



**CPA**

ORDRE DES COMPTABLES  
PROFESSIONNELS AGRÉÉS  
DU QUÉBEC

**40,000.**

**THE BOTTOM  
LINE IS ALWAYS  
A NUMBER.**

2019-2020  
ANNUAL  
REPORT



40,000.

**40,000.** A number that represents a symbolic milestone for the profession.

**40,000.** A number that speaks volumes about the crucial role CPAs play in all areas of human activity.

**40,000.** The number of CPAs we can count on in times of crisis and prosperity.

**40,000.** The number of CPAs who meet the highest standards in order to protect the public.

**40,000.** The number of CPAs Quebec needs to see things as they are and give meaning to the figures.

**40,000. THE BOTTOM LINE IS ALWAYS A NUMBER.**



## PURPOSE

In accordance with the *Professional Code*, the purpose of the Quebec CPA Order is to ensure the protection of the public with regards to the practice of the CPA profession, as set out in the *Chartered Professional Accountants Act*.

## VISION

With a view to protecting the public in a constantly changing environment, the Order actively supports CPAs so they can fully realize their leadership role by creating value in their organization.

An influencer in Quebec and an emerging voice in Canada and abroad, the Order plays an invaluable societal role through its targeted interventions.

Recognized for its agility and excellence, the Order is effective in protecting the public, in supporting its members and enhancing their visibility.

## VALUES

Integrity | Excellence | Commitment | Innovation | Respect



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**Québec, septembre 2020**

**Monsieur François Paradis**  
**Président**  
**Assemblée nationale**

Monsieur le Président,

J'ai l'honneur de vous présenter le rapport annuel de l'Ordre des comptables professionnels agréés du Québec pour l'exercice clos le 31 mars 2020.

Veuillez agréer, Monsieur le Président, l'expression de mes sentiments distingués.

La ministre responsable de l'application des lois professionnelles du Québec,  
**Danielle McCann**

**Montréal, septembre 2020**

**Madame Danielle McCann**  
**Ministre responsable de l'application**  
**des lois professionnelles du Québec**  
**Gouvernement du Québec**

Madame la Ministre,

Nous avons l'honneur de vous transmettre le rapport annuel de l'Ordre des comptables professionnels agréés du Québec pour l'exercice clos le 31 mars 2020.

Veuillez agréer, Madame la Ministre, l'expression de nos sentiments distingués.

La présidente du Conseil,  
**Nathalie Houle**, FCPA, FCMA

La présidente, chef de la direction  
et secrétaire de l'Ordre,  
**Geneviève Mottard**, CPA, CA

**Montréal, septembre 2020**

**Madame Diane Legault**  
**Présidente**  
**Office des professions du Québec**

Madame la Présidente,

Nous avons l'honneur de vous transmettre le rapport annuel de l'Ordre des comptables professionnels agréés du Québec pour l'exercice clos le 31 mars 2020.

Veuillez agréer, Madame la Présidente, l'expression de nos sentiments distingués.

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# A WORD FROM THE CHAIR OF THE ORDER AND THE PRESIDENT, CHIEF EXECUTIVE OFFICER AND SECRETARY OF THE ORDER

**Nathalie Houle**, FCPA, FCMA  
**Geneviève Mottard**, CPA, CA



If you were to describe the past year in just three words, adversity, resilience and agility would certainly be the most appropriate. While we had many notable achievements in 2019-2020, we also faced a series of unforeseen events that forced us to venture into the unknown and adapt to new circumstances in real time.

In dealing with, for example, the examination software failures that disrupted the Common Final Examination for CPA candidates last fall or, more recently, the COVID-19 pandemic, the profession took the bull by the horns and came out stronger.

Thanks to all our members' extraordinary resilience and agility, we can look back with pride on an unquestionably historic year.

### A CHANGING PROFESSION

History is made daily in the CPA profession, and during the digital age, it's accelerating. Chartered professional accountants are in the midst of a transformation that will have profound repercussions on both the practice of the profession and economic activity.

In keeping with its strategic directions and with a view to supporting its members, the Order published a guide on the challenges and possibilities that will arise with this shift. The Web-based guide highlights the integration of new technologies into CPA practices, as well as emerging areas of expertise within the profession. By leveraging their agility and integrity, CPAs can play a strategic role in information security and privacy, data security, intellectual property valuation and enhancement, and more. Building on this transformation, we offered our members more than 50 training activities related to the digital age.

The accreditation of the first training employer in public accountancy, IT profile clearly exemplifies how the profession is changing. This new kind of practical experience focusing on information systems and risks, as well as real-time auditing instead of the review of historical financial information, opens up the next phase in the audit's evolution.



**Around 20 exhibitors presenting value-added products and services came together to support CPAs in their roles as agents of change within organizations.**

**The first edition of Foire-Expo, which took place during the Grand Rendez-vous CPA in Montreal, was a hit!**



The Order's professional development program also entered a new era, at top speed due to the pandemic. A transition to a more current model, built on agility, flexibility and accessibility, was already underway, but the project was fast-tracked, to the delight of members and organizations.

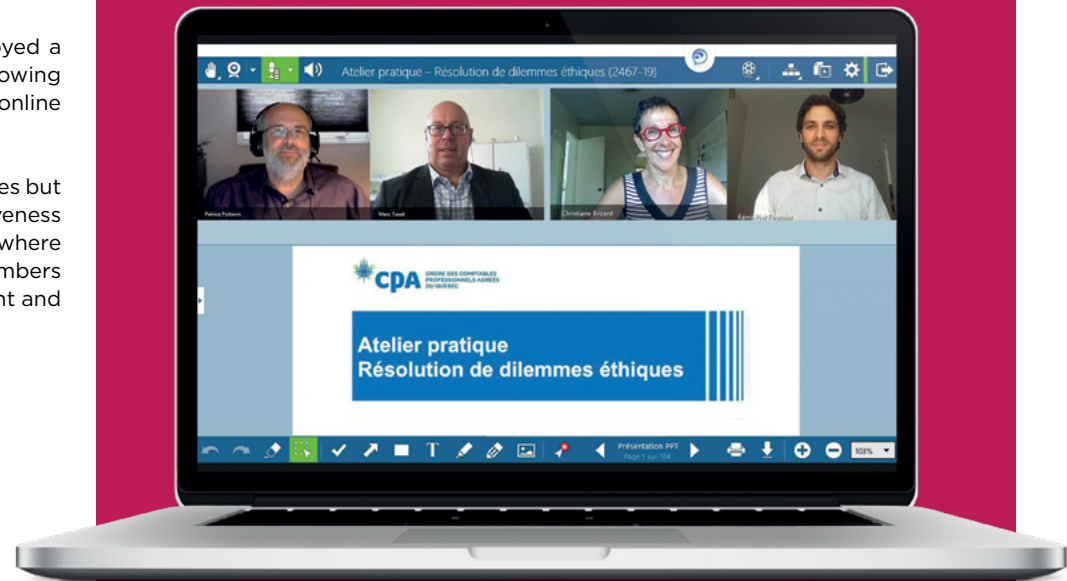
Thanks to the remarkable mobilization of our teams, we quickly deployed a virtual classroom platform and trained instructors on how to use it, allowing for a rapid transition to this new knowledge transmission method and online course delivery starting in the spring of 2020.

This updated model is here to stay. It not only helps us attain our objectives but also better aligns with the principles of sustainable development, effectiveness and efficiency that the profession strives to uphold. CPAs are active everywhere in society, mainly in businesses, so adapting our training activities for members who use their expertise every day to support organizational management and prosperity is a must.

### CPAs ARE NOT IMMUNE TO ETHICAL DILEMMAS

CPAs can run into value conflicts in any work environment. To resolve a dilemma and make a reasonable decision that is ethically compliant, participants in this one-day workshop learn how to differentiate ethics, professional conduct, morals and the law, define the ethical components of a situation and practise ethical decision-making.

This workshop pulls CPAs out of their usual thinking patterns, drawing an enthusiastic response!



*Left to right:* The workshop's two instructor teams, Patrice Poitevin and Marc Yvan Tassé, CPA auditor, CA, Active Compliance and Ethics Group Inc.'s president and CEO and chairman of the board, respectively, as well as Christiane Brizard and Rémi-Pier Fournier, both lawyers at Langlois lawyers.





## THE PROTECTION OF THE PUBLIC AND DEFENCE OF THE PUBLIC INTEREST GO HAND IN HAND

The past year was also productive in terms of protecting the public and defending the public interest, one being the extension of the other.

Discussions with the Office des professions du Québec regarding the revision of the *Code of ethics of chartered professional accountants* are progressing well. Considered to be particularly innovative, the project is raising questions from the Office, which must approve its content. We are busy making the required adjustments while ensuring all members will be able to understand and apply them. Concurrently, we are developing application guidance with examples and scenarios, so every CPA can navigate the new *Code*, whatever the context of their practice may be.

What's more, improvements to our professional inspection and professional practice monitoring processes made it possible for us to bolster the mechanisms for protecting the public and identifying members whose level of competence may jeopardize the protection of the public, which remains, as always, our top priority.



Without a doubt, financial abuse is a social issue that demands both the protection of the public and defence of the public interest, making it a natural area of activity for CPAs.

Therefore, the Order stated its position on Bill 18 as regards the protection of vulnerable persons, which now reflects our proposal to give the designated assistant to a person of full age experiencing loss of autonomy access to information protected by professional secrecy.

Furthermore, under the new legislation, those fulfilling a protection mandate will have an obligation to prepare a rendering of account, with or without a CPA's help. As we always do when our expertise can be useful in public policy implementation, the Order offered to collaborate with the Public Curator on the creation of a form and guide for this kind of rendering of account.



In another example of cooperation, we are working closely with the Centre for Research and Expertise in Social Gerontology, mandated by the Secrétariat aux aînés du ministère de la Santé et des Services sociaux, to develop training specifically for CPAs who, unlike other stakeholders in the financial sector, are subject to professional secrecy. In the practice of their profession and in their personal lives, CPAs are, in a way, sentinels who can track down and report the financial maltreatment of vulnerable persons, hence the importance and benefit of giving them the proper tools.



The Order makes an appearance in the *Guide pratique de la copropriété* published by Protégez-vous.

financial literacy workshops in the workplace, extending our collaboration with Réseau BIBLIO from the Mauricie to other Quebec regions, and keeping in tune with entrepreneurs and SMEs.

In a similar vein, we received assurances that we would be consulted on the implementation of regulations stemming from legislation that updated certain aspects of co-ownership management, particularly on condominium financial statements as well as the financial and management information shared with condo owners and potential buyers. Given that almost one in three Quebecers live in condominiums and that co-ownership management has major weaknesses, the Order will make every effort to support and protect condo owners and administrators.

Clearly, the general public's financial literacy shortcomings are an underlying cause of financial abuse, condominium management weaknesses and more. This is why the profession is always doing more to give meaning to numbers for as many people as possible, teaming up with the Ordre des conseillers en ressources humaines agréés to offer

## 20 MINUTES CPA

In this series of conferences and webinars for SME managers and entrepreneurs, CPAs explain the fundamentals of accounting and finance. Hundreds of directors and officers of companies of all sizes have participated thus far, and the practical and accessible format has been a resounding success!



# REGARDEZ VOS FINANCES EN FACE

Le programme de littératie financière des CPA vous permet de prendre le contrôle de vos finances personnelles et vous donne les moyens de réaliser vos projets.  
Bénéficiez-vous sur les crédits éligibles et la façon d'organiser un atelier gratuit sur votre lieu de travail ou dans votre milieu en visitant le [quebecbec.ca/finances-gratuits](http://quebecbec.ca/finances-gratuits).  
Avec un CPA, vos finances ont meilleure mine.



With its practical guide on personal finance, *Protégez-vous* is bringing financial literacy to consumers.

To serve the public interest, the profession must sometimes make its position clear and put forward proposals drawing on its expertise.

In the past year, we have placed particular emphasis on the need for a parliamentary budget officer in Quebec, who could give an impartial opinion on the government's economic and budgetary policies. We also recommended that, like the federal government, Quebec produce long-term economic and fiscal projections, to assess its ability to maintain current public services for future generations.

It appears that our concerns have been heard, because the parliamentary reform initiative presented in February includes proposals along these lines. We are pleased with these developments, which are sure to add to the quality of public debate.

Recently, the bill to help restart the Quebec economy prompted us to remind the government that the values and principles defended by the CPA profession guarantee the optimal effectiveness of government action. As such, we cannot rebuild the economy at the expense of sound rules of governance, safeguards against fraud and collusion, transparency, and accountability mechanisms.

The accounting profession also defends the principles of tax justice and fairness, and is steadfast in its fight against money laundering, corruption, tax evasion and abusive tax avoidance. It was therefore no surprise that the Order participated in the consultation on corporate transparency, advocating an approach that was as wide-ranging as possible. We are convinced that, in this day and age, greater transparency is a pull factor for serious companies and investors.

We are not calling into doubt our support for the government's clearly stated desire to take courageous and decisive action in favour of tax justice and fairness. However, we have a duty, which we take very seriously, to encourage it to limit Revenu Québec's discretionary powers in certain cases and clarify the scope of legislation that leaves room for interpretation. Taxpayers and advisors acting in good faith should not be penalized unfairly. This is what we have done as part of our consideration of Bill 42.



To serve the public interest, the Order must sometimes also set the record straight and clarify the role of CPAs.



Lastly, the Order was pleased to learn of the imminent introduction of tax mediation, which is, without a doubt, the best path to reduce the information deficit that puts taxpayers at a disadvantage in their interactions with Quebec's revenue agency. A culture change is necessary, within not only the judicial system, but also Revenu Québec. What's more, we are delighted that these legislative changes, which will soon come into effect, logically recognize CPA expertise in taxation, mandating the Order to define standards for accrediting competent CPA mediators.

### AN OPEN AND INCLUSIVE PROFESSION

Inclusion and diversity don't need to make headlines to be manifest within the CPA profession.



This year, a national advertising campaign featured seven CPAs, including Alexandre Ferreira-Silva from Quebec. These portraits, published on various platforms, were an eloquent depiction of CPAs today, capturing their diversity, competency and ability to innovate.

