by regulatory bodies in 2024, following publication of its General Requirements (S1) and Climate-related (S2) exposure drafts. This paves the way for robust, transparent standards that will support greater accountability in non-financial reporting and enhanced reliability of ESG information for key decision-makers, investors and the public.

Companies will start reporting on climate metrics as soon as 2025 and disclosing non-climate sustainability metrics in 2026. The next three years will allow organizations to implement the right processes and controls for high-quality



sustainability reporting, a process through which CPAs will play a leading role.

To help ensure that our members are ready for these changes, CPA Ontario ensured the necessary professional development, educational offerings and conferences prioritized sustainability this year, from the bi-annual ESG conference to the Insights Speaker Series event featuring former Bank of England and Bank of Canada Governor Mark Carney.

Titled “Surviving and Thriving: A Business Balancing Act,” the conversation with journalist Amanda Lang was exclusively available for members and students and touched on today’s macroeconomic environment, including how new sustainability standards are driving innovation for business and creating opportunities for CPAs to shape their development.

During the conversation, Mark recognized the value CPAs will deliver as data and measurement

become critical for companies looking to hit their net zero targets. As Mark Carney said, it has never been a more exciting time to be a CPA.

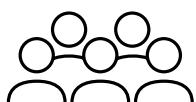
An online certificate called the Fundamentals of ESG was also launched this summer, covering essential topics in six stand-alone, curated courses. It provides practical, application-focused microlearning content to help members create and manage an effective ESG strategy at their workplace.

The time to start preparing is now. If CPAs are to become true warrior accountants and help lead companies on their sustainability journey, they must be ready to seize unprecedented opportunities with an informed and active approach to reporting that will be essential for its successful adoption and implementation in the years ahead.



## STUDENTS

# PREPARING FOR A BRIGHT FUTURE



**20,191**

CPA ONTARIO STUDENTS



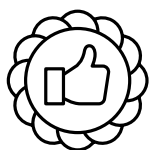
**15,776**

PROFESSIONAL EDUCATION  
PROGRAM ENROLMENTS



**2,100**

POST-SECONDARY  
AMBASSADORS



**28**

2022 CFE HONOUR ROLL  
RECIPIENTS

While students pursue the CPA designation for a myriad of reasons and from many educational and cultural backgrounds, a common thread binds their journeys: the drive to do something meaningful and make a difference in the world. Budding CPAs are afforded all the tools they need to become game changers, visionaries and fearless leaders, from an agile support network and a vibrant professional community to unparalleled training that equips them to make an impact wherever they choose to practise.

In step with new opportunities in technology, education, society, environment and governance, CPA Ontario's educational offerings go the extra mile to prepare future CPAs for a bright future in the complex business landscape that lies ahead—anticipating possibilities that few of their predecessors could have imagined.

## PERSONALIZED AND ADAPTIVE LEARNING

As part of a profession-wide redesign of select CPA Professional Education Program (PEP) modules, in January several new resources were made available to students, including a new adaptive platform that truly puts the learner first. These resources help students personalize their study plans by focusing on their unique learning profile and providing more ways to engage with learning content.

The platform identifies and prioritizes gaps in their existing knowledge and provides constructive commentary. Incorporated into each module unit review, it includes a diagnostic assessment to determine a student's knowledge level, after

which their study plan can be re-ordered to help strengthen weaker areas of knowledge. At the end of each unit, an adaptive assessment serves as a flexible study aid that improves the student's grasp of the material.

In addition, the eBooks were revised and expanded to include more content. Originally designed as textbooks for each competency area, they now include e-lessons, branching simulations and additional questions. The revised eBooks are more visually appealing, engaging and user friendly than before, as students can bookmark content, make notes and highlights, and even share their notes with peers.

## A HYBRID EDUCATION EXPERIENCE

Incorporating the lessons learned during the pandemic and feedback from students, this year the Education team combined in-person and virtual learning formats to offer even greater accessibility to students throughout the province.

In June 2022, CPA Ontario seamlessly transitioned back to in-person exams, held in large halls for the first time in three years.

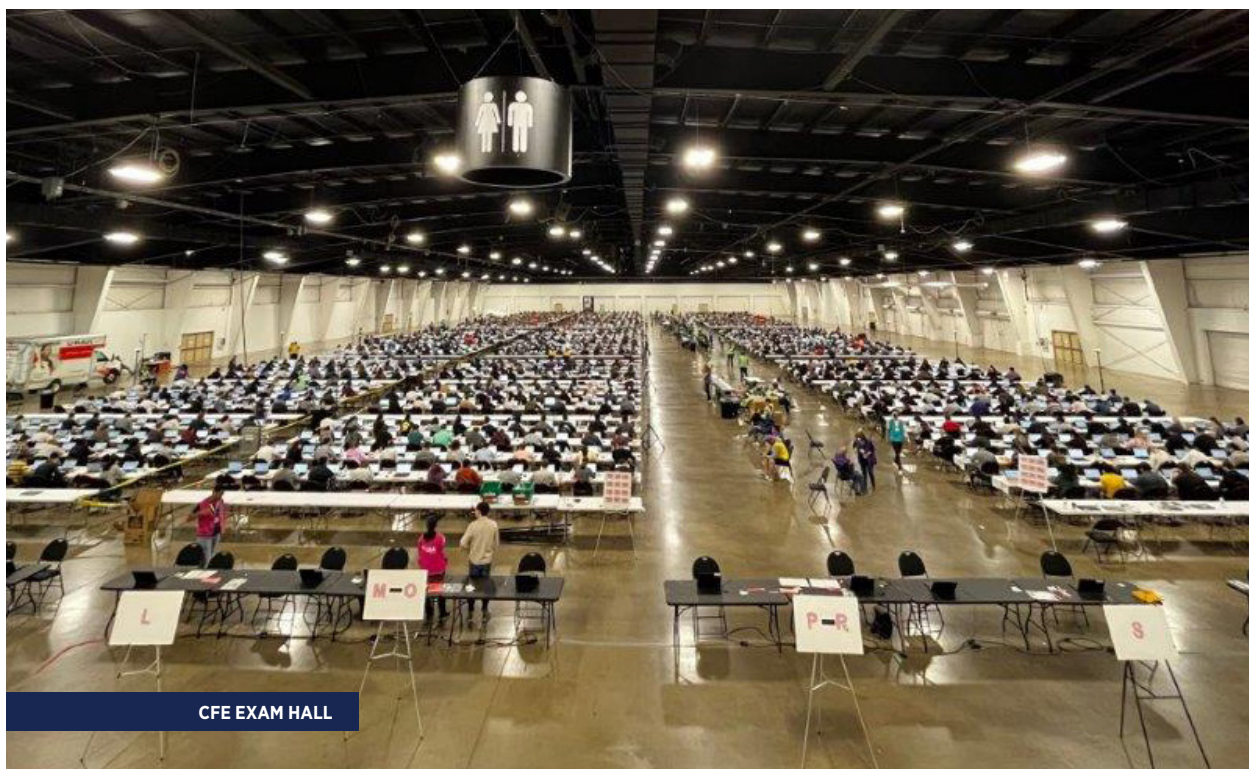
The Common Final Examination (CFE) saw a return to the in-person exam hall format of previous years. As guidelines changed and pandemic-era restrictions gradually lifted, almost 3,000 students wrote the September 2022 offering in exam halls across the province. The transition to the previous format made the safety of all involved the highest priority, and several CPA Ontario teams worked hard to make it a seamless experience. Among the 1,901 successful

September CFE writers from Ontario, 23 made the prestigious National Honour Roll, maintaining Ontario's reputation as a leading pipeline for top CPA talent.

Earlier in the year, just under 1,300 students wrote the May 2022 CFE in person at multiple hotels, with five of the 797 successful Ontario writers making the National Honour Roll.

Based on feedback received from learners on their preference for virtual attendance options, most workshops were held virtually this year. Going forward, all workshops will be virtual. Not only is this format more inclusive, but it also allows learners from all regions of Ontario to access high-quality content without having to travel long distances.

Valuable input from learners will continue to inform an educational experience that meets their unique and diverse needs.



## MEET YOUR REGULATOR FOR STUDENTS

On their path to becoming CPAs, students require support to stay in good standing and meet their obligations, which includes competency requirements and practical experience reporting. And given the vast amount of information they must navigate on their journeys, it's important that critical information isn't lost along the way. To foster a more informed student experience and help students understand how best to meet their obligations, the ever popular Meet Your Regulator series expanded this year to include a session specifically tailored for PEP learners.

The session for 3,000 registered students explained the support offered and clarified the deregistration process, a frequent obstacle to student success. It also spoke directly to common areas of concern and pain points among prospective CPAs and answered questions from students.

## STRENGTHENING SUPPORT FOR ASPIRING CPAs

This year, CPA Ontario went back to school in a big way. The Student Recruitment Team returned to post-secondary campuses across Ontario to continue attracting quality top talent by sharing the versatility of the designation and the rewarding career paths available to CPAs.

Inspiring high school and post-secondary students, internationally trained professionals, and members of the domestic workforce to imagine making an impact as CPAs is the essence of our student-focused events, and inspiration took many forms this year. CPA Ontario's student-focused events prioritized skills development, community nurturing and networking—the building blocks for future CPAs who will play a key role in reshaping businesses according to modern needs.

The post-secondary conference Chartered for Success prepares aspiring CPAs for the road ahead of them, as they learn firsthand from experienced CPAs who use their designation to





make an impact on business and society. To foster a strong student community and a proactive approach to a healthy work-life balance, the popular CPA Week offered students a variety of networking, skills-building and wellness workshops in a relaxed environment conducive to de-stressing during reading week.

Technology was also leveraged this year to better connect post-secondary students with the business community they will one day join as professionals. Held virtually, Firms Day welcomed over 140 students and representatives from eight large accounting firms, enabling students to learn more about the ins and outs of these organizations and the opportunities available to talented students. Each firm created a virtual room that allowed them to interact directly with students, generating active conversations and a virtual networking experience like no other. Attendees from across Ontario benefited from the event's flexible and accessible programming as well as its unique engagement tools.