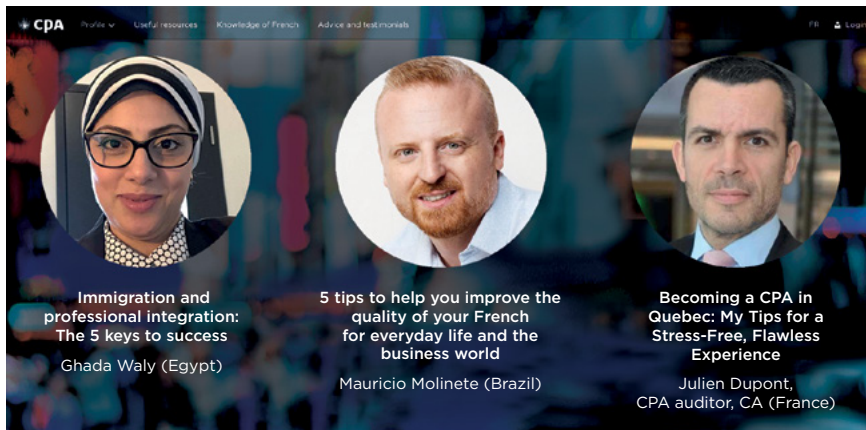


Marie-Samuelle Constant, Joshua Faier, Lucas Vavougios and Claudia-Marie Charbonneau represented Quebec's 40,000 CPAs — inspiring, engaged, open and motivated leaders who put their knowledge to use in countless industries.

These young trailblazers are the embodiment of the future of our profession, which must continue to attract new talent to meet the demands of the market and organizations' needs. To maximize our impact and give our network of influencers the tools they need, we have released a series of videos making it possible to share all the information about the pathways to the profession and employment prospects with a wider audience. The major advantage of these videos is that they can be used in different contexts, not only by Order representatives, but also by parents, vocational counsellors, professors, volunteer CPAs and career services at universities both here and abroad. We are no longer limited to classroom presentations.

The Order provides remarkable support to professionals trained outside Quebec wishing to become CPAs. This is all the more true with the development of our microsite, with financial assistance from the Quebec government, which optimizes our evaluation of foreign-trained accountants' skills and experience. Six months after its December 2019 launch, the microsite had received 1,200 applications for recognition from 42 countries, including Germany, Peru, Mali and Madagascar. A total of 110 applicants have started or will soon begin their qualifying courses.

Brand new features have allowed us to fine-tune our analysis in cases where applicants have considerable accounting experience, with a view to potentially exempting them from certain prerequisite courses and professional education program components. The development of flexible upgrading courses that can be completed remotely is also underway.



We are especially proud of this achievement. The Order is a pioneer in this area and will surely inspire other regulated professions to follow suit, facilitate the integration of people trained abroad and simplify the process for recognizing their experiential learning.

To continue innovating and supporting the development of the profession, we have begun a process to renew our technological infrastructure in the coming years. This will mainly entail moving away from custom products in favour of commercial solutions, and switching from in-house to cloud computing. These changes are much more than cosmetic. They will allow us to standardize and optimize our processes, become more agile and improve our overall performance.



As the fiscal year was coming to an end, the Order was one of the first employers to close its offices and reorganize its activities around the COVID-19 pandemic. Despite the speed at which we had to relocate all our operations, even we were surprised by how prepared we were to respond to such an emergency.

More than ever, we had to be agile, make decisions quickly in a context of great uncertainty, stay relevant in our many communications and interactions with our members, and be present for our stakeholders. We're proud to say that the Order's staff readily overcame this tremendous challenge, once again demonstrating unrivalled commitment, exemplary team spirit and exceptional professionalism. Thank you all for your tireless efforts to ensure the Order could effectively guide CPAs and all Quebecers during this unprecedented crisis.

We would also like to thank all the volunteers who so generously give their time to advance and promote the profession. CPAs have proven themselves to be strong, essential and relevant in times of adversity. The profession is driven by the dynamism, judgment and integrity of its 40,000 members. Our mission is to ensure that ours remains a profession you can count on, and one that always counts.

*Nathalie Houle* FCPA, FCMA

**Nathalie Houle**, FCPA, FCMA,  
Chair of the Order

*Geneviève Mottard* CPA, CA

**Geneviève Mottard**, CPA, CA,  
President, chief executive officer and  
secretary of the Order,



## EXECUTIVE COMMITTEE

*Left to right:*

**Pierre G. Brodeur**, CPA auditor, CA,  
Elected Director

**Benoit Lavigne**, CPA auditor, CA,  
Elected Director

**Nathalie Houle**, FCPA, FCMA,  
Chair of the Order

**Mario Gariépy**, FCPA auditor, FCA,  
Vice-Chair

**Nazir Badaroudine**, Director appointed  
by the Office des professions



## BOARD OF DIRECTORS

**Nathalie Houle**, FCPA, FCMA (2018-06-15)  
(Capitale-Nationale – Chaudière-Appalaches)  
Chair elected by the members of the Board of directors

**Mario Gariépy**, FCPA auditor, FCA (2017-06-16)  
(Montréal) Vice-Chair

**Andrée Lavigne**, CPA auditor, CA (2018-06-15)  
(Montreal)

**Nazir Badaroudine** (2017-06-16)  
Director appointed by the Office des professions

**Jean-Philippe Allard**, CPA, CMA (2019-09-05)  
(Outaouais – Abitibi-Témiscamingue – Northern Quebec)

**Michel Bergeron**, FCPA auditor, FCA (2017-06-16)  
(Montreal)

**Sonia Boisvert**, FCPA auditor, FCA (2018-06-15)  
(Montreal)

**Danielle Boucher** (2019-09-06) Director appointed by the Office des professions

**Pierre G. Brodeur**, CPA auditor, CA (2019-09-05)  
(Montreal)

**Diane Delisle** (2017-06-16) Director appointed by the Office des professions

**Yves Hébert** (2018-09-07) Director appointed by the Office des professions

**Sylvie Juneau**, CPA, CA (2018-06-15)  
(Laval – Laurentians)

**Benoit Lavigne**, CPA auditor, CA (2017-06-16)  
(Mauricie – Central Quebec – Estrie – Lanaudière)

**Jean-François Oligny**, CPA, CA, CA•IT (2019-11-14)  
(Montreal)

**Christine Roy**, CPA auditor, CA (2019-09-05)  
(Capitale-Nationale – Chaudière-Appalaches)

**Nicholas Tremblay**, CPA, CGA (2018-06-15)  
(Saguenay-Lac-Saint-Jean – Eastern Quebec)

## MEETINGS

During the year, the Executive committee held seven regular meetings and three extraordinary meetings. The Board of directors held six regular meetings and seven extraordinary meetings.

The Annual General Meeting of the members of the Ordre des comptables professionnels agréés du Québec was held on September 6, 2019. The next Annual General Meeting, at which this report will be presented, is scheduled for September 11, 2020.

## DIRECTOR TRAINING

New members of the Board of directors completed the required training in ethics and governance, gender equality and ethnocultural diversity management.



## ACTIVITIES OF THE COMMITTEE OF INQUIRY IN ETHICS AND PROFESSIONAL CONDUCT

No complaints were filed with the Committee this year.

## EXECUTIVE COMPENSATION

The compensation of directors elected to the board is set in accordance with the Board Member Compensation Policy approved on June 15, 2018 and posted on the Order's website. The compensation of the president, chief executive officer and secretary of the Order is approved by the Board of directors. Compensation includes annual salary, payroll taxes and, where applicable, employee benefits and bonuses. In 2019-2020, executives were compensated as follows:

Chair  
\$99,565.19

Vice-Chair  
\$25,451.81

Elected directors  
\$475.00 (daily directors' fee)\*

President, Chief Executive Officer  
and Secretary of the Order  
\$412,960.65

\* Directors in certain positions are not entitled to these fees.

## RESOLUTIONS

The main resolutions adopted by the Board of directors concerned the following:

### GOVERNANCE

- Election of members of the Executive committee
- Compensation of board members
- Co-option of a member to the Board of directors for the Montreal region
- Process for elections to the board
- Elections oversight committee
- Evaluation of the Order's governance
- Governance policy for statutory and non-statutory committees, and selection and compensation of members
- Code of ethics for members of statutory and non-statutory committees
- Appointment of members and chairs to various committees formed by the Board of directors
- Member consultation on Order dues

### ADMINISTRATION

- 2020-2021 dues rate
- 2020-2021 budget
- Appointment of the independent auditor for 2019-2020
- Financial statements for the year ended March 31, 2019

### SUPERVISION OF ACCESS TO THE PROFESSION

- End of the ACAF program and exploration of possibilities for offering a program to oversee accounting technician training
- Independent investigation into the decision process leading to the purchase and use of the Surpass software to administer the exams for CPA candidates
- 2020 CPA Competency Map
- Results of the September 2019 CFE

### SUPERVISION OF THE PRACTICE OF THE PROFESSION

- Training activities program and terms of application
- Professional liability group insurance premiums for 2020-2021
- Appointment of one assistant syndic





The main resolutions adopted by the Executive committee concerned the following:

#### GOVERNANCE

- Appointment of alternate secretaries to various statutory committees
- Appointment of members and chairs to various statutory committees
- Appointment of members and chairs to various internal committees

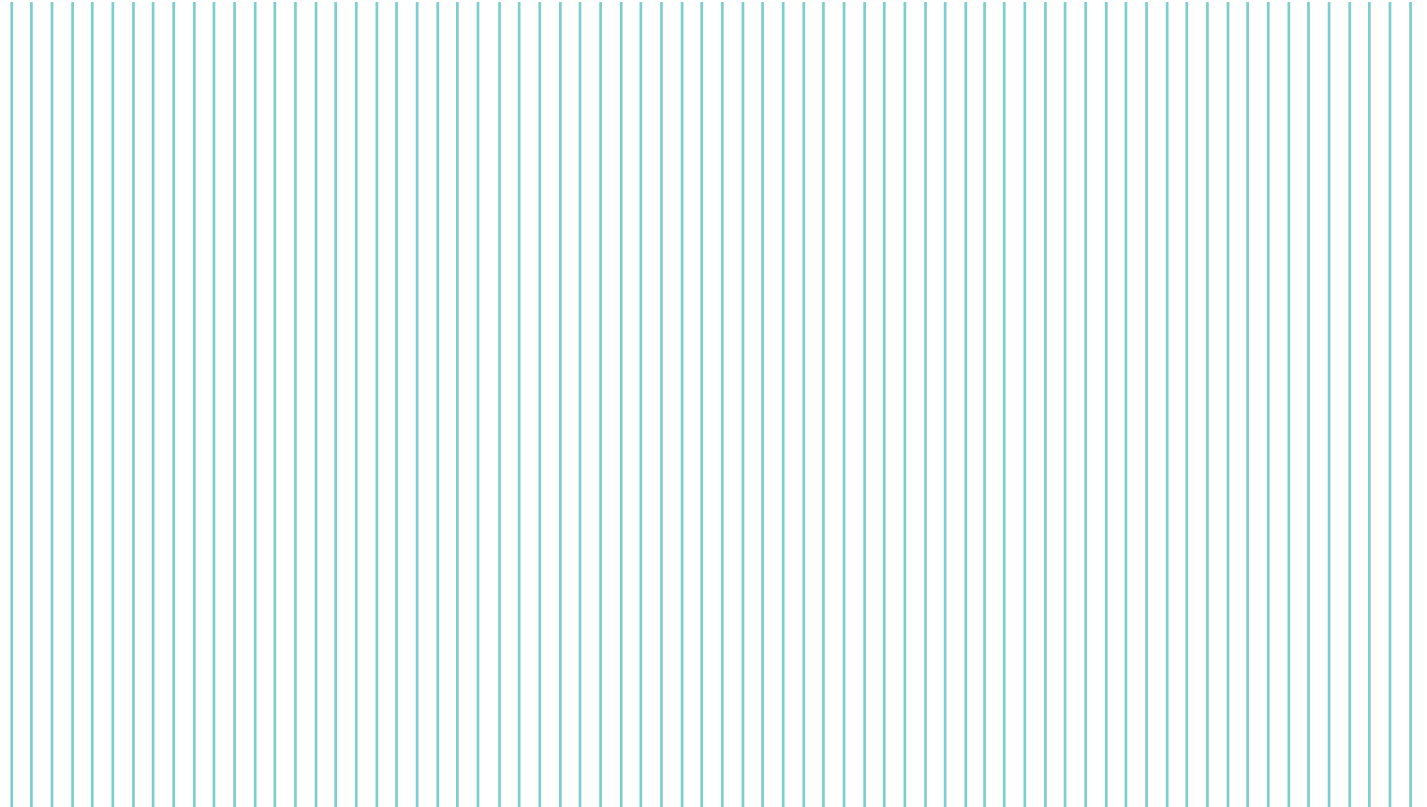
#### SUPERVISION OF THE PRACTICE OF THE PROFESSION

- Complaints of illegal practice of public accountancy and unauthorized use of the chartered professional accountant designation, and appointment of investigators
- Appointment of statement of offence signatories
- Appointment of inspectors/investigators or experts to assist the Professional inspection committee
- Imposition of measures in accordance with sections 45, 45.1 and 55.1 of the *Professional Code*
- Imposition of measures following the recommendations of the Professional inspection committee
- Imposition and removal of restrictions under section 55.0.1 of the *Professional Code*
- Extension of the deadline to impose a refresher course under section 55 of the *Professional Code*

- Reporting under section 48 of the *Professional Code*
- Appointment of one assistant syndic
- Appointment of an investigator for the Indemnity Fund Committee
- Striking off the roll of members who failed to meet the conditions for entry on the roll of the Order
- Agreement with the Director of Criminal and Penal Prosecutions regarding the exchange of information pertaining to certain criminal offences or ethical violations

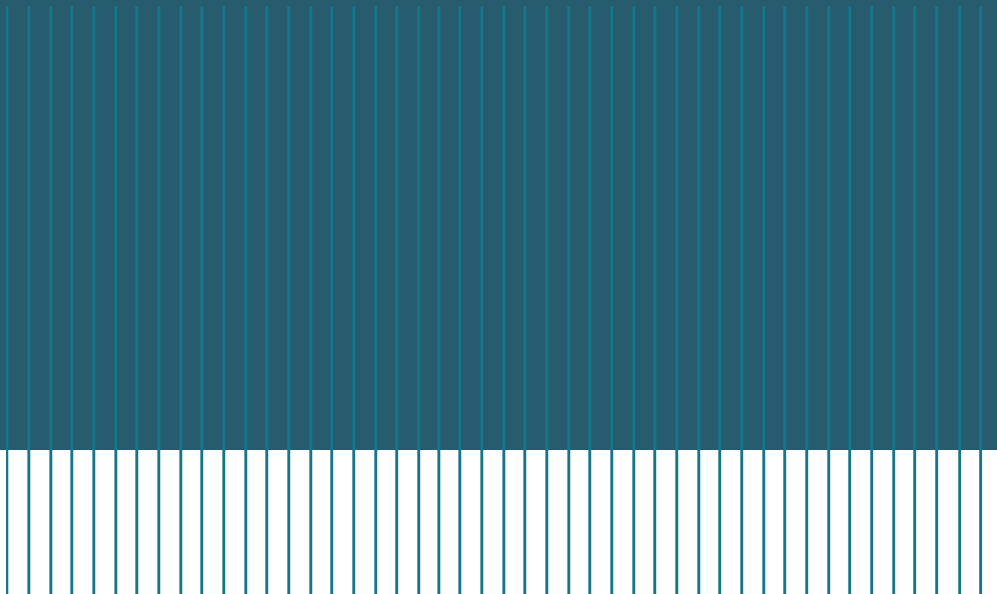
#### SUPERVISION OF ACCESS TO THE PROFESSION

- Expulsion of two candidates and specific conditions for reinstatement imposed on them
- Appointment of investigators to handle cases relating to trainee conduct
- Striking off the roll of candidates who failed to pay the 2019-2020 annual dues
- Request for a review of the conditions for transitioning to the CPA program imposed on two CGA candidates
- Post Designation Public Accounting (PDPA) program examination
- Common Final Examination (CFE)





# ROLL OF THE ORDER





# ROLL OF THE ORDER

During the period, 1,171<sup>1</sup> candidates for the practice of the profession were admitted as members of the Order after meeting all the conditions giving access to the CPA permit. The number of members entered on the roll of the Order as at March 31, 2020 totals 40,237.