CPA Ontario events tailored for high school students show the power of an accounting career along with the value of being financially

savvy at any age. Led by a keynote address from bestselling author Robin Taub, CPA, CA, the annual financial literacy conference Money Sense wasn't just about the many career paths available to CPAs. It also explained the basics of debt, investment, taxes and cryptocurrency. The latter was a popular topic among attendees from the High School Ambassador program—a free-to-join community that develops critical skills through interactive workshops, events, competitions and networking opportunities.

This event was complemented by five financial literacy workshops held throughout the school year, which featured deep dives on topics fundamental to managing your money wisely.

For internationally educated professionals and members of the domestic workforce, the CPA designation signifies limitless possibilities. These professionals attend our events as a gateway to versatile, rewarding work, a supportive network of professionals and, often, a new life. That's why we brought career changers to the event This Way to CPA. Serving as the ultimate guide to the CPA journey, it welcomed over 130 attendees and drew on the collaborative spirit of teams across the

organization to inspire those considering a CPA designation, and Ontario, as their next career move.

Designed to both inspire and prepare, the annual and complimentary Own Your Future conference dares internationally educated professionals from around the world to reimagine their careers and realize their potential as CPAs. This year, the focus was on the future of business, as Salma Salman, FCPA, FCA, and Kitchener City Councillor Ayo Owodunni explored the in-demand skills that tomorrow's CPAs will need to thrive. Bringing together over 400 registrants, this unparalleled event reveals the global pull of a purposeful and future-forward career.

## THE NEW CERTIFICATION PROGRAM: EDUCATION FOR THE FUTURE

The world we work and learn in is changing rapidly. It's more important than ever that the next generation of CPAs is equipped to tackle the challenges that they will face from forces like automation artificial intelligence, new reporting metrics and standards. Alongside this, advancing education technology and new forms of learning are driving demand for a new approach to CPA certification.

This pivotal work began last year with the release of the new Competency Map, which lays out the skills and competencies required of a newly certified CPA. Under the new [Competency Map](#), candidates will continue to learn specific skills and competencies related to financial reporting, management accounting, assurance, finance, performance measurement and taxation. They will also be equipped with a wider perspective on the business and social contexts in which they operate and the flexibility to respond and adapt to innovative technologies, new business strategies and shifting social values.

Building on this work, the profession has started the development of a new certification program which puts learners on the path to becoming future-ready CPAs who can contribute directly to change. It will translate the Competency Map into a modernized certification program which maintains the rigour inherent in the CPA certification but also factor in recent

developments in education, technology and learning behaviour and preferences.

Like the new Competency Map, the new certification program will be more flexible than its predecessor. As it is developed over the coming years, it offers an exciting opportunity to transform our profession and deliver even more value to organizations on the cusp of innovation.

CPA Ontario remains committed to working with our Provincial, Territorial and Bermudian counterparts on a new, modernized certification program as we define a new way of working together across the country.

# NATIONAL HONOUR ROLL CELEBRATION

The National CFE Honour Roll recognizes the top 1 per cent of students across the country whose performance in the exam demonstrated academic excellence and exceptional abilities. Achieving distinction on the Honour Roll is just one of many exciting steps on the journey of future leaders, who will help illuminate the way forward for businesses and communities.

This year's celebration gave family members, friends, colleagues, mentors and employers the chance to share in the success of the Ontario students who earned a spot on this prestigious list.

The event was hosted by MC Sabreen Salman, CPA, CA, and 2022 CPA Ontario Emerging Leader.





# RECOGNIZING STUDENT SUCCESS

Surrounded by those who helped make their achievement possible, thousands of successful 2022 CFE writers attended a special Convocation ceremony—the first in person since 2019—in recognition of their determination, ambition and hard work.

From technological innovation to the rising importance of ESG in corporate boardrooms, CPAs are lighting the way forward. And for these 2,705 successful CFE writers, the future has never looked brighter.

The ceremony was hosted by bestselling author and innovation strategist Shawn Kanungo, CPA, CA, who discussed the impact that young CPAs can have on the market. It was capped by an inspiring performance from William Close and the Earth Harp, the world's longest playable stringed musical instrument.

The light of these ambitious, driven and talented professionals will help lead the profession forward in a dynamic and changing world for years to come.







# CPA ONTARIO FOUNDATION

The CPA Ontario Foundation is a charitable organization which receives funding and support from CPA Ontario. In 2021, CPA Ontario contributed \$3.5 million to the CPA Ontario Foundation with the goal of supporting the educational success of aspiring CPAs from priority communities facing barriers to pursuing their goals.

Through awards, bursaries, scholarships, and programming, it supports students from Black, Indigenous, and other priority communities who are pursuing a career in accounting and finance.

This year, the CPA Ontario Foundation began a partnership with Pathways to Education to engage in long-term mentoring and tutoring at Pathways Program Ontario locations. Pathways to Education provides youth from low-income communities the resources and network of support to graduate from high school and build the foundation for long-term success. Both organizations will work together to create content introducing high school students to the wide range of career options a CPA designation can offer.