In addition, the Order issued 641 public accountancy permits, 3 of which under section 23 of the *Regulation respecting the public accountancy permit of the Ordre des comptables professionnels agréés du Québec*. As at March 31, 2020, 10,817 members hold a public accountancy permit.

APPLICATIONS FOR A CPA PERMIT				
	Received	Accepted	Denied	No decision as at year-end
Based on a diploma requirement determined pursuant to paragraph 1 of section 184 of the <i>Professional Code</i>	1,173	1,056	4	113
Based on the recognition of training equivalence	107	88	2	17
Based on the recognition of a diploma	16	15	0	1
Based on reciprocity with another country, pursuant to section 57 of the <i>Chartered Professional Accountants Act</i>	12	12	0	0
Based on a legal authorization to practice the profession	12	10	0	2

<sup>1</sup> One of these candidates was no longer entered on the roll at the time of admission.



APPLICATIONS FOR TEMPORARY, RESTRICTIVE, TEMPORARY RESTRICTIVE AND SPECIAL PERMITS					Number of permits held at year-end
	Received	Accepted	Denied	No decision as at year-end	
Temporary permits – section 37 of the <i>Charter of the French Language</i>	26	18	6	2	31
Temporary permits – section 41 of the <i>Professional Code</i>	0	0	0	0	0
Restrictive permits – section 40 of the <i>Charter of the French Language</i>	0	0	0	0	0
Temporary restrictive permits – section 42.1(1) of the <i>Professional Code</i>	0	0	0	0	0
Temporary restrictive permits – section 42.1(2) of the <i>Professional Code</i>	0	0	0	0	0
Special permits – section 42.2 of the <i>Professional Code</i>	0	0	0	0	0

CPA PERMITS ISSUED	2019-2020	2018-2019
		1,181
Regular permits	1,158	1,209
Regular permits – issuance based on legal authorization to practice the profession	5	7
Temporary permits	13	24
Temporary permits – issuance based on legal authorization to practice the profession	5	6
Restrictive permits	0	0
<b>SPECIAL AUTHORIZATIONS</b>	<b>2019-2020</b>	<b>2018-2019</b>
Granted	0	0
Extended	0	0

PERMITS SUSPENDED OR REVOKED	Suspended	Revoked
Regular permits – issuance based on legal authorization to practice the profession	0	0
Temporary permits	0	0
Temporary permits – issuance based on legal authorization to practice the profession	0	0
Restrictive permits	0	0
Public accountancy permits	5	0

<sup>2</sup> These members were no longer entered on the roll of the Order at the time their permit to practise was revoked.



	2019-2020	2018-2019
<b>NUMBER OF MEMBERS AT THE BEGINNING OF THE YEAR</b>	39,695	39,246
<b>ADDITIONS TO THE ROLL OF THE ORDER</b>	1,298	1,349
Under section 1 of the regulations respecting the terms and conditions for the issue of a permit by the Ordre des comptables agréés du Québec, the Ordre des comptables généraux accrédités du Québec and the Ordre des comptables en management accrédités du Québec and the <i>Règlement sur les autres conditions et modalités de délivrance des permis de l'Ordre des comptables professionnels agréés du Québec</i>	1,159	1,221
By reinstatement	117	102
Based on a legal authorization to practice the profession in another province or territory	10	13
By reciprocity with another country under section 57 of the <i>Chartered Professional Accountants Act</i>	12	12
With limitation of the right to engage in professional activities	0	1
With suspension of the right to engage in professional activities	0	0

<b>REMOVAL FROM THE ROLL OF THE ORDER</b>	2019-2020	2018-2019
Deceased	79	94
Resigned	453	568
Struck off for non-payment of annual dues	9	3
Struck off for non-compliance with the <i>Règlement sur la formation continue obligatoire des comptables professionnels agréés du Québec</i>	20	43
Struck off for non-compliance with the <i>Règlement sur l'assurance de la responsabilité professionnelle des membres de l'Ordre des comptables professionnels agréés du Québec</i>	2	6
Struck off for non-payment of registration fees	2	3
Provisionally struck off pursuant to a decision of the Executive committee	0	0
Struck off pursuant to a decision of the Disciplinary council	18	23
Revocation – Decision of the Disciplinary council	0	0
Removed pursuant to a decision of the Executive committee	158	148
Expiry of temporary permit	11	9
Expiry of restrictive permit	0	0
Life members who cannot be located	4	3
<b>Number of members at year-end</b>	<b>40,237</b>	<b>39,695</b>

<b>MEMBERSHIP DISTRIBUTION ACCORDING TO GENDER</b>	2019-2020	2018-2019
Women	18,805	18,448
Men	21,432	21,247



BREAKDOWN OF MEMBERS BY ADMINISTRATIVE REGION	
Abitibi-Témiscamingue	406
Bas-Saint-Laurent	470
Capitale-Nationale	4,037
Central Quebec	833
Chaudière-Appalaches	1,406
Côte-Nord	113
Estrie	1,021
Gaspésie-Îles-de-la-Madeleine	92
Lanaudière	3,071
Laurentians	1,019
Laval	1,501
Mauricie	1,935
Montréal	780
Montérégie	5,304
Northern Quebec	16,375
Outaouais	33
Outside Quebec	1,043
Saguenay-Lac-Saint-Jean	798

2019-2020 ANNUAL DUES PAYABLE ON MARCH 15, 2019	NUMBER OF MEMBERS	
Members residing in Quebec	\$945.00	34,363
Members residing outside Quebec	\$687.50	994
Professors and lecturers	\$472.50	425
Affiliate members residing in Quebec	\$465.00	49
Affiliate members residing outside Quebec	\$250.00	229
Retired members with no income	\$141.75	2,106
Retired members with income	\$283.50	896
Members on permanent or temporary disability leave	\$141.75	193
Members in financial difficulty	\$141.75	12
Life members	\$0.00	949
"Grandparented" FCGAs	\$0.00	21



	2019-2020	2018-2019
<b>NUMBER OF CANDIDATES AT THE BEGINNING OF THE YEAR</b>	5,129	5,085
<b>ADDITIONS TO THE CANDIDATE ROLL</b>	1,423	1,613
University path – recognized undergraduate diploma	1,198	1,266
Diploma/training equivalence – Quebec	63	73
Diploma equivalence – outside Quebec	6	8
Training equivalence – outside Quebec	6	5
Diploma equivalence – outside Canada	6	5
Training equivalence – outside Canada	106	112
Reciprocity agreement	4	5
Mutual recognition agreement – France	6	10
Reinstatement	22	33
Transfer from another province	3	9
Other	3	87

<b>REMOVAL FROM THE CANDIDATE ROLL</b>	2019-2020	2018-2019
Expiry of deadline to complete the CPA career path (examinations, practical experience) or meet the admission requirements	21	35
Transfer to another province	4	7
Resigned, deceased, non-payment of annual dues or decision of the Executive committee	189	222
Other	0	88
Obtained CPA designation	1,170 <sup>3</sup>	1,217 <sup>4</sup>
• Recognized undergraduate diploma	1,056	1,008
• Diploma/training equivalence – Quebec	50	91
• Diploma equivalence – outside Quebec	7	9
• Training equivalence – outside Quebec	2	5
• Diploma equivalence – outside Canada	9	4
• Training equivalence – outside Canada	35	88
• Reciprocity agreement (CARE examination)	2	6
• Mutual recognition agreement – France	9	6
<b>Number of candidates at year-end</b>	<b>5,168</b>	<b>5,129</b>

<sup>3</sup> One candidate who was no longer entered on the roll at the time of admission is to be added to this total.

<sup>4</sup> Sixteen candidates who were no longer entered on the roll at the time of admission are to be added to this total.





# FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020



# RICHTER

## INDEPENDENT AUDITOR'S REPORT

To the members of the  
**Ordre des comptables professionnels agréés du Québec**

### *Opinion*

We have audited the financial statements of the Ordre des comptables professionnels agréés du Québec (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and the result of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### MONTRÉAL

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Chicago, IL 60606  
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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Richter LLP*

Montréal (Québec)  
June 22, 2020

<sup>1</sup>CPA auditor, CA, public accountancy permit No. A110167



# MANAGEMENT'S RESPONSIBILITY WITH REGARD TO THE FINANCIAL REPORT

The financial statements and other information contained in this annual report are the responsibility of the management of the Order. The financial statements have been prepared in accordance with *Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting*. Where necessary, management has made estimates and assumptions regarding the consequences of certain events and transactions. The financial and statistical information contained in the remainder of the annual report is consistent with the information included in the financial statements.

The management of the Order is responsible for designing, implementing and maintaining an appropriate internal control system to ensure the prevention and detection of fraud, the reliability of accounting records and the protection of the Order's property, as well as the preparation and fair presentation of the financial statements. Management is also responsible for assessing the Order's ability to continue as a going concern.

The Board of directors of the Order carries out its responsibilities with regard to the financial statements mainly through its Audit committee. This committee reviews the annual financial statements contained in the annual report and recommends them to the board for approval. The Audit committee meets periodically with the management of the Order and the independent auditor, and reports to the Board of directors thereon.

The financial statements have been audited by an independent auditor, who was engaged by the Board of directors upon recommendation of the Audit committee and whose appointment was ratified by the General Meeting.

**Nathalie Houle**, FCPA, FCMA  
Chair of the Order

**Geneviève Mottard**, CPA, CA  
President, Chief Executive Officer  
and Secretary of the Order



## FINANCIAL POSITION AS AT MARCH 31, 2020

	MARCH 31, 2020			MARCH 31, 2019
	General Fund	Indemnity Fund	Total	Total
	\$	\$	\$	\$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	40,429,127	-	40,429,127	40,274,501
Accounts receivable (note 4)	2,278,181	-	2,278,181	1,681,849
Grant receivable	-	-	-	73,750
Prepaid expenses	756,736	-	756,736	596,127
	43,464,044	-	43,464,044	42,626,227
<b>INVESTMENTS</b> (note 5)	18,719,701	2,871,849	21,591,550	21,165,609
<b>TANGIBLE CAPITAL ASSETS</b> (note 6)	3,109,889	-	3,109,889	3,329,551
<b>INTANGIBLE ASSETS</b> (note 6)	2,417,218	-	2,417,218	2,968,446
	67,710,852	2,871,849	70,582,701	70,089,833
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable (note 7)	22,165,440	-	22,165,440	23,116,317
Unearned revenue (note 8)	24,314,303	-	24,314,303	24,452,358
Deferred grant (note 9)	106,150	-	106,150	69,000
	46,585,893	-	46,585,893	47,637,675
<b>DEFERRED LEASE INDUCEMENT</b>	2,079,590	-	2,079,590	2,129,720
<b>EMPLOYEE FUTURE BENEFITS</b> (note 10)	2,331,100	-	2,331,100	2,377,700
	50,996,583	-	50,996,583	52,145,095
<b>FUND BALANCES</b>				
Invested in tangible capital assets and intangible assets	5,527,107	-	5,527,107	6,297,997
Restricted for professional liability insurance	801,061	-	801,061	785,258
Unrestricted	10,386,101	-	10,386,101	8,046,288
Indemnity Fund	-	2,871,849	2,871,849	2,815,195
	16,714,269	2,871,849	19,586,118	17,944,738
	67,710,852	2,871,849	70,582,701	70,089,833

On behalf of the Board of Directors of the  
ORDRE DES COMPTABLES PROFESSIONNELS  
AGRÉÉS DU QUÉBEC

*Nathalie Houle* FCPA, FCMA

Nathalie Houle, FCPA, FCMA  
Chair of the Order

*Andrée Lavigne*, CPA auditor, CA

Andrée Lavigne, CPA auditor, CA  
Chair of the Audit Committee



## OPERATIONS > FOR THE YEAR ENDED MARCH 31, 2020

	MARCH 31, 2020			MARCH 31, 2019
	General Fund*	Indemnity Fund	Total	Total
	\$	\$	\$	\$
<b>REVENUES</b>				
Annual dues	22,064,338	-	<b>22,064,338</b>	21,396,869
Stewardship of the profession	15,310,415	-	<b>15,310,415</b>	15,468,362
Qualification	7,867,543	-	<b>7,867,543</b>	7,651,235
Outreach and visibility	2,098,371	-	<b>2,098,371</b>	2,055,501
	47,340,667	-	<b>47,340,667</b>	46,571,967
<b>EXPENSES</b>				
Governance	2,147,796	-	<b>2,147,796</b>	1,948,723
Stewardship of the profession	17,628,601	-	<b>17,628,601</b>	17,289,500
Qualification	7,609,055	-	<b>7,609,055</b>	7,101,917
Public affairs, brand strategy and communications	3,856,531	-	<b>3,856,531</b>	4,005,961
Outreach and visibility	3,591,815	-	<b>3,591,815</b>	3,720,266
Operating expenses	11,699,347	-	<b>11,699,347</b>	10,067,523
	46,533,145	-	<b>46,533,145</b>	44,133,890
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE INVESTMENT INCOME</b>	807,522	-	<b>807,522</b>	2,438,077
Interest revenues	408,917	-	<b>408,917</b>	352,864
Other investment income (note 13)	369,287	56,654	<b>425,941</b>	893,533
	778,204	56,654	<b>834,858</b>	1,246,397
<b>EXCESS OF REVENUES OVER EXPENSES</b>	1,585,726	56,654	<b>1,642,380</b>	3,684,474

\* Revenues and expenses of the General Fund are detailed in Appendices A and B.