The Foundation has also created two bursary programs, Black Student Success and Indigenous Student Success, awarded on the basis of demonstrated financial need. Through these bursaries, 10 post-secondary institutions in Ontario will receive funding over the next two years to support aspiring CPA students.

These include:

- Algoma University
- Algonquin College
- George Brown College
- Laurentian University
- Seneca Polytechnic
- St. Lawrence College
- Sheridan College
- Toronto Metropolitan University
- Trent University
- University of Windsor, Odette School of Business

Black and Indigenous post-secondary students in financial need will be able to apply for bursaries directly through these academic institutions for the 2023/24 school year.



# RISK MANAGEMENT

In the normal course of business, risks can be heightened in complex environments and unusual circumstances, while uncertainty can affect the implementation of our strategic and business plans. The ability to respond effectively and in a timely manner to both expected and unanticipated risk is critical to an organization's success. Enterprise Risk Management (ERM) is a crucial element of an organization's strategic and tactical decision-making process and resulting actions. Here's how CPA Ontario places a priority on ERM.

## ENTERPRISE RISK MANAGEMENT AT CPA ONTARIO

ERM supports the continued success of CPA Ontario by ensuring that we consider the effects of risk in pursuing our objectives. We embrace ERM by maintaining a program and framework that ensures that risk management is an integral part of the organization's activities and management processes. The ERM program assists all areas of the business in managing risks within its risk appetite by bringing a systematic approach and methodology for evaluating, measuring, monitoring, managing and reporting risks.

Our ERM framework is guided by the following key principles, under the leadership of the CPA Ontario Council and the Executive Team:

- Governance and Oversight: Ensuring that we have the proper oversight on risk and that we make risk decisions within the organization's risk appetite.
  - Infrastructure: Embedding the skills, tools and templates to enable risk identification, assessment and management.
  - Practices: Applying the ERM process for identifying, assessing, managing, monitoring and reporting key risks.
- While Council and the Executive Team each have an important oversight role, employees at all levels in the organization are responsible for managing their day-to-day risks. Key risk management roles and responsibilities for the organization are described below:
- Council: Council oversees the implementation and effectiveness of the organization's ERM policy and framework, reviews key risks and mitigation strategies, and champions a culture that values risk management. Together with management, Council defines the organization's risk appetite, reviewing and approving it annually.
  - CEO and CFO: The CEO and CFO act as Executive Sponsors of the organization's ERM framework to govern the organization's risk profile and oversee management of enterprise-wide risks, including key risks. They champion a culture that instills the management of risk, supports the integration of ERM with strategic management, decision-making and business activities, and cultivates open communication and transparency about risk and risk-taking expectations.
  - Executive Team: The Executive Team is accountable for effective management of risks in its respective areas and ensures that risk-taking is consistent with the organization's risk appetite. It also supports the integration of ERM with strategic management, decision-making, and business activities and processes.
  - Risk Owners: Risk owners apply decisions and activities that manage risk to acceptable levels and provide timely and accurate risk management information.



- All Employees: All employees manage risks within their functional area and report emerging risks and changes in risks to management.

## NON-FINANCIAL RISKS

A risk is an event that creates uncertainty in the achievement of objectives. Risk categories for CPA Ontario other than financial risks include brand and reputation risks, strategic (including regulatory) risks, operational risks, technology risks and human capital risks. We face risks within these categories and have defined strategies to address them. Below are some risks we identified through our ERM process.

**Future of the CPA Profession:** Like other professions, the accounting profession is experiencing unprecedented change from new technologies such as the rapid growth and application of artificial intelligence and machine learning tools such as ChatGPT, accelerating change in how we work, shifting demographics, evolving socio-economic perspectives and key environmental issues. Market demand for the CPA skillset remains strong, with increasing competition for CPA talent across firms and employers. The profession faces talent risk with recent decline in students entering the profession. There is also risk if CPAs do not maintain the competencies and capabilities needed as the business environment evolves. We are working with the other CPA bodies across the country to plan for the future of the CPA profession and evolve core competencies to ensure the profession's continued attractiveness and relevancy. The Leading the Way CPA Competency Map lays the foundation for the future CPA certification program. The profession

is developing Certification 2.0 which will operationalize the Map, including strengthening of the overall learning program. We are also engaging post-secondary institutions, employers, and students to refresh our student recruitment strategy to better guide people interested in pursuing a CPA designation.

CPA Ontario has provided notice to withdraw from the current agreement with CPA Canada and build a new way forward for national collaboration with CPA Canada and the Provincial, Territorial and Bermudian CPA bodies. This change is scheduled to take effect December 20, 2024 being 18 months from the notice date per the terms of the existing agreement, known as the Collaboration Accord (being the agreement that governs the relationship between CPA Canada and the Provincial, Territorial and Bermudian CPA bodies). CPA Ontario is also withdrawing as an organizational member of CPA Canada on the same timeline. The change will enable CPA Ontario to be more nimble and innovative to better protect the public and serve our members, students and the profession. CPA Ontario is actively collaborating with our counterparts across the country on a new way to work together and we have engaged with members to hear their views and perspectives. CPA Ontario services will be unchanged and uninterrupted.