Revenues and expenses are presented in accordance with the standards prescribed by the Regulation respecting the annual reports of professional orders on pages 43 to 45.



## CHANGES IN FUND BALANCES > FOR THE YEAR ENDED MARCH 31, 2020

	MARCH 31, 2020				Total	MARCH 31, 2019
	General Fund			Indemnity Fund		Total
	Invested in tangible capital assets and intangible assets	Restricted for professional liability insurance*	Unrestricted			
	\$	\$	\$	\$	\$	\$
<b>BALANCE - BEGINNING OF YEAR</b>	6,297,997	785,258	8,046,288	2,815,195	<b>17,944,738</b>	14,111,864
Excess of revenues over expenses (of expenses over revenues)	(1,667,355)	15,803	3,237,278	56,654,	<b>1,642,380</b>	3,684,474
Purchase of tangible capital assets and intangible assets	896,465	-	(896,465)	-	-	-
Pension plan remeasurements and other items (note 10)	-	-	(1,000)	-	<b>(1,000)</b>	148,400
<b>BALANCE - END OF YEAR</b>	<b>5,527,107</b>	<b>801,061</b>	<b>10,386,101</b>	<b>2,871,849</b>	<b>19,586,118</b>	17,944,738

\* The amount restricted for professional liability insurance is used to offset increases in premiums of the group professional liability insurance plan.



## CASH FLOWS > FOR THE YEAR ENDED MARCH 31, 2020

	MARCH 31, 2020	MARCH 31, 2019
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	1,642,380	3,684,474
Non-cash items		
Amortization of tangible capital assets and intangible assets	1,667,355	1,594,182
Reinvested distributions of investment funds	(712,928)	(505,911)
Change in fair value of investments	286,987	(387,622)
Amortization of deferred lease inducement	(50,130)	(50,130)
Change in defined benefit liability	(47,600)	(10,300)
	2,786,064	4,324,693
Net change in non-cash working capital items	(1,734,973)	880,045
	1,051,091	5,204,738
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(343,673)	(634,750)
Purchase of intangible assets	(552,792)	(1,174,386)
	(896,465)	(1,809,136)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	154,626	3,395,602
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	40,274,501	36,878,899
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	40,429,127	40,274,501





# NOTES TO FINANCIAL STATEMENTS > FOR THE YEAR ENDED MARCH 31, 2020

## 1. INCORPORATION, NATURE OF ACTIVITIES AND STRUCTURE OF THE ORDER

The Ordre des comptables professionnels agréés du Québec (CPA Order) is constituted under the *Chartered Professional Accountants Act*, which was adopted by the Quebec National Assembly on May 16, 2012 and assented to on the same date by the Lieutenant Governor. The main function of the CPA Order is to protect the public. The CPA Order is governed by Quebec's *Professional Code* and is a not-for-profit organization within the meaning of the *Income Tax Act*. The CPA Order must, in particular, supervise the practice of the profession by its members, maintain the roll of the Order and ensure the delivery of practice permits to candidates who have met the required conditions.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The CPA Order's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook - Accounting* and are presented in accordance with Sections 22 to 25 of the *Regulation respecting the annual reports of professional orders*. They include the following significant accounting policies:

### a) Fund accounting

The General Fund is used for all ordinary and regular operations of the CPA Order. Revenues and expenses related to services and administration are presented in the General Fund.

The Indemnity Fund is intended to reimburse to third parties sums of money or other securities used by a member for purposes other than those for which they were entrusted to him or her in the practice of the profession, in accordance with Section 89 of the *Professional Code*.

### b) Management estimates

The preparation of financial statements, in conformity with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The critical estimates relate to the recognition of unearned revenue from educational activities and employee future benefits. Actual results could differ from these estimates.

### c) Revenue recognition

The CPA Order uses the deferral method to recognize contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from educational activities is recognized based on clients' use of the service, according to an average usage rate established each period and based on historical data.

Revenue from annual dues, admissions and investment income are recognized in the period to which it relates.

Other revenues are recognized when services are rendered.



# NOTES TO FINANCIAL STATEMENTS > FOR THE YEAR ENDED MARCH 31, 2020

## d) Financial instruments

### Methods and assumptions

The CPA Order initially recognizes its financial assets and financial liabilities at fair value.

The CPA Order subsequently measures all its financial assets and financial liabilities according to the valuation methods presented in the table below. Changes in fair value are recognized in the statement of operations.

FINANCIAL ASSETS AND FINANCIAL LIABILITIES	VALUATION
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Grant receivable	Amortized cost
Income Pooled Fund units	Fair value
Bond Pooled Fund units	Fair value
Canadian Equity Pooled Fund units	Fair value
Global Equity Pooled Fund units	Fair value
Commercial Mortgage Pooled Fund units	Fair value
Canadian Direct Real Estate Pooled Fund units	Fair value
Accounts payable	Amortized cost

The fair value of quoted investments is based on bid prices at the reporting date.

### Impairment

Financial assets measured at amortized cost are tested for impairment if there are any indications they may be impaired. The CPA Order determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. If this is the case, it reduces the carrying amount of the asset to the highest of either the present value of expected cash flows or the amount that could be realized by selling the asset at the year-end date. The amount of the reduction is recognized as an impairment loss in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

### Transaction costs

Transaction costs are expensed in the period incurred. However, transaction costs associated with financial instruments subsequently measured at amortized cost are recognized in the statement of operations at the cost of the financial asset or financial liability over the life of the instrument using the straight-line method.

### e) Contributed services

The operation of the CPA Order depends in part on the voluntary services of many members. The CPA Order elected not to recognize contributed services in its financial statements.

### f) Cash and cash equivalents

The CPA Order's policy is to disclose cash and investments with maturities of 90 days or less from the date of purchase under cash and cash equivalents.



# NOTES TO FINANCIAL STATEMENTS > FOR THE YEAR ENDED MARCH 31, 2020

## g) Tangible capital assets and intangible assets

Tangible capital assets and intangible assets are recorded at cost and amortized, once they are put in service, over their useful lives using the straight-line method at the following periods.

	PERIOD
<b>Tangible capital assets</b>	
Furniture and equipment	10 years
Telephone system	5 years
Computer hardware	3 years
Leasehold improvements	Term of the lease
<b>Intangible assets</b>	
Software	5 years

In-house software development costs are capitalized when the CPA Order can demonstrate, among other things, that it is technically able to develop the software until it is implemented and it deems the software will generate future economic benefits.

When a tangible capital asset or an intangible asset has no long-term service potential, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. No write-down is reversed.

## h) Deferred lease inducement

The deferred lease inducement is amortized on a straight-line basis so that the lease expense is charged to operations for the term of the original lease. Amortization is applied against the lease expense.

## i) Employee benefit plans

Up to December 31, 2006, the CPA Order offered a funded contributory defined benefit pension plan as well as unfunded defined benefit pension plans to its employees. The funded contributory defined benefit pension plan is maintained for services rendered before January 1, 2007 and continues as a contributory defined benefit pension plan for services rendered subsequent to that date.

The defined benefit obligation at the year-end date is determined using the most recent actuarial valuation report prepared for funding purposes.

The CPA Order recognizes the defined benefit obligation, less the fair value of the plan assets and adjusts for any valuation allowance. Current service cost and plan cost for the year are recognized in the statement of operations.

Remeasurements and other pension plan items comprise the aggregate of the following: the difference between the actual return on plan assets and the return calculated using the discount rate, actuarial gains and losses and changes in valuation allowance. These items are directly recognized in the statement of changes in fund balances for the year.

### (i) Defined benefits for past services

The reconciliation of the funded status of the employee benefit plans to the amounts recorded in the financial statements is described in note 10.

### (ii) Defined contributions

Participants to the defined contribution plan are required to make a contribution according to the basic employee contribution level selected by the participant which can be 3%, 4% or 5% of their salary. The CPA Order's required contribution to the defined contribution plan for current services equals 3% for participants who selected a 3% basic employee contribution. For participants who selected a 4% or 5% basic employee contribution, the CPA Order's contribution varies between 4% and 9% according to the number of points (age plus years of service). Additional contributions are also authorized, to the extent legally permissible by tax laws.



## NOTES TO FINANCIAL STATEMENTS > FOR THE YEAR ENDED MARCH 31, 2020

### 3. FINANCIAL INSTRUMENTS

The significant risks to which the financial instruments of the CPA Order are exposed are the following.

	RISKS			
	Credit	Currency	Interest Rate	Other price risk
Income Pooled Fund units	X		X	X
Bond Pooled Fund units	X		X	X
Canadian Equity Pooled Fund units				X
Global Equity Pooled Fund units		X		X
Commercial Mortgage Pooled Fund units	X		X	X
Canadian Direct Real Estate Pooled Fund units	X		X	X

The CPA Order holds investments in order to generate an optimal return while mitigating the volatility of cash flows and results and protecting its capital. The CPA Order has instituted an investment policy in order to manage its exposure to the significant risks associated with this type of financial instrument.

The policy provides a detailed description of asset allocation, authorized investment categories and specific considerations regarding the management of investments. Several restrictions and measures are designed to mitigate the risk associated with these financial instruments, in particular by limiting investment to units of mutual funds holding securities from issuers whose credit ratings are in compliance with the policy. Diversification of investment by issuer, country, industry, type of property and maturity is also preferred, as it tends to reduce the overall risk to which portfolio investments are exposed.

The Board of Directors of the CPA Order, through the Audit Committee, periodically reviews the investment policy and monitors compliance with it.

### 4. ACCOUNTS RECEIVABLE

	MARCH 31, 2020	MARCH 31, 2019
	\$	\$
Clients	2,098,582	1,495,645
Other amounts receivable	179,599	186,204
	2,278,181	1,681,849

The accounts receivable balance contains an allowance for impairment of \$87,879 (2019 - \$86,807).

### 5. INVESTMENTS

	MARCH 31, 2020	MARCH 31, 2019
	\$	\$
Income Pooled Fund units	8,350,470	8,177,552
Bond Pooled Fund units	6,585,508	6,334,027
Canadian Equity Pooled Fund units	662,727	840,012
Global Equity Pooled Fund units	1,494,920	1,523,348
Commercial Mortgage Pooled Fund units	2,141,717	2,090,828
Canadian Direct Real Estate Pooled Fund units	2,356,208	2,199,842
	21,591,550	21,165,609



# NOTES TO FINANCIAL STATEMENTS > FOR THE YEAR ENDED MARCH 31, 2020

## 6. TANGIBLE CAPITAL ASSETS AND INTANGIBLE ASSETS

	MARCH 31, 2020			MARCH 31, 2019
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
<b>Tangible capital assets</b>				
Furniture and equipment	1,921,042	1,412,158	508,884	585,758
Telephone system	73,781	5,256	68,525	-
Computer hardware	2,389,514	2,018,955	370,559	422,980
Leasehold improvements	3,314,007	1,152,086	2,161,921	2,320,813
	<b>7,698,344</b>	<b>4,588,455</b>	<b>3,109,889</b>	<b>3,329,551</b>
<b>Intangible assets</b>				
Software	7,828,199	5,410,981	2,417,218	2,968,446
	<b>15,526,543</b>	<b>9,999,436</b>	<b>5,527,107</b>	<b>6,297,997</b>

The amortization charge is as follows.

	MARCH 31, 2020	MARCH 31, 2019
	\$	\$
Amortization of tangible capital assets	563,335	517,900
Amortization of intangible assets	1,104,020	1,076,282
	<b>1,667,355</b>	<b>1,594,182</b>

During the year, the CPA Order wrote off a telephone system and software that was completely amortized and no longer in use.

## 7. ACCOUNTS PAYABLE

	MARCH 31, 2020	MARCH 31, 2019
	\$	\$
<b>Accounts payable and accrued liabilities</b>		
Suppliers	2,590,015	2,737,821
Salaries and payroll deductions other than government remittances	2,667,968	2,680,253
Amounts collected for CPA Canada services	12,546,748	12,987,514
Foundation of Quebec CPAs	7,240	5,865
	<b>17,811,971</b>	<b>18,411,453</b>
<b>Government remittances</b>	<b>3,313,325</b>	<b>3,628,464</b>
<b>Amounts collected for Office des professions du Québec levy</b>	<b>1,040,144</b>	<b>1,076,400</b>
	<b>22,165,440</b>	<b>23,116,317</b>

## 8. UNEARNED REVENUE

	MARCH 31, 2020	MARCH 31, 2019
	\$	\$
Member dues	17,991,252	18,609,184
Candidate dues	1,805,685	1,821,387
Educational activities	3,844,708	3,602,137
Courses, internships and professional examinations	234,340	221,925
Commercial products	358,708	189,095
Sale of services - Emploi CPA	62,663	-
Other	16,947	8,630
	<b>24,314,303</b>	<b>24,452,358</b>



## NOTES TO FINANCIAL STATEMENTS > FOR THE YEAR ENDED MARCH 31, 2020

### 9. DEFERRED GRANT

	MARCH 31, 2020	MARCH 31, 2019
	\$	\$
<b>Balance – beginning of year</b>	<b>69,000</b>	73,750
Grant received in the year	<b>206,250</b>	221,250
Grant recognized as revenue in the year	<b>(169,100)</b>	(226,000)
<b>Balance – end of year</b>	<b>106,150</b>	69,000

The Ministère de l'Immigration, de la Francisation et de l'Intégration (MIFI) has granted a subsidy to the CPA Order under the *Programme reconnaissance des compétences et accès aux ordres professionnels*. With this grant, the CPA Order commits to designing tools that will allow it to better assess and recognize the competency of immigrants holding a university degree in professional accounting issued by an educational institution outside Quebec. The agreement provides for a maximum financial contribution of \$760,000 to be allocated over three years until 2021.