**Cybersecurity:** CPA Ontario faces the same information security risks that confront all organizations. Cybersecurity attacks come in many forms, including phishing attacks, ransomware, malware, social engineering and insider threats. These attacks are increasing in frequency, sophistication and impact. Factors such as new types of hacking tools, new pathways for interactions, growing sophistication of cybercriminals and cooperation among hacking

groups are contributing to this rising trend. CPA Ontario takes steps to protect member and student data from unauthorized access. We continually harden and update our systems to protect confidential information and reduce the likelihood of IT disruptions. We regularly educate, monitor and test our employees to encourage the use of appropriate cybersecurity practices. We also follow best-practice security processes, protocols and standards and assess partners to ensure they follow the same level of rigour.

**Audit Quality:** Regulators, including CPA Ontario, have revealed a disappointing number of audit deficiencies identified through practice inspections, with a rising trend over the past few years. CPA Ontario has undertaken enhanced regulatory measures, including a review of public accounting firms. This review encompassed public accounting firms in Ontario that conduct audits of reporting issuers to ensure that quality management, policies, procedures and cultural practices comply with the CPA Code of Professional Conduct, Public Accounting Act, 2004, the Chartered Professional Accountants of Ontario Act, 2017 and Quality Management Standards. In addition, CPA Ontario reviewed individual Public Accounting Licence holders who audit reporting issuers to ensure that their continuing professional development (CPD) meets the requirements of the Code of Professional Conduct, CPA Ontario regulations and international technical competence and ethics standards. CPA Ontario also enhanced its oversight of CPD reporting by CPAs who apply for new Public Accounting Licenses.

**Accelerating Change in Work:** Like other organizations, the evolution of technology, flexible work arrangements, and changing societal expectations have changed how and where we work. These factors have accelerated complexity, connectivity and change in the workplace. Our workplace is adopting flexible ways of working and we continue to adopt innovative technology and tools. We are committed to improving digital fluency through building digital capabilities within our workforce and external recruitment to leverage critical skills. This allows us to better leverage technology and data, solve organizational challenges and make effective decisions. Also, CPA Ontario will modernize its workplace at 69 Bloor Street East over the next few years and will leverage hybrid work models to support the new ways of working.

## FINANCIAL RISKS

In the normal course of business, CPA Ontario is exposed to certain financial risks. These have the potential to adversely affect our operating and financial performance. The risks associated with CPA Ontario's financial instruments are credit, liquidity and market (i.e. currency, interest rate and other price risk).

CPA Ontario manages financial risks in accordance with internal policies, including our investment policy on managing our funds. The policy's objective is to preserve our capital and purchasing power through prudent and diversified investments and ensure liquidity to meet cash flow requirements.

The policy seeks to achieve these objectives by setting parameters for asset quality and for the fixed income and equity securities in which we invest. The CPA Ontario Council monitors compliance with the investment policy and reviews the policy on an annual basis to ensure it is relevant.

Given the nature of the organization's investments and the constraints imposed by the investment policy, it is management's opinion that CPA Ontario is not exposed to significant risk in respect of financial instruments.

**Credit Risk:** Credit risk refers to the exposure resulting from the possibility that a counter party will fail to perform its obligations or the exposure arising from a concentration of transactions carried out with the same party, such that CPA Ontario could incur a financial loss. Credit risk associated with accounts receivable is minimized, as CPA Ontario's accounts receivable arise mainly from transactions with many parties, such as members, firms, CPA students and contracted affinity product suppliers. Credit risk associated with investments is minimized substantially by ensuring that these assets are invested in financial instruments of governments and major corporations that have been accorded investment grade ratings by a primary rating agency and/or other credit-worthy parties.

**Liquidity Risk:** Liquidity risk is the risk that CPA Ontario will not be able to fund its obligations as they come due. CPA Ontario meets its liquidity requirements by forecasting cash requirements in the short and medium term and ensuring sufficient cash and short-term investments that

can readily be converted to cash are on hand at any given time, to cover both expected and unexpected operating requirements

**Currency Risk:** Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. CPA Ontario mitigates the currency risk exposure of its foreign cash, bonds and equities by limiting its currency exposure and investing primarily in Canadian securities.

**Interest Rate Risk:** Interest rate risk arises from fluctuations in interest rates and the degree of volatility of these rates. CPA Ontario is exposed to interest rate risk through holding certain investments, in which changes in interest rates can affect the valuation of the investment and the income received from the investment. Interest rate risk is managed by maintaining a portfolio of assets with a diversified maturity profile, which ensures that investments are always maturing and available to be reinvested at current rates. In addition, CPA Ontario's Investment Policy prescribes asset allocation limits and targets to ensure a balance between fixed income and equity investments, the value and earnings of which are less dependent on market interest rates. These strategies reduce the sensitivity of the portfolio to the impact of interest rate fluctuations.