As at March 31, 2020, revenue of \$169,100 (\$226,000 in 2019) was recognized pursuant to the related expenses incurred to implement the program to facilitate recognition of professionals trained abroad.

### 10. EMPLOYEE FUTURE BENEFITS

#### a) Defined benefit plans

The actuarial valuation for funding purposes was performed as at December 31, 2018. The value of the plan assets and the defined benefit obligation as at March 31, 2020 were derived through extrapolation between December 31, 2018 and March 31, 2020. The next actuarial valuation is scheduled for December 31, 2021.

Information about the defined benefit plans, in aggregate, is as follows.

	MARCH 31, 2020		MARCH 31, 2019	
	Funded pension plan	Unfunded pension plans	Funded pension plan	Unfunded pension plans
	\$	\$	\$	\$
Pension expense for the period	<b>111,100</b>	<b>97,800</b>	70,100	116,900
Remeasurements and other items	<b>7,500</b>	<b>(8,500)</b>	21,800	126,600

The reconciliation of the funded status of the pension plans and the defined benefit liability is as follows.

	MARCH 31, 2020		MARCH 31, 2019	
	Funded pension plan	Unfunded pension plans	Funded pension plan	Unfunded pension plans
	\$	\$	\$	\$
Fair value of plan assets	<b>13,648,100</b>	-	14,106,600	-
Defined benefit obligations	<b>(13,490,800)</b>	<b>(2,331,100)</b>	(13,660,600)	(2,377,700)
Valuation allowance	<b>(157,300)</b>	-	(446,000)	-
Defined benefit liability	-	<b>(2,331,100)</b>	-	(2,377,700)



## NOTES TO FINANCIAL STATEMENTS > FOR THE YEAR ENDED MARCH 31, 2020

The significant actuarial assumptions adopted are as follows.

	2020	2020
	Funded pension plan	Unfunded pension plans
<b>Defined benefit obligations as at March 31</b>		
Discount rate	4.25%	4.25%
Rate of compensation increase	3.50%	3.50%
<b>Costs recognized for the year ended March 31</b>		
Discount rate	4.25%	4.25%
Rate of compensation increase	3.50%	3.50%

	2019	2019
	Funded pension plan	Unfunded pension plans
<b>Defined benefit obligations as at March 31</b>		
Discount rate	4.25%	4.25%
Rate of compensation increase	3.50%	3.50%
<b>Costs recognized for the year ended March 31</b>		
Discount rate	4.75%	4.75%
Rate of compensation increase	3.50%	3.50%

The assets of the funded plan consist of the following.

	2020	2019
	Funded pension plan	Funded pension plan
Insured annuity contracts	39%	40%
Canadian equities	7%	7%
Foreign equities	8%	8%
Bonds	33%	33%
Commercial mortgage debt	13%	12%
	100%	100%

According to the actuarial valuation as at December 31, 2018, the funded pension plan is in a surplus position based on the funding. The funded pension plan showed an actuarial stabilization deficit of \$190,500 as at December 2018, which must be funded by the CPA Order for a period of 12 years.

Other information about the defined benefit plans of the CPA Order is as follows.

	MARCH 31, 2020		MARCH 31, 2019	
	Funded pension plan	Unfunded pension plans	Funded pension plan	Unfunded pension plans
	\$	\$	\$	\$
Employer's contribution	103,600	152,900	48,300	149,000
Benefits paid by the pension plans	734,800	152,900	724,100	149,000

### b) Defined contribution plan

For the year, the total cost recorded for the CPA Order's defined contribution plan is \$1,047,840 (2019 - \$979,290).



# NOTES TO FINANCIAL STATEMENTS > FOR THE YEAR ENDED MARCH 31, 2020

## 11. COMMITMENTS

The CPA Order agreed as of August 28, 2013 to lease office spaces for a period of 16 years ending in 2029. The total lease commitment is \$23,270,732. The required payments represent \$2,274,463 per year for the five subsequent years.

## 12. AGREEMENTS WITH CPA CANADA

### Administrative collaboration agreement

In accordance with the administrative collaboration agreement entered into with CPA Canada, the membership dues invoiced are shown net of the amounts collected for the services of CPA Canada concerning the chartered professional accountant profession. The amounts covered by this agreement are as follows.

	MARCH 31, 2020	MARCH 31, 2019
	\$	\$
Total billed membership dues	33,959,511	33,256,055
Amounts collected for CPA Canada services	14,119,888	14,056,321

As at March 31, 2020, the membership dues collected for the 2020-2020 year net of amounts collected for the services of CPA Canada are shown as unearned revenue in the statement of financial position (see note 8), while the portion collected for the services of CPA Canada is shown in accounts payable (see note 7).

### Education agreement

CPA Canada is responsible for the Professional Education Program offered and managed by the CPA Order. The education agreement entered into with CPA Canada stipulates a year-end adjustment mechanism for amounts paid for the program under which additional savings or costs over and above those incurred during the year are redistributed to the provincial organizations. Under this mechanism, the CPA Order recognized its portion of the adjustments as at March 31, 2020, representing savings of \$346,358 (2019 - savings of \$53,274). Program costs are shown under Qualification.

## 13. OTHER INVESTMENT INCOME

	MARCH 31, 2020	MARCH 31, 2019
	\$	\$
Reinvested distributions of investment funds	712,928	505,911
Change in fair value of investments	(286,987)	387,622
	425,941	893,533

## 14. TRANSACTIONS WITH THE FOUNDATION OF QUEBEC CPAs

In the context of its societal role, the CPA Order encourages the next generation through its financial support of the Foundation of Quebec Chartered Professional Accountants (Foundation of Quebec CPAs). The Foundation of Quebec CPAs' mission is to encourage the pursuit of education and to promote excellence in the various fields of expertise of CPAs as well as in other areas, by offering scholarships or grants to students of all academic levels and to professors.

Direct expenses included under Outreach and visibility amounting to \$118,227 (2019 - \$219,609) for the year ended March 31, 2020 were incurred by the CPA Order for the Foundation of Quebec CPAs. In addition, the CPA Order offers free administrative support and office space to the Foundation of Quebec CPA.





## NOTES TO FINANCIAL STATEMENTS > FOR THE YEAR ENDED MARCH 31, 2020

### 15. COVID-19

In March 2020, the World Health Organization declared the COVID-19 coronavirus infection a pandemic, which resulted in the implementation of emergency measures, including voluntary isolation and social distancing. The CPA Order accordingly adapted to the situation by continuing all its activities remotely. All classroom training sessions were cancelled in favour of online sessions.

The economic context of COVID-19 led to a drop in the sale of educational activities, offset in part by a decrease in related variable expenses, and this trend seems to be holding since the beginning of the 2020–2021 fiscal year. Given the ongoing evolution of the situation and resulting economic uncertainty, the financial impact of these events is too uncertain to be estimated at this time. The repercussions will be recorded when they are known and can be assessed.

### 16. COMPARATIVE FIGURES

Certain figures of the appendices for 2019 have been reclassified to reflect the presentation applied to 2020.



# REVENUES FROM THE GENERAL FUND > FOR THE YEAR ENDED MARCH 31, 2020

APPENDIX A	MARCH 31, 2020	MARCH 31, 2019
<b>REVENUES</b>	\$	\$
<b>ANNUAL DUES</b>		
Member dues		
Dues (note 12)	19,839,623	19,199,734
Reinstatement fees	79,100	67,800
Other – Annual declaration and dues	27,861	55,552
Candidate dues	2,117,754	2,073,783
	<b>22,064,338</b>	<b>21,396,869</b>
<b>STEWARDSHIP OF THE PROFESSION</b>		
Professional inspection	2,424,021	2,145,854
Practice within a partnership or company	32,000	34,491
Discipline	72,250	75,500
Violations committed by non-members	141,940	121,132
Professional liability insurance	230,000	226,734
Continuing education		
Educational activities	11,746,821	12,029,828
Tools and resources	436,068	524,278
Other – Regulation respecting compulsory continuing education	227,315	310,545
	<b>15,310,415</b>	<b>15,468,362</b>
<b>QUALIFICATION</b>		
Member admissions	578,257	603,376
Candidate admissions	752,743	807,286
Grant (note 9)	169,100	226,000
Courses, internships and professional examinations		
Professional Education Program and internships	4,109,608	3,792,458
Professional examinations	2,257,835	2,222,115
	<b>7,867,543</b>	<b>7,651,235</b>
<b>OUTREACH AND VISIBILITY</b>		
Member services		
Events, partnerships and commercial products	1,172,131	981,008
Regional activities	345,825	376,920
Sale of services		
Emploi CPA	580,415	697,573
	<b>2,098,371</b>	<b>2,055,501</b>
<b>REVENUES BEFORE INVESTMENT INCOME</b>	<b>47,340,667</b>	<b>46,571,967</b>
Interest revenues	408,917	352,864
Other investment income	369,287	774,686
	<b>778,204</b>	<b>1,127,550</b>
<b>TOTAL REVENUES – GENERAL FUND</b>	<b>48,118,871</b>	<b>47,699,517</b>



## EXPENSES OF THE GENERAL FUND > FOR THE YEAR ENDED MARCH 31, 2020

APPENDIX B	MARCH 31, 2020	MARCH 31, 2019
<b>EXPENSES</b>	\$	\$
<b>GOVERNANCE</b>		
General management and Board of Directors activities	2,015,373	1,734,865
Annual general meeting and annual report	132,423	213,858
	<b>2,147,796</b>	<b>1,948,723</b>
<b>STEWARDSHIP OF THE PROFESSION</b>		
Professional inspection	1,864,349	1,948,048
Office of the Syndic	3,250,062	2,684,838
Professional liability insurance	45,277	19,724
Indemnification	1,768	309
Discipline, conciliation and arbitration	49,788	79,678
Violations committed by non-members	216,886	209,612
Contribution to the Québec Interprofessional Council	56,186	55,452
Continuing education		
Educational activities	8,340,607	8,365,344
Tools and resources	168,338	179,711
Other – Regulation respecting compulsory continuing education	655,719	583,467
Professional standards and support for professional practice		
Legal affairs	2,042,768	2,080,145
Laws and regulations	42,308	51,542
Support for professional practice	894,545	1,031,630
	<b>17,628,601</b>	<b>17,289,500</b>
<b>QUALIFICATION</b>		
Admission and education committee	2,125,785	2,168,018
Courses, internships and professional examinations		
Professional Education Program and internships	2,876,754	3,076,529
Professional examinations	2,606,516	1,857,370
	<b>7,609,055</b>	<b>7,101,917</b>



## EXPENSES OF THE GENERAL FUND > FOR THE YEAR ENDED MARCH 31, 2020

APPENDIX B (cont'd)	MARCH 31, 2020	MARCH 31, 2019
<b>EXPENSES (cond't)</b>	\$	\$
<b>PUBLIC AFFAIRS, BRAND STRATEGY AND COMMUNICATIONS</b>		
Public affairs and communications	2,301,762	2,204,060
Brand promotion	1,554,769	1,801,901
	<b>3,856,531</b>	<b>4,005,961</b>
<b>OUTREACH AND VISIBILITY</b>		
Member services		
Promotion of the profession	441,020	521,977
Events and commercial products	1,785,795	1,889,892
Regional activities	704,138	676,349
Foundation of Quebec CPAs (note 14)	118,227	219,609
Business development	542,635	412,439
	<b>3,591,815</b>	<b>3,720,266</b>
<b>OPERATING EXPENSES</b>		
Human resource management	1,140,420	937,158
Administration and finance	1,951,231	1,864,665
Financial expenses	935,276	917,600
Information systems	3,690,201	2,459,396
Occupancy expenses	2,314,864	2,294,522
Amortization of tangible capital assets and intangible assets	1,667,355	1,594,182
	<b>11,699,347</b>	<b>10,067,523</b>
<b>TOTAL EXPENSES - GENERAL FUND</b>	<b>46,533,145</b>	<b>44,133,890</b>



## REVENUES – Pursuant to the *Regulation respecting the annual reports of professional orders* > FOR THE YEAR ENDED MARCH 31, 2020

	BUDGET (unaudited)	MARCH 31, 2020	MARCH 31, 2019
<b>REVENUES – GENERAL FUND</b>	\$	\$	\$
Annual dues			
Member dues	20,115,366	19,946,584	19,323,086
Candidate dues	2,038,237	2,117,754	2,073,783
Practice within a partnership or company	29,000	32,000	34,491
Admission	1,408,900	1,331,000	1,410,662
Courses, internships and professional examinations	6,541,635	6,367,443	6,014,573
Professional liability insurance	230,000	230,000	226,734
Professional inspection	2,323,000	2,424,021	2,145,854
Continuing education	12,531,746	12,410,204	12,864,651
Discipline	80,000	72,250	75,500
Violations committed by non-members	65,000	141,940	121,132
Member services	1,518,237	1,517,956	1,357,928
Sale and lease of goods and services	675,000	580,415	697,573
Interest and investment income	758,321	778,204	1,127,550
Grants	185,000	169,100	226,000
<b>TOTAL REVENUES – GENERAL FUND</b>	<b>48,499,442</b>	<b>48,118,871</b>	<b>47,699,517</b>
<b>REVENUES – INDEMNITY FUND</b>			
Interest and investment income	66,679	56,654	118,847

The figures presented on page 43 to 45 under the “Budget” column are provided for information purposes only and were not audited. This budget was approved by the Board of Directors on February 22, 2019.