**Other Price Risk:** Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. CPA Ontario has an investment policy that restricts the types and amounts of its eligible investments and requires dealing with highly rated counterparties. Diversification of investments in different geographic regions and the use of different investment vehicles help to manage price risk and volatility of investment returns.

# MANAGEMENT'S DISCUSSION & ANALYSIS

## FINANCIAL POSITION

CPA Ontario's net asset position remains strong at \$79.3 million at March 31, 2023, as compared to \$87.5 million in 2022. The \$8.3 million deficit in net assets was driven by a net deficit of \$8.4 million of revenue over expenses. In fiscal 2023, we continued to invest in our digital first strategy, as well as data governance and security. CPA Ontario has net assets invested in land, buildings, equipment and other capital assets, as well as internally restricted and unrestricted net assets. We maintain an internally restricted operating reserve that is intended to support the organization's day-to-day operations in the event of unforeseen shortfalls or special projects. In fiscal 2023, we maintained the operating reserve at \$29.0 million.

During fiscal 2023, cash decreased by \$2.3 million from the balance of \$5.3 million at the previous year end. Net cash used in operating activities was \$6.2 million compared to net cash generated from operating activities of \$2.0 million in fiscal 2022. The increase in cash used in operating activities was due to the \$8.4 million deficit. Net cash from investing activities was \$3.9 million compared to \$2.7 million used in fiscal 2022 due to proceeds from the sale of investments. At March 31, 2023, the organization's cash and cash equivalents totalled \$3.0 million. CPA Ontario believes that our current financial resources are sufficient to meet working capital and capital expenditure requirements for the next 12 months. In fiscal 2023, our total capital expenditures were \$2.4 million as compared to \$1.6 million in fiscal 2022, due to CPA Ontario's modernization of its workplace at 69 Bloor Street East.

## RESULTS FROM OPERATIONS

CPA Ontario operations in fiscal 2023 resulted in a deficit of \$8.4 million compared to a surplus of \$8.0 million in fiscal 2022 primarily due to lower revenue from education and investment income and higher expenses in operations, education, professional development, and marketing and communications. Revenue in fiscal 2023 totalled \$106.7 million (2022: \$111.1 million). Our revenue came from three main sources: member dues, education and professional development. These categories delivered 93% of total revenue in fiscal 2023 and 2022.

**Member Dues.** CPA Ontario collected \$49.0 million in dues in fiscal 2023, \$0.4 million more than the \$48.6 million collected in 2022. Member dues represented 46% of the organization's revenues (2022: 44%). There was no increase in provincial member dues in fiscal 2023, which remained at \$580, as set in fiscal 2015 when dues and fees were harmonized. The member population at March 31, 2023, was 101,318, an increase of 1,981 (2%) over the prior year. Member dues facilitate CPA Ontario's self-regulation as a profession and supports our ability to maintain the public's trust in CPAs. Our registrar, compliance, inspection and regulatory oversight around complaints and misconduct help ensure that members meet the highest standards of integrity. In addition, member dues allow us to develop and enhance resources for CPAs and public accounting license holders who play important roles throughout Ontario's economy as business leaders, strategic thinkers, trusted advisers and financial experts. Member dues collected also enable CPA Ontario to continue to

invest in technology and process improvements. These will enhance member and student experiences and deliver economies of scale in the years ahead.

## EDUCATION PROGRAMS

Revenue from the Education program including student dues totalled \$39.8 million in fiscal 2023 (compared to \$45.2 million in fiscal 2022).

Of this total:

- \$24.7 million (2022: \$29.8 million) came from the CPA preparatory course (PREP) and the Professional Education Program (PEP)
- \$0.2 million (2022: \$0.2 million) came from other programs
- \$14.9 million (2022: \$15.2 million) came from student dues

In fiscal 2023, 10,621 students were enrolled in PREP (compared to 15,118 in 2022) and 16,404 in PEP modules (2022: 19,228). The contribution margin from PREP and PEP courses in fiscal 2023 was \$5.8 million (23.7%), compared to \$10.1 million (33.8%) in fiscal 2022. This decrease was driven mainly by lower PREP and PEP enrollment revenue and higher costs for in-person exams. The student population at March 31, 2023, was 20,191, a 5% decline as compared to 21,186 students at the end of fiscal 2022.

## PROFESSIONAL DEVELOPMENT (PD) PROGRAMS

PD revenue increased by \$0.3 million, from \$9.9 million in fiscal 2022 to \$10.2 million in fiscal 2023, mainly driven by increased demand for on-demand courses.

## PROFESSIONAL STANDARDS

Professional standards revenue was \$5.7 million, an increase of \$2.1 million from the prior year. The increase was mainly driven by a major cost award of \$1.8 million received in one case in fiscal 2023.

## EXPENSES

Total expenses for fiscal 2023 were \$115.0 million, \$11.9 million higher than \$103.1 million in fiscal 2022. Expenses were impacted by inflation and the lifting of COVID lockdown restrictions. Increased cost from: Operations mainly due to our investment in our Digital-First Strategy and other key projects, Education due to an increase in national pre-certification education costs and costs related to the new CPA certification model, Professional Development due to return to in-person event costs, and higher Marketing and Communication costs from various activities.