## EXPENSES – Pursuant to the *Regulation respecting the annual reports of professional orders* > FOR THE YEAR ENDED MARCH 31, 2020

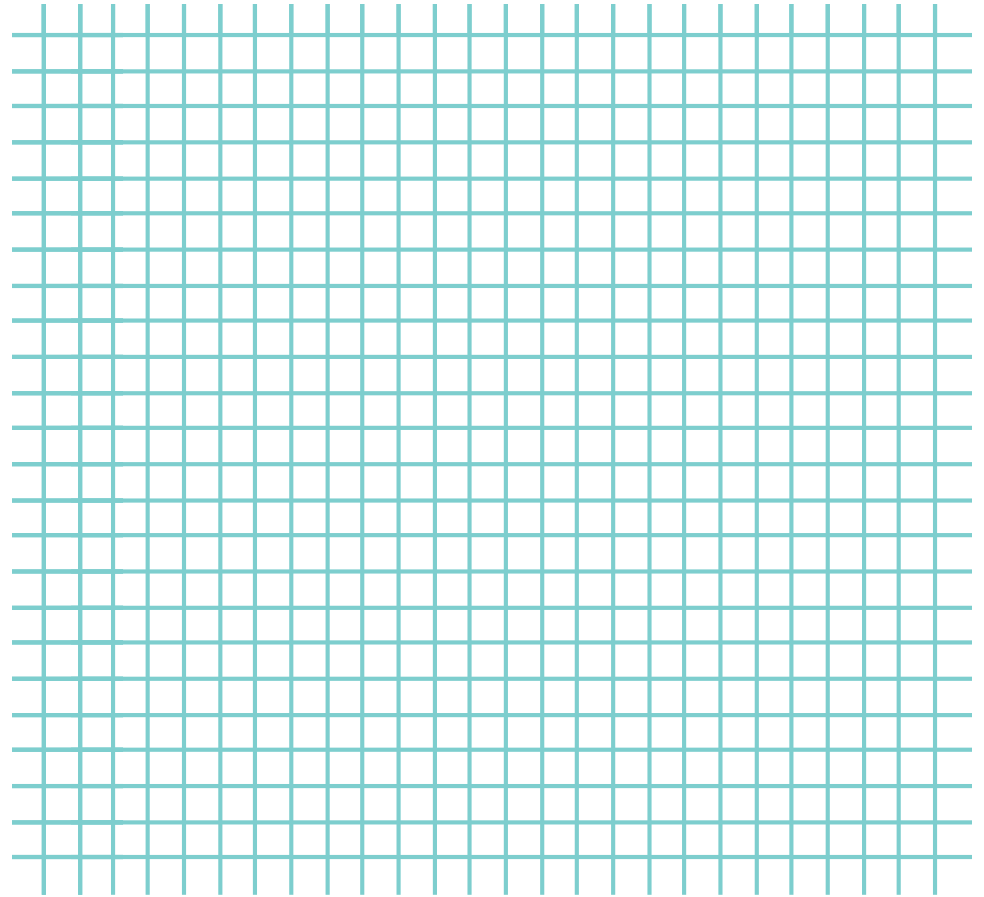
	BUDGET (unaudited)	MARCH 31, 2020	MARCH 31, 2019
<b>EXPENSES – GENERAL FUND</b>	\$	\$	\$
Admission	2,153,670	2,123,256	2,166,118
Courses, internships and professional examinations	6,230,771	5,483,270	4,933,899
Professional liability insurance	12,650	45,277	19,724
Indemnification	300	1,768	309
Education committee	14,400	2,529	1,900
Professional inspection	2,137,923	1,864,349	1,948,048
Professional standards and support for professional practice	3,600,697	2,979,621	3,163,317
Continuing education	10,069,432	9,164,664	9,128,522
Office of the Syndic	3,036,364	3,250,062	2,684,838
Conciliation and arbitration of accounts	27,750	11,124	13,440
Review Committee	7,150	5,043	13,792
Disciplinary Council	41,750	33,621	52,446
Violations committed by non-members	157,050	216,886	209,612
Governance	2,039,396	2,147,796	1,948,723
Communications	4,562,345	3,856,531	4,005,961
Contribution to the Québec Interprofessional Council	55,000	56,186	55,452
Member services	3,770,335	3,591,815	3,720,266
General and administrative expenses to be allocated	10,787,522	11,699,347	10,067,523
<b>TOTAL EXPENSES – GENERAL FUND</b>	<b>48,704,505</b>	<b>46,533,145</b>	<b>44,133,890</b>
<b>EXPENSES – INDEMNITY FUND</b>			
Indemnification	-	-	-



## ALLOCATION OF EXPENSES – Pursuant to the *Regulation respecting the annual reports of professional orders* > FOR THE YEAR ENDED MARCH 31, 2020

	BUDGET (unaudited)	MARCH 31, 2020	MARCH 31, 2019
<b>GENERAL AND ADMINISTRATIVE EXPENSES TO BE ALLOCATED</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Human resource management	1,137,773	1,140,420	937,158
Administration and finance	1,914,686	1,951,231	1,864,665
Financial expenses	1,000,000	935,276	917,600
Information systems	2,752,207	3,690,201	2,459,396
Occupancy expenses	2,334,689	2,314,864	2,294,522
Amortization of tangible capital assets and intangible assets	1,648,167	1,667,355	1,594,182
	<b>10,787,522</b>	<b>11,699,347</b>	<b>10,067,523</b>
<b>ALLOCATION OF GENERAL AND ADMINISTRATIVE EXPENSES BY ACTIVITY</b>			
Admission	612,727	713,121	640,146
Courses, internships and professional examinations	1,772,677	1,841,622	1,458,099
Professional liability insurance	3,599	15,207	5,829
Indemnification	85	594	91
Education committee	4,097	849	561
Professional inspection	608,247	626,164	575,700
Professional standards and support for professional practice	1,024,412	1,000,741	934,845
Continuing education	2,864,791	3,078,062	2,697,723
Office of the Syndic	863,857	1,091,572	793,441
Conciliation and arbitration of accounts	7,895	3,736	3,972
Review Committee	2,034	1,694	4,076
Disciplinary Council	11,878	11,292	15,499
Violations committed by non-members	44,681	72,844	61,946
Governance	580,216	721,363	575,900
Communications	1,298,004	1,295,262	1,183,869
Contribution to the Québec Interprofessional Council	15,648	18,870	16,388
Member services	1,072,674	1,206,354	1,099,438
	<b>10,787,522</b>	<b>11,699,347</b>	<b>10,067,523</b>

General and administrative expenses is allocated to each activity on a prorata of direct expenses, as defined in the *Guide des bonnes pratiques en matière de reddition de comptes des ordres professionnels* [Guide of best practices for professional orders in the area of reporting].







# STATUTORY REPORTS



# ARBITRATION OF ACCOUNTS

## COUNCIL MEMBERS

**Jean Bélanger**, CPA, CA, CA•IFA, chair  
**Dany Boivin**, CPA, CMA  
**Rhéal Jr Brunet**, CPA auditor, CA  
**Gilles Gingras**, CPA auditor, CA  
**Hélène Huot**, CPA auditor, CA  
**Michel P. Laliberté**, FCPA auditor, FCGA  
**René Martin**, FCPA auditor, FCA  
**Pierre Monty**, CPA auditor, CGA  
**Michael Newton**, CPA auditor, CA  
**Luc Riccio**, CPA auditor, CGA  
**Yasmin Rivera**, FCPA, FCMA

## SECRETARY

**Véronique Smith**

The mandate of the Council for the arbitration of accounts is to settle disputes respecting the accounts of members of the Ordre des comptables professionnels agréés du Québec that were unresolved by the Office of the syndic through conciliation. The council receives applications, considers the arguments of the various parties and renders a decision. It may decide to maintain or reduce the disputed amount and determine the amount of the refund or payment to which a party may be entitled.

During the year, the council held an annual plenary training session on drafting arbitration awards and imposing interest and indemnities.

**Jean Bélanger**, CPA, CA, CA•IFA  
 Chair

## SUMMARY OF FILES

Active files as at April 1, 2019	2
New applications	10
New inadmissible applications	2
Withdrawn applications	1
Agreements between the parties before referral to the council	1
<b>Arbitration hearings held</b>	<b>4</b>
<b>Arbitration decisions rendered</b>	<b>4</b>
Member accounts maintained	3
Member accounts reduced	1
<b>Files outstanding as at March 31, 2020</b>	<b>6</b>



# PROFESSIONAL LIABILITY INSURANCE

## Professional liability insurance for chartered professional accountants

All members of the Order are required to enroll in the professional liability group insurance plan under the *Regulation respecting professional liability insurance for members of the Ordre des comptables professionnels agréés du Québec*.

Under the Regulation, the amount of coverage for a 12-month period is:

- (i) at least \$1,000,000 per claim against a chartered professional accountant;
- (ii) \$2,000,000 per claim when a chartered professional accountant employs at least one other chartered professional accountant or when two or more chartered professional accountants practice within the same partnership or company and the claim is made against more than one chartered professional accountant.

DISTRIBUTION OF MEMBERS AND AMOUNT OF INSURANCE COVERAGE			
Coverage method	Number of members	Amount of coverage	
		Per claim	For all claims
Single coverage (members exempted under section 3 of the Regulation)	2,924	\$1,000,000	No ceiling
Professional liability group insurance plan	37,313	\$1,000,000	No ceiling

## Professional liability insurance on behalf of a partnership or company

Members who carry out their professional activities within a limited liability partnership (LLP) or a joint-stock company (JSC) must also maintain professional liability coverage on behalf of such partnership or company in accordance with the *Regulation respecting the practice of the chartered professional accountancy profession within a partnership or a joint-stock company*.

For a chartered professional accountant who is the sole practitioner and sole shareholder of a joint-stock company in which no other CPA member is an employee, coverage of at least \$500,000 per claim and for the aggregate of claims made against the company in a 12 month period of coverage is required. Moreover, coverage of at least \$1,000,000 per claim and for the aggregate of claims made against the partnership or company in a 12-month period of coverage is required for all other partnerships or companies.

DISTRIBUTION, LEGAL FORM AND COMPOSITION OF PARTNERSHIPS AND COMPANIES					
Category	Amount of coverage	Number of partnerships/companies		Number of members	
		JSC	LLP	JSC	LLP
Sole shareholder with no CPA employees	\$500,000	979	N/A	979	N/A
Other partnerships or companies	\$1,000,000	555	151	2,578	4,644
<b>Total</b>		<b>1,534</b>	<b>151</b>	<b>3,557</b>	<b>4,644</b>



# AUDIT

## COMMITTEE MEMBERS

**Andrée Lavigne**, CPA auditor, CA, chair

**Pierre G. Brodeur**, CPA auditor, CA

**Christine Roy**, CPA auditor, CA

**Yves Hébert**, representative of the public

## SECRETARY

**Mélanie Charbonneau**, CPA auditor, CA

Composed of at least three members who also sit on the Board of directors, the Audit committee reports to the Board, with which it has power of recommendation. The committee's role is to assist the board in fulfilling its oversight obligations and responsibilities in respect of the quality and integrity of financial reporting. As part of its role of monitoring the Order's financial activities, the committee is responsible for the oversight of external audit activities, internal control, risk management and information security.

During the year, the committee met four times. The committee members also held in-camera sessions with the independent auditor without management being present.

During these meetings, the committee:

- reviewed the 2020-2021 budget and recommended its adoption to the board;
- reviewed the financial information presented in the Consultation Paper on the 2020-2021 Annual Dues and recommended the 2020-2021 annual dues amount for the different member categories to the board;
- reviewed the 2021-2025 budget directions;
- reviewed the Order's financial position for the current year;
- met with the independent auditor to review the annual audit plan and the results of the audit;
- received and examined the reports, and the significant findings and recommendations of the independent auditor following the audit work;

- recommended the renewal of the external auditor's annual mandate for the current year;
- reviewed management's accountability on strategic risks;
- ensured that an appropriate risk management framework was maintained;
- monitored adherence to the fund balance management policy;
- monitored adherence to the information security policy;
- ensured that management established an adequate system of internal controls;
- monitored compliance with applicable laws and regulations related to managing the Order's financial affairs, including the collection and remittance of source deductions and sales taxes;
- reviewed the investment policy and monitored adherence to said policy;
- reviewed the Order's insurance coverage;
- reviewed the expenses of the President and Chief Executive Officer and the Chair of the Order, and validated adherence to the expense reimbursement policy.

Lastly, the Audit committee reviewed the Order's audited financial statements as at March 31, 2020, and recommended their approval to the Board of directors.

**Andrée Lavigne**, CPA auditor, CA  
Chair



# OFFICE OF THE SYNDIC

## SYNDIC

**Paule Bouchard**, FCPA auditor, FCA

## ASSISTANT SYNDICS

**Michel Beauséjour**, FCPA, FCA

**Gérald Gratton**, CPA, CGA

**Louise Harvey**, CPA auditor, CGA

**Chantal Le Rossignol**, CPA auditor, CA

**Claude Maurer**, CPA, CA

**Josée Mélançon**, CPA, CA

## LAWYER

**Alexandre L. Racine**

The mandate of the Office of the syndic is to inquire into any information it receives to the effect that a member violated the *Professional Code*, the *Chartered Professional Accountants Act* and regulations related thereto, or the *Code of ethics of chartered professional accountants*.

The Office of the syndic also handles applications for conciliation of fees and requests for access to information under its jurisdiction.

During the year, the Office of the syndic received 316 requests for an inquiry, including 153 from the public. These cases dealt mainly with violations of the provisions of the *Code of ethics of chartered professional accountants* and the *Chartered Professional Accountants Act*.

Of all the cases processed, 28 resulted in 28 complaints lodged before the Disciplinary council.

Applications for conciliation of members' accounts processed this year pertained to clients not receiving estimates of expected fees or not being informed of an increase in fees during the mandate. The amounts ranged from \$200 to \$108,000.

In 2019-2020, the Office of the syndic received seven requests under the *Act respecting Access to documents held by public bodies and the Protection of personal information*.

The Office of the syndic received over 1,900 ethics-related telephone calls, 45% of which were from the public. The Office offered a total of nine training sessions for members and three for candidates for the profession, in addition to publishing articles on relevant topics for preventive purposes.

**Paule Bouchard**, FCPA auditor, FCA  
Syndic



REQUESTS FOR AN ETHICS-RELATED INQUIRY FILED WITH THE OFFICE OF THE SYNDIC	2019-2020	2018-2019
Brought forward from last year	253	191
New complaints (concerning 279 members)	316	383
	<b>569</b>	574
Cases processed during the year	373	321
Cases carried over to next year	196	253

CASES PROCESSED DURING THE YEAR	2019-2020	2018-2019
Complaints lodged before the Disciplinary council (28 cases)	28	38
Conciliation - Ethics	2	2
Matters requiring the intervention of the syndic	24	24
Warnings	164	94
No ethical violation	98	95
Written commitments through an agreement	4	12
Requests for an inquiry withdrawn by complainants, closed due to complainant's lack of cooperation or deemed inadmissible by a syndic	39	40
Cases forwarded to the Professional inspection committee	1	1
Other	13	15
	<b>373</b>	321
Number of members whose cases were processed	339	290

DECISIONS SUBMITTED BY COMPLAINANTS TO THE REVIEW COMMITTEE	2019-2020	2018-2019
Brought forward from last year	3	2
New cases	17	16
	<b>20</b>	18
Decisions upheld	16	11
Subsequent inquiry suggested	0	1
Appointment of <i>ad hoc</i> syndic suggested	0	1
Ongoing cases	4	5

CONCILIATION OF MEMBERS' ACCOUNTS	2019-2020	2018-2019
Brought forward from last year	7	4
New cases	62	53
	<b>69</b>	57
Cases processed	62	50
Cases carried over to next year	7	7

OUTCOME OF CASES PROCESSED DURING THE YEAR	2019-2020	2018-2019
Cases settled during conciliation	26	20
Cases withdrawn by complainants	2	1
Inadmissible cases (received after the prescribed deadline or other)	6	5
Cases for which a report was issued	28	24
	<b>62</b>	50



# DISCIPLINE

## CHAIRS OF THE BUREAU DES PRÉSIDENTS DES CONSEILS DE DISCIPLINE DES ORDRES PROFESSIONNELS

**Marie-Josée Corriveau**, lawyer, senior chair

**Daniel Y. Lord**, lawyer, deputy senior chair

**Julie Charbonneau**, lawyer, chair

**Maurice Cloutier**, lawyer, chair

**Hélène Desgranges**, lawyer, chair

**Isabelle Dubuc**, lawyer, chair

**Myriam Giroux-Del Zotto**, lawyer, chair

**Lyne Lavergne**, lawyer, chair

**Georges Ledoux**, lawyer, chair

**Nathalie Lelièvre**, lawyer, chair

**Jean-Guy Légaré**, lawyer, chair

**Lydia Milazzo**, lawyer, chair

**Chantale Perreault**, lawyer, chair

**Pierre R. Sicotte**, lawyer, chair

## COUNCIL MEMBERS

**John W. Babiak**, FCPA, FCMA

**Benoît Boivin**, FCPA, FCA

**Éric Bonenfant**, FCPA, FCMA  
(until February 24, 2020)

**Alain Breault**, CPA, CGA

**Louise Briand**, CPA auditor, CA  
(until December 6, 2019)

**Daniel Charest**, CPA auditor, CGA

**Alain Chassé**, CPA auditor, CA

**Robert Desforges**, CPA, CA (until June 18, 2019)

**Sylvie Deslauriers**, FCPA auditor, FCA

**Gaetano Di Guglielmo**, CPA, CA

**Jean-Pierre Dubeau**, FCPA, FCA

**Paul Dumas**, CPA auditor, CA

**Claire Gauthier**, CPA, CMA

**Renaud Gilbert**, CPA, CA

**Pierre Jolicœur**, CPA auditor, CA

**Bertrand Lachance**, CPA, CA

**Michel Ladouceur**, CPA, CGA

**André Lafond**, CPA, CA

**W. Robert Laurier**, FCPA auditor, FCA

**Louis LeBrun**, FCPA, FCGA

**Sylvain Loiseau**, CPA auditor, CA

**Gaétan Marceau**, CPA, CA

**William Povitz**, CPA, CMA

**Michel Roberge**, CPA, CA

**Daniel Rocheleau**, CPA, CA

**Brahm Shiller**, CPA auditor, CA  
(until June 18, 2019)

**Réal Sureau**, FCPA, FCA

## SECRETARY

**Véronique Smith**

The Disciplinary council is a quasi-judicial tribunal comprised of three members, including a chair, who is an attorney appointed by the government, and two chartered professional accountants appointed by the Order's Board of directors. It receives all disciplinary complaints lodged against chartered professional accountants or persons who were members of the Order at the time the alleged acts were committed with respect to violations of the *Chartered Professional Accountants Act*, the *Professional Code* and the regulations thereunder. The Disciplinary council determines whether these professionals are guilty and imposes penalties, as appropriate.

During the period of April 1, 2019 to March 31, 2020, the Disciplinary council received 28 complaints filed exclusively by the Office of the syndic.

During this period, the council held 59 days of hearings to process 42 complaints. Of these hearings, 27 were on the complaint and penalty, 15 on the complaint, 7 on the penalty and 10 on preliminary motions.



The council completed hearings for 31 complaints related to the violations below, filed by the Office of the syndic, a syndic *ad hoc* or any other person:

COMPLAINTS FOR WHICH HEARINGS WERE COMPLETED		
Nature of the complaints	Lodged by the Office of the syndic or a syndic <i>ad hoc</i>	Lodged by any other person (private complaints)
Practice of public accountancy without a permit	83	-
Failure to ensure the accuracy and integrity of the information provided to the Order	49	-
Failure to perform one's professional duties with integrity and objectivity	13	-
Failure to discharge obligations with diligence and due care, in keeping with professional accounting standards, with other standards and with scientific knowledge then in effect	8	-
False or misleading documents and statements	5	-
Being found guilty of a criminal offence related to the practice of the profession	5	-
Act derogatory to the discipline, honour or dignity of the profession	-	4
Obstruction of the syndic's inquiry/failure to respond to the syndic	4	-
Having made an assignment of one's property	4	-
Failure to display reasonable availability and diligence	3	-
Lack of independence/conflict of interest	2	-
Being found guilty of an offence against any tax act or securities act in Canada or another country by a final judgment of a court of competent jurisdiction	2	-
Failure to notify the Order of having been the subject of a judicial decision referred to in section 59.3 of the <i>Professional Code</i>	2	-
Failure to notify the Order without delay of having made an assignment of property	2	-
Failure to notify the Order of any change in one's status as a member	2	-
Failure to act with dignity and avoid any method or attitude likely to damage the profession's good reputation	-	1
Obstruction of the person responsible for professional inspection	1	-
Failure to inform the Board of directors of being or having been the subject of a judicial or disciplinary decision described in section 45 or 45.1 of the <i>Professional Code</i>	1	-
Failure to promptly return a client's records and documents	1	-
Failure to cooperate with the Order or any person appointed to assist it, and to reply without undue delay to any correspondence from the Order or such person.	1	-





COUNCIL DECISIONS	
Decisions rendered within 90 days of being taken under advisement	39
Authorizing the withdrawal of the complaint	0
Rejecting the complaint	2
Acquitting the respondent	1
Finding the respondent guilty	3
Finding the respondent guilty and acquitting the respondent	1
Finding the respondent guilty and imposing a penalty	28
Imposing a penalty	3
Pursuant to section 149.1 of the <i>Professional Code</i> and on conviction	1
On preliminary motions	10
On review of the list of costs	1
On immediate provisional striking off the roll	0

PENALTIES IMPOSED PER COUNT	
Reprimand	26
Revocation of permit	16
Temporary striking off the roll	87
Provisional striking off the roll	0
Fine	23
Publication of notice	27
Costs	31

The Disciplinary council issued no recommendation to the Board of directors during the year.

APPEALS TO THE PROFESSIONS TRIBUNAL	
Decisions appealed to the Professions Tribunal	5
Appeals heard by the Professions Tribunal	2
Decisions rendered by the Professions Tribunal	2

Lastly, the Disciplinary council held an annual plenary session for training on the management of respondents without legal representation, joint recommendations respecting penalties and appeals to the Professions Tribunal.



# ILLEGAL PRACTICE AND UNAUTHORIZED USE OF THE DESIGNATION

The Order conducts investigations into cases of illegal practice and unauthorized use of the designation that are brought to its attention, and takes appropriate measures to put a stop to these situations.

During 2019-2020, files relating to the illegal practice of the profession or unauthorized use of the designation break down as follows:

INVESTIGATIONS			
	Illegal practice	Unauthorized use of the designation	Illegal practice and unauthorized use of the designation
Investigations completed	27	32	18

PENAL PROCEEDINGS			
	Illegal practice	Unauthorized use of the designation	Illegal practice and unauthorized use of the designation
Penal proceedings instituted	6	7	8

DECISIONS RENDERED				
	Decisions rendered	Decisions in which the defendant was found guilty	Decisions in which the defendant was found not guilty	Total amount of fines imposed
Illegal practice	15	15	0	\$89,000
Unauthorized use of the designation	12	11	1	\$66,500
Illegal practice and unauthorized use of the designation	7	7	0	\$122,000
<b>TOTAL</b>	<b>34</b>	<b>33</b>	<b>1</b>	<b>\$277,500</b>



# INDEMNITY FUND

## COMMITTEE MEMBERS

**Daniel Williams**, CPA, CA, chair

**Anne-Marie Bélanger**, CPA, CA

**Micheline Hébert**, CPA, CGA

**Marlyne Laflamme**, CPA, CMA

## SECRETARY

**Ariane Côté**, notary

The purpose of the Indemnity Fund is to reimburse funds or property used by a member for purposes other than those for which they were entrusted to the member in the practice of his or her profession. In accordance with the regulation, the maximum indemnity payable by the Indemnity Fund per claim in respect of a member is set at \$80,000 for individual claimants and \$300,000 for all claimants.

In two of the files active as at April 1, 2019, the parties agreed to suspend the Indemnity Fund Committee's analysis of their claims until the resolution of the civil proceedings.

**Daniel Williams**, CPA, CA  
Chair

SUMMARY OF FILES		
	Total	Amounts claimed
Active files as at April 1, 2019	7	\$3,516,429.29
New claims	1 <sup>1</sup>	\$300,000.00
Closed files	4	\$229,930.69
<b>Active files as at March 31, 2020</b>	<b>4</b>	<b>\$3,586,498.60</b>

INDEMNITIES PAID AND FILES CLOSED			
	Total	Amount claimed	Indemnity paid
Claims accepted in whole	0	-	-
Claims accepted in part	0	-	-
Claims refused	4 <sup>2</sup>	\$229,930.69	-
<b>TOTAL</b>	<b>4</b>	<b>\$229,930.69</b>	<b>-</b>

<sup>1</sup> The claim concerns a former Order member.

<sup>2</sup> The claims concern three Order members and one former Order member.



# TRAINING

## COMMITTEE MEMBERS

Michel Larouche, CPA auditor, CA, chair, appointed by the Order

Danièle Blanchette, CPA auditor, CA, appointed by the Order

Antonello Callimaci, FCPA auditor, FCA, appointed by the Bureau de coopération interuniversitaire

Francine Turmel, FCPA, FCA, appointed by the Bureau de coopération interuniversitaire

Marie-Claude Riopel, appointed by the Minister of Education and Higher Education

## SECRETARY

**Hélène Racine**, FCPA auditor, FCA

The Committee on training of Quebec chartered professional accountants met once during the year. It reviewed the amended version of CPA Canada's Competency Map, which incorporates new enabling competencies. After a discussion with the Professional education programs committee, it issued a favourable opinion to the Board.

**Michel Larouche**, CPA auditor, CA  
Chair



# COMPULSORY CONTINUING EDUCATION

Under the *Regulation respecting compulsory continuing education for Quebec chartered professional accountants* (the Regulation), all active members are required to devote at least 120 hours per three-year reference period to continuing education activities, with a minimum of 25 hours per year, of which no more than 15 hours per year may be spent on self-study activities such as reading. Continuing education activities must relate to the chartered professional accountant's professional activities.

Moreover, members who hold a public accountancy permit are also subject to the *Regulation respecting compulsory continuing education for Quebec chartered professional accountants who hold a public accountancy permit* (Public Accountancy Regulation). These members are required to devote at least 60 hours per three-year reference period to structured continuing education activities in specific areas, with a minimum of 15 hours per reference year. The 60 hours must cover audit and review engagements and other activities related to public accountancy. These requirements are part of the general requirements set out in the Regulation.

The three-year rolling reference period extends from September 1, 2018 to August 31, 2021. The reference year ended on August 31, 2019. Of the 36,625 active members subject to the Regulation, 10,719 are also subject to the Public Accountancy Regulation.

During the year, 20 members were the subject of an Executive committee decision ordering their striking off the roll of the Order for failing to accumulate the compulsory continuing education hours prescribed by the Regulation. Of these 20 members, 2 also had their public accountancy permit suspended. Moreover, five members had their public accountancy permit suspended for failing to accumulate the compulsory continuing education hours prescribed by the Public Accountancy Regulation.