# REPORT OF THE INDEPENDENT AUDITOR ON SUMMARY FINANCIAL STATEMENTS

## TO THE MEMBERS OF CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

### OPINION

The summary financial statements, which comprise the summary statement of financial position as at March 31, 2023, and the summary statements of operations, changes in net assets and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Chartered Professional Accountants of Ontario for the year ended March 31, 2023.

In our opinion, the accompanying summary financial statements are a fair summary of the financial statements, in accordance with the criteria disclosed in Note 1, Basis of Preparation, to the summary financial statements.

### SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon of Chartered Professional Accountants of Ontario.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

### MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation of the summary financial statements in accordance with the criteria disclosed in Note 1 to the summary financial statements.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

**RSM Canada LLP**

Chartered Professional Accountants  
Licensed Public Accountants  
June 29, 2023  
Toronto, Ontario

# SUMMARY STATEMENT OF FINANCIAL POSITION

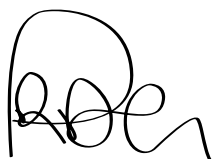
As at March 31

(All amounts in thousands of dollars)

	2023	2022
	\$	\$
		Restated (Note 3)
<b>ASSETS</b>		
Cash and cash equivalents	3,020	5,321
Short-term investments and other current assets	9,033	10,103
Long-term investments	89,634	96,906
Tangible capital assets	7,756	8,020
Software implementation costs	3,171	1,816
	112,614	122,166
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	14,567	12,042
Deferred revenue	18,545	22,183
Employee future benefits obligation	240	410
	33,352	34,635
<b>NET ASSETS</b>		
Unrestricted	50,262	58,531
Operating reserve	29,000	29,000
	79,262	87,531
	112,614	122,166

(See accompanying notes.)

On behalf of Council:



**JEAN DESGAGNÉ**, CPA, CA  
CHAIR



**TIFFANY CECCHETTO**, CPA, CA  
FINANCE & AUDIT COMMITTEE, CHAIR

# SUMMARY STATEMENT OF OPERATIONS

For the year ended March 31  
(All amounts in thousands of dollars)

	2023	2022
	\$	\$
		Restated (Note 3)
<b>REVENUES</b>		
Member dues	49,028	48,560
Education	39,794	45,211
Professional development	10,185	9,862
Professional standards	5,736	3,671
Investment and other	1,912	3,807
	106,655	111,111
<b>EXPENSES</b>		
Operations	49,410	43,562
Education	32,305	29,475
Professional development	9,118	7,791
Professional standards	9,391	9,422
Marketing and communications	8,687	7,051
Registrar	4,112	3,927
Student outreach program	2,024	1,891
	115,047	103,119
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(8,392)</b>	<b>7,992</b>

(See accompanying notes.)



# SUMMARY STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31  
(All amounts in thousands of dollars)

	Unrestricted	2023 Operating reserve	Total
	\$	\$	\$
<b>BALANCE, BEGINNING OF YEAR</b>	58,531	29,000	87,531
Deficiency of revenues over expenses	(8,392)	-	(8,392)
Remeasurement gains from pension and employee future benefits	123	-	123
<b>BALANCE, END OF YEAR</b>	50,262	29,000	79,262

	Unrestricted	2022 Operating reserve	Total
	\$	\$	\$
<b>Restated (Note 3)</b>			
<b>BALANCE, BEGINNING OF YEAR</b>	52,114	27,000	79,114
Excess of revenues over expenses	7,992	-	7,992
Remeasurement gains from pension and employee future benefits	425	-	425
Internal fund transfer	(2,000)	2,000	-
<b>BALANCE, END OF YEAR</b>	58,531	29,000	87,531

(See accompanying notes.)

# SUMMARY STATEMENT OF CASH FLOWS

For the year ended March 31  
(All amounts in thousands of dollars)

	2023	2022
	\$	\$
		Restated (Note 3)
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	(8,392)	7,992
Adjustments to determine net cash provided by (used in) operating activities	1,384	(1,372)
Changes in non-cash working capital items	770	(4,631)
Cash flows from (used in) operating activities	(6,238)	1,989
<b>INVESTING ACTIVITIES</b>		
Cash flows from (used in) investing activities	3,937	(2,746)
Net change in cash and cash equivalents during the year	(2,301)	(757)
Cash and cash equivalents, beginning of year	5,321	6,078
Cash and cash equivalents, end of year	3,020	5,321

(See accompanying notes.)

# NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the year ended March 31, 2023  
(all amounts in thousands of dollars)

## 1. BASIS OF PREPARATION

These summary financial statements are derived from the annual audited financial statements of Chartered Professional Accountants of Ontario ("CPA Ontario") for the year ended March 31, 2023, which were prepared in accordance with Canadian accounting standards for non-for-profit organizations.

A copy of the complete financial statements together with the independent auditor's report thereon is available on request.

The set of criteria applied by management in preparing these financial statements is outlined in the paragraph below.

The figures presented in these summary financial statements agree with or can be recalculated from the figures presented in the audited financial statements. Management believes that the summary financial statements contain the necessary information and are at an appropriate level of aggregation so as not to be misleading to the users.

## 2. NATURE AND DESCRIPTION OF THE ORGANIZATION

CPA Ontario is established as a corporation without share capital under the Chartered Professional Accountants of Ontario Act, 2017, which came into force on May 17, 2017. CPA Ontario promotes and protects the public interest by governing and regulating the practice, competence and professional conduct of individuals and entities as Chartered Professional Accountants in Ontario.

CPA Ontario establishes, maintains, develops and enforces standards of qualification, standards of practice, standards of professional ethics, and standards of knowledge, skill and proficiency, to ensure its members meet the highest standards of integrity and expertise.

CPA Ontario serves and supports its over 101,000 members and 20,000 students in their qualification and professional development in a wide range of positions in public accounting, business, finance, government, not-for-profits and academe.

CPA Ontario is exempt from income tax under subsection 149(1) of the Income Tax Act.

## 3. NEW ACCOUNTING STANDARD

On April 1, 2022, CPA Ontario early adopted AcG-20, Customer's Accounting for Cloud Computing of Part II of the CPA Canada Handbook – Accounting. The new guideline contains guidance on determining whether a software intangible asset exists in the cloud-computing arrangement and provides an accounting policy choice to either capitalize directly attributable expenditures on implementation activities when the arrangement is a software service or expense such expenditures as incurred. CPA Ontario has elected to capitalize directly attributable expenditures on the implementation of cloud-based computing arrangements.

CPA Ontario applied AcG-20 retrospectively and in accordance with the transitional provisions, chose to apply them beginning with the earliest period presented, that is to expenditures incurred from April 1, 2021.

# CPA ONTARIO COUNCIL AND COMMITTEES

The CPA Ontario Council is made up of 12 elected members of CPA Ontario and four public representatives appointed by the Lieutenant-Governor. The President and CEO, supported by an executive management team, is responsible for strategy and day-to-day operations, including the roles of educator, regulator, advocate, thought leader and provider of benefits and services to our stakeholders.

Key duties of a Council member include:

- Protect, and be seen to protect, the public interest.
- Ensure the integrity and independence of CPA Ontario's self-regulatory processes.
- Protect the interests of the profession and members.
- Act consistently in accordance with the values and ethics of the profession.
- Set the strategic direction.
- Approve the annual business plan and performance targets.

## CPA ONTARIO COUNCIL

### OFFICERS

**Jean Desgagné**  
CPA, CA  
*Chair*

**Tony Pedari**  
FCPA, FCA  
*Vice-Chair*

**Daniela Carcasole**  
CPA, CA  
*Secretary*

**Tiffany Cecchetto**  
CPA, CA  
*Treasurer*

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**Johanne Belanger**  
FCPA, FCA, ICD.D

**Michael Cherny**  
CPA, CA

**Chester Dawes**  
CPA, CA,  
CPA (Delaware), CFA

**Paulina Molnar**  
CPA, CA, ICD.D

**Jennifer Roedding**  
CPA, CA

**Daniel Rogozynski**  
CPA, CA  
CPA (Illinois)

**Benjie Thomas**  
FCPA, FCA

**Iliana Oris Valiente**  
CPA, CA

### PUBLIC REPRESENTATIVES

**John Beck**

**Ginny Dybenko**

**Graham T. Parsons**

**Mardi Witzel**

### YOUNG CPA REPRESENTATIVE | NON-VOTING

**Katie Blum**  
CPA  
(Joined June 22)

# COUNCIL COMMITTEES

## STANDING COMMITTEES OF COUNCIL

**Tiffany Cecchetto**  
CPA, CA  
*Finance & Audit  
Committee, Chair*

**John Beck**  
*Human Resources  
Committee, Chair*

**Daniela Carcasole**  
FCPA, FCA  
*Governance &  
Nominating Committee,  
Chair*

**Paulina Molnar**  
CPA, CA, ICD.D  
*Risk Committee, Chair*

## ADJUDICATIVE COMMITTEES

### ADMISSIONS & REGISTRATION

**Bernard Schwartz**  
FCPA, FCA  
*Chair*

### APPEAL COMMITTEE

**Salim Somani**  
CPA, CA, LPA  
*Chair*

### CAPACITY COMMITTEE

**John Love**  
CPA, CMA  
*Chair*

### DISCIPLINE COMMITTEE

**Andrea Mintz**  
CPA, CA, LPA  
*Chair*

## REGULATORY COMMITTEES

### PRACTICE INSPECTION COMMITTEE

**Christa Casey**  
CPA, CA  
*Chair*

### PROFESSIONAL CONDUCT COMMITTEE

**Leslie Davidson**  
CPA, CGA  
*Chair*

## PUBLIC ACCOUNTING LICENSING BOARD

**Colleen Gibb**  
FCPA, FCA  
*Chair*

## PUBLIC ACCOUNTING STANDARDS COMMITTEE

**Kam Grewal**  
CPA, CA  
*Chair*

# NOTES