## SUMMARY OF CONTINUING EDUCATION ACTIVITIES

Structured continuing education activities	Members (total)	Hours (total)	Members also subject to the Public Accountancy Regulation	Hours in areas related to public accountancy
Courses offered or organized by the Order and CPA Canada	18,785	363,805	7,418	116,477
Courses offered or organized by other orders or similar organizations	4,741	71,898	1,256	5,204
Courses offered or organized by educational or specialized institutions that have access to appropriate professional, technical and educational resources	8,490	261,162	2,276	29,469
Formal courses or continuing education activities offered in the workplace	21,257	478,960	6,245	107,615
Discussion groups or technical committees	6,650	86,996	1,482	12,413
Symposiums, seminars or conferences with a prevalence of technical or educational content	13,162	176,380	2,544	10,659
E-learning activities	5,398	52,255	1,425	9,594
Authorship of published articles or other publications related to the practice of the CPA profession and studies or research projects	552	32,493	146	6,488
<b>Subtotal - Structured activities</b>		<b>1,523,949</b>		<b>297,919</b>
Self-study activities	31,629	435,594		0
<b>Total</b>		<b>1,959,543</b>		<b>297,919</b>



# PROFESSIONAL INSPECTION

## COMMITTEE MEMBERS

**Josée Leclerc**, CPA auditor, CA, chair

**Luc Bédard**, CPA auditor, CA

**François Berthiaume**, CPA auditor, CA

**Jean Boudreau**, CPA auditor, CA

**Tracy Chehab**, CPA auditor, CA

**Louise Dagnault**, CPA auditor, CA

**Lino Delarosbil**, CPA auditor, CA

**Toni Dilli**, CPA auditor, CA

**Serge Goudreau**, CPA auditor, CA

**Robert Larose**, CPA auditor, CA

**Mélanie Leduc**, CPA auditor, CA

**Isabelle Lemieux**, CPA auditor, CA

**Jean Morissette**, CPA auditor, CA

**Luc Paquet**, CPA auditor, CA

**Marc-Stéphane Pennee**, CPA auditor, CA

**Sandra Santos**, CPA auditor, CGA

## SECRETARY

**Geneviève Beauchemin**, CPA auditor, CA

MAIN ACTIVITIES OF THE COMMITTEE DURING THE PERIOD	2019-2020	2018-2019
Practising units inspected during the period	664	730
Pending, beginning of period	151	108
	815	838
Pending, end of period	183	151
Practising units for which an inspection report was submitted to the Professional inspection committee	632	687
PROFESSIONAL INSPECTION COMMITTEE RECOMMENDATIONS RATIFIED BY THE BOARD OF DIRECTORS	2019-2020	2018-2019
Practising units ordered to complete a refresher course, without restriction or suspension of the right to engage in professional activities	0	0
Practising units ordered to serve a refresher training period, without restriction or suspension of the right to engage in professional activities	19	24
Practising units ordered to serve a refresher training period and complete a refresher course, without restriction or suspension of the right to engage in professional activities	20	7
Practising units ordered to serve a refresher training period, with restriction of the right to engage in professional activities	0	0
Members ordered to complete a refresher course, without restriction or suspension of the right to engage in professional activities	0	0
Members ordered to serve a refresher training period, without restriction or suspension of the right to engage in professional activities	24	28
Members ordered to serve a refresher training period and complete a refresher course, without restriction or suspension of the right to engage in professional activities	28	10
Members ordered to serve a refresher training period, with restriction of the right to engage in professional activities	0	0
<b>Members inspected</b>	<b>3,013</b>	<b>2,398</b>
<b>Professional inspection committee meetings</b>	<b>7</b>	<b>6</b>
<b>Specific inspections</b>	<b>0</b>	<b>0</b>



## Summary of files forwarded to the syndic

The 108 possible departures identified in the 76 files forwarded to the syndic, in accordance with the fifth paragraph of section 112 of the *Professional Code*, break down as follows:

### POSSIBLE DEPARTURES FROM THE CODE OF ETHICS OF CHARTERED PROFESSIONAL ACCOUNTANTS

Rule 204.10 requiring a member who practices public accountancy and provides a service other than an assurance engagement or a specified auditing procedures engagement to disclose any activity, interest or relationship which, in respect of the engagement, would be seen by a reasonable observer to impair the member's or firm's independence such that the professional judgment or objectivity of the member, firm or member of the firm would appear to be impaired.	23
Rule 204.1 requiring a member who performs or participates in an assurance engagement to be and remain free of any influence, interest or relationship which, in respect of the engagement, impairs the professional judgment or objectivity of the member, firm or a member of the firm or which, in the view of a reasonable observer, would impair the professional judgment or objectivity of the member, firm or a member of the firm.	19
Section 63, which specifies a member's obligation towards the predecessor auditor.	11
Rule 204.4(23) requiring a member who performs or participates in an assurance engagement to obtain the approval of management when preparing or changing journal entries.	11
Section 22.1 requiring a member who is responsible for issuing a report or an opinion in the practice of public accountancy, other than compilation engagement reports that are not intended solely for internal management purposes, to include his name or permit number on such report or opinion.	7
Section 48, which specifies that a member is bound by professional secrecy and may not disclose confidential information revealed to the member by reason of his or her profession, unless the member is authorized to do so by the person who confided such information to him or her or by an express provision of law.	6
Section 21 prohibiting a member who performs a contract, in whole or in part, in the practice of his profession from including in such contract any clause to the effect of directly or indirectly, fully or partially, excluding his personal civil liability.	3
Section 34 prohibiting a member from signing, preparing, producing or even associating his or her name with any letter, report, statement or financial statement which he or she knows, or should know, is false or misleading.	2
Section 19 requiring a member to perform his or her mandates in keeping with current professional accounting and assurance standards, with the other standards, rules or guidance and guidelines set out in the <i>CPA Canada Handbook</i> and with current scientific knowledge.	1
Section 61 requiring a member to ensure the accuracy of the information he or she provides to the Order.	1
Section 46.1 requiring a member to promptly return to a client or, if so instructed by such client, to his successor, the records and documents belonging to the client, whether or not his fees have been paid.	1





#### POSSIBLE DEPARTURES FROM THE CHARTERED PROFESSIONAL ACCOUNTANTS ACT

Section 62 requiring a member to use the title “CPA, CA”, “CPA, CGA” or “CPA, CMA”, as the case may be, until May 16, 2022.	8
Section 4, which provides details about the practice of the CPA profession.	8
Section 7 requiring CPAs who hold a public accountancy permit and engage in the professional activity described in the third paragraph of section 4, except the performance of compilation engagements not intended exclusively for internal management purposes, to use the title “auditor,” which must be preceded by the title “CPA”.	3
Section 65 requiring a member whose legacy order is the CGA Order or the CMA Order to use the title “auditor” in accordance with section 7 or sections 62 and 63, as applicable, adding an explicit indication that the practice of public accountancy is limited to the field in which the permit holder is authorized to practice.	2

#### POSSIBLE DEPARTURES FROM THE PROFESSIONAL CODE

Section 114 specifying that it is forbidden to hinder an inspector in the performance of his duties, mislead him by concealment or false declarations, refuse to furnish him with any information or document relating to an inspection carried out under the <i>Professional Code</i> , or refuse to let him take copy of such a document.	1
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#### POSSIBLE DEPARTURES FROM THE GENERAL PROFESSIONAL INSPECTION SUPERVISION PROGRAM

Section 6.4 specifying that a member may not refuse to comply with the terms and conditions of the period of refresher training with mandatory supervision.	1
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#### Implementation of the General professional inspection supervision program for the practice of the profession and other activities

Professional inspections are performed in accordance with the *Regulation respecting the professional inspection committee of the Ordre des comptables professionnels agréés du Québec* and the General professional inspection supervision program determined by the committee pursuant to section 12 of the regulation and approved by the Board of directors of the Order.

As part of the General professional inspection supervision program, the committee inspects members who practise public accountancy and perform other assurance services and engagements within the meaning of the *CPA Canada Handbook*, as well as management and management accounting, taxation, financial planning, forensic accounting and business valuation services. In addition, it monitors compliance with regulations as they relate to the protection of the public.

Members must be inspected no less than once every four years, based on the risk of their practice. The health crisis that marked the last quarter forced the professional inspection team to review its practices, so it could continue operating remotely, thus ensuring the security of inspected members and inspectors. With the introduction of a new technology platform, the team believes that it can inspect approximately 800 practising units over the next year, in accordance with the General professional inspection supervision program.

Lastly, the committee continues to adapt the inspection program, in order to keep pace with the profession’s development and ensure the protection of the public.

**Josée Leclerc**, CPA auditor, CA  
Chair



# MEMORANDUM OF UNDERSTANDING WITH THE CANADIAN PUBLIC ACCOUNTABILITY BOARD

The Memorandum of Understanding between the Order and the Canadian Public Accountability Board (CPAB) aims to promote audit quality for reporting issuers and enables both parties to fulfill their mission in close cooperation while retaining their respective jurisdictional competencies.

Several meetings were held during the year to share information, as well as plan and coordinate the inspection of participating firms. These meetings provided an opportunity to discuss our respective inspection programs, methodologies and schedules, as well as work approaches and weaknesses identified during the inspections with a view to minimizing overlap and optimizing the process. The meetings were also an opportunity to discuss activities, projects and professional inspection challenges.

Lastly, meetings between the national Practice Inspection Program Standing Committee and the CPAB provided opportunities to discuss national issues related to the practice of auditing and address the difficulties encountered in a spirit of continuous improvement.

The collaboration between the Order and the CPAB continues to be productive and contributes to attaining both parties' primary objective: protecting the public.



# EQUIVALENCE RECOGNITION

Under the *Règlement sur les normes d'équivalence de diplôme et de la formation aux fins de la délivrance d'un permis de l'Ordre des comptables professionnels agréés du Québec*, persons wishing to obtain a permit issued by the Order may apply to have a diploma issued by an educational institution outside Quebec or training acquired in Quebec or outside Quebec recognized as equivalent.

The Order also recognizes partial diploma equivalence. Therefore, all applications to have the equivalence of diplomas recognized that are listed as "rejected" in the first table on the right are reflected in the data on training equivalence under the "full or partial equivalence granted" category. In all cases, only university courses are prescribed to candidates having been granted partial equivalence.

Once candidates have been granted their diploma and training equivalence, they will be required to complete a professional education program, a period of practical experience and an examination, as prescribed by the regulations.

APPLICATIONS - EQUIVALENCE OF DIPLOMAS		
	Diplomas issued in Canada	Diplomas issued outside Canada
Received	150	305
Full equivalence granted	6	0
Rejected	88	233
Received with a decision pending at the end of the period	56	68

APPLICATIONS - TRAINING EQUIVALENCE		
	Diplomas issued in Canada	Diplomas issued outside Canada
Received	144	305
Full equivalence granted	0	16
Partial equivalence granted	88	217
Rejected	0	0
Received with a decision pending at the end of the period	56	72



### Equivalence recognition for the other conditions for the issue of a permit

Under the *Règlement sur les autres conditions et modalités de délivrance des permis de l'Ordre des comptables professionnels agréés du Québec*, persons wishing to obtain a permit issued by the Order may apply to have a professional education program, a period of practical experience or an examination recognized as equivalent.

#### APPLICATIONS – OTHER CONDITIONS FOR THE ISSUE OF A PERMIT

New applications received	16
Full equivalence granted	8
Partial equivalence granted	8
Rejected	0
Received with a decision pending at the end of the period	0

### Mutual recognition agreements

During the year, the Quebec-France agreement on the mutual recognition of professional qualifications of members of the Order and the Ordre des experts-comptables de France was renewed.

#### APPLICATIONS FOR RECOGNITION UNDER THE *RÈGLEMENT SUR LA DÉLIVRANCE D'UN PERMIS DE L'ORDRE DES COMPTABLES PROFESSIONNELS AGRÉÉS DU QUÉBEC POUR DONNER EFFET À L'ARRANGEMENT CONCLU PAR L'ORDRE EN VERTU DE L'ENTENTE ENTRE LE QUÉBEC ET LA FRANCE EN MATIÈRE DE RECONNAISSANCE MUTUELLE DES QUALIFICATIONS PROFESSIONNELLES*

New applications	8
CPA permits issued	9
Active candidates	12

#### APPLICATIONS FOR MUTUAL RECOGNITION UNDER OTHER MUTUAL RECOGNITION AGREEMENTS

New applications	5
CPA permits issued	2
Active candidates	7



# REVIEW

## COMMITTEE MEMBERS

- Claude Paul-Hus**, FCPA, FCMA, chair
- Madeleine Baril**, representative of the public
- Maryse Beaudin**, FCPA, FCMA
- Rhéal Jr Brunet**, CPA auditor, CA
- Louise Champoux-Paillé**, representative of the public
- Louise Lafrenière**, representative of the public (until July 16, 2019)
- Evangeline Lagou**, CPA, CMA
- André Miville**, FCPA auditor, FCA
- Geneviève Morin**, CPA, CA
- Gilles Nolet**, CPA, CGA
- Murielle Pépin**, representative of the public
- Nathalie Perrotte**, CPA, CGA (until September 25, 2019)
- Jocelyn Riendeau**, CPA auditor, CA (until February 24, 2020)
- Danik Salvail**, CPA, CGA (until December 12, 2019)
- Gary Wechsler**, FCPA, FCA (until June 18, 2019)

## SECRETARY

**Véronique Smith**

The Review committee is established under section 123.3 of the *Professional Code* to provide individuals who submitted a request to the syndic for an inquiry into the conduct of a member of the Ordre des comptables professionnels agréés du Québec or of a person who was a member of the Order at the time the alleged acts were committed, with an opinion regarding the decision of the syndic not to lodge a complaint with the Disciplinary council. The committee consists of three persons, at least one of whom is a representative of the public appointed from a list provided by the Office des professions.

During the year, the committee held one annual plenary session to discuss the disciplinary process, the rights, powers and obligations of the syndics, assistant syndics and *ad hoc* syndics, as well as the Review committee's role and functions.

**Claude Paul-Hus**, FCPA, FCMA  
Chair

## SUMMARY OF FILES

Active files as at April 1, 2019	5
New requests submitted within the prescribed deadline	19
New requests submitted after the prescribed deadline	1

## MEETINGS HELD

21

## Opinions rendered

21

Concluding there was no cause to lodge a complaint before the Disciplinary council	20
Concluding there was no cause to lodge a complaint before the Disciplinary council and suggesting that the Office of the syndic refer the file to the Professional inspection committee	1
Suggesting that the syndic complete the inquiry and then render a new decision on whether or not to lodge a complaint	0
Concluding there was cause to lodge a complaint before the Disciplinary council and suggesting the appointment of an <i>ad hoc</i> syndic who, after an inquiry, if applicable, will decide whether or not to lodge a complaint	0

<b>Files outstanding as at March 31, 2020</b>	<b>4</b>
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# MANAGEMENT COMMITTEE



**Geneviève Mottard**  
CPA, CA



**Jean-François Lasnier**  
FCPA, FCMA



**Hélène Racine**  
FCPA auditor, FCA



**Mélanie Charbonneau**  
CPA auditor, CA



**Christiane Vachon**  
Lawyer



**Lyne Lortie**



**Geneviève Beauchemin**  
CPA auditor, CA



**Stéphanie Vallée**  
Lawyer



**Julie Péloquin**  
CPA, CA



**Paule Bouchard**  
FCPA auditor, FCA



**Josée Blanchard**  
CPA, CMA



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Published by the Ordre des comptables professionnels agréés du Québec  
5, Place Ville Marie, bureau 800, Montréal (Québec) H3B 2G2  
[cpaquebec.ca](http://cpaquebec.ca)

Coordination and drafting: Ginette Bourbonnais  
Revision: Brigitte Rochon  
Graphic design: Julie Milette

