ALERT

Changes to CPA Saskatchewan Regulatory Board Rules

Effective: October 8, 2019
Registrants are subject to a regime of regulation defined as Rules which, “means and includes any right, requirement, obligation of a registrant or duty or power of the Institute that is set out in the Act, a Bylaw, a Board rule, a Discipline Committee rule and the Rules of Professional Conduct, as amended from time to time.”

The rules work together in regulation, with the Act at the core of the Board's ability to generate rules. If the Act does not require or permit a rule in a particular aspect of regulation or Institute function the rule cannot be made.

TABLE OF CONTENTS

- Regulatory Board Rule 323.1 CPD Deadline
- All Regulatory Board Rules Numbering and Sequence
- Regulatory Board Rule 306 Assisting Professional Accountant
- Regulatory Board Rule 304 Compliance Questions
- Regulatory Board Rules 313 and 323 Non-practice
- Regulatory Board Rule 329 Resolution of Inquiries
- Regulatory Board Rules 318, 334 The Register, Publicly Available information and Notices
- Regulatory Board Rule 327 Practice Administration Reviews
The Rules were established with the proclamation of The Accounting Profession Act (“The Act”) on November 10, 2014. A thorough review of the Regulatory Bylaws was undertaken and the resulting amendments to the Regulatory Bylaws became effective on December 14, 2018. The next step in this review was to comprehensively re-evaluate the Regulatory Board Rules. That review resulted in a series of changes.

01 Rules review by staff
02 Project scope approved in May 2019
03 Member and Committee consultation period in summer 2019
04 CPA Saskatchewan Board Approval on October 8, 2019
05 Member outreach, information and broadcasts in Fall/Winter 2019
KEY CHANGES

Regulatory Board Rule 323.1 – CPD Deadline

The deadline for members to report and declare their CPD is the same deadline as for Member Renewal & Fees – **April 15**. This would mean that the process for reporting and declaring CPD would align with the deadline for completing Member Renewal and Fees. Learning activities will still be reported on from January 1 to December 31. **ONLY** the deadline to declare the learning activities reported has changed.

By combining the CPD reporting and declaration into the Member renewal process, it reduces the number of deadlines and streamline the process for members!

---

All Regulatory Board Rules - Numbering and Sequence

An objective with this review was to reduce redundancy within the Regulatory Board Rules. Initially the Regulatory Board Rules were designed to have a set of Rules ‘stand-alone’ for each category of registrant and regulatory function. This has proven impractical to use and resulted in a lot of duplication. Further, it can be difficult for members to assess which rule they need to comply with.

The organization of headings and sequence in the Regulatory Bylaws was deliberate, therefore the Regulatory Board Rules mirror those headings and sequence. Users of the Regulatory Board rules will more easily identify the set of requirements that connects directly to the Regulatory Bylaw that enables it. All of the numbering proposed reflects a “3” in front of the Regulatory Bylaw number for the same subject. For example, professional liability insurance is in Regulatory Bylaw series 24 and Regulatory Board Rule series 324.

A mapping has been provided for reference.
Regulatory Board Rule 301.1(d) and 306 - Assisting Professional Accountant

There are currently no provisions requiring sole practitioners to have a succession plan in place for death or permanent or temporary incapacitation. The Regulatory Board Rules include a requirement for sole practitioners to name an ‘Assisting Professional Accountant’ who would be responsible for returning client records and other duties associated with a transition, although not providing continued services to the clients.

A definition for this term has been added in the interpretation section to support a new requirement (302.1(d)) and the requirements are stated in Rule 314.14.

The benefit of an assisting professional accountant is to ensure there are provisions requiring sole practitioners to have a succession plan in place for death or permanent or temporary incapacitation.

Regulatory Board Rule 304 - Compliance Questions

Members are required to complete the annual membership renewal under Bylaw 10.4 which includes answering a series of questions related to their declaration of compliance. When a member answers ‘Yes’ to any of the questions listed above, details and or documents must be provided to CPA Saskatchewan.

The proposed amendments in the 304 series specify the situations where the member would need to report to CPA Saskatchewan on a more timely basis, i.e. thirty (30) days. Board Rule 304.3 permits the imposition of a penalty. There are currently 5 types of penalties:

1. Late notification of changes to register $50
2. Late payment of fees $150
3. Late filing of declaration $150
4. Late submission of documentation $150
5. Non-compliance with the regulatory processes of the Institute $300
6. Practicing professional accounting prior to obtaining a licence $500
Regulatory Board Rules 313 and 323 - Non-practice

An area commonly misunderstood is the concept of ‘non-practice’ versus retirement. There is often the assumption that as soon as oneretires from full time paid employment, there is an “automatic” exemption from CPD and fees. Further, some members believe that once they have been approved for a non-practice exemption, there are no further requirements for future years.

The Regulatory Bylaws now outline the categories of practice of the profession in Bylaw 13.1 and define “non-practice” in Bylaw 2.1(aa). More clarity on the steps to obtain a non-practice is outlined in the Regulatory Board Rules. Section 323 states when a member may be exempt from CPD – either the member is non-practice as outlined in 313, has a limited scope of practice, or has special circumstances. For the purposes of fees, which are Administrative Board Rules, see series 465-472.

CPA Saskatchewan does not exempt members from CPD who are in a limited scope of practice. Meaning, parents choosing to work during their parental or caregiver leave and members transitioning between full-time work and full cessation of practice are required to meet full CPD requirements of 120 total hours, 60 verifiable. In some cases, members in a limited scope of practice obtain fee reductions through special circumstances but do not get approved for a CPD exemption.

The fundamental issue is striking a balance between having our members participate in and report CPD learning activities vs. the possibility of them resigning from certain roles, or as a CPA, for the very reason that their service would trigger CPD requirements. The question arises as to which option protects the public or which option best mitigates risk to the profession. The issue is becoming more important as members not fully engaged in the workforce form an ever-increasing portion of our membership, and are performing roles where there is a dependence on their competence as CPAs.

Included in the exemption model is a threshold of remuneration, below which a member would be exempt from CPD requirements. The concept of the income threshold is that it can serve as a proxy the associated risk to the public (i.e. low income is associated with less professional activities and therefore a lower risk to the public). The amendments in 323.4 set out a remuneration limit of $10,000, meaning a member who earns less than that amount and does not have to register a firm is exempt from CPD.

In addition to the exemption from CPD, the existing Regulatory Board Rules allow for a member over the age of 70 years that has previously declared a permanent non-practice to be exempt from annual declarations of their status. This has been carried forward in the amendments.

Separating the application for non-practice from the types of exemptions for CPD enables more types of CPD exemptions beyond non-practice status. It will easier for members to comply with the requirements for limited scope if a remuneration threshold is in place.
Regulatory Board Rule 329 - Resolution of Inquiries

CPA Saskatchewan continues to intake inquiries from the public where it is not likely professional misconduct has occurred. Common examples of matters which are more simply dealt with are matters related to returning records, fees/statement of accounts and cooperation with a successor accountant. The amendments permit the Registrar to conclude an inquiry and provide some additional guidance or direction to the member. These rules are an addition to a fair process to satisfy the public when services provided by a member are in question.

Further, should a matter require the services of a mediator, CPA Saskatchewan could appoint a contractor or staff person to more formally resolve the issue underlying the initial inquiry.

Regulatory Board Rules 318, 334 - The Register, Publicly Available information and Notices

Publicly available information

The amendments consolidate all the Regulatory Board Rules associated with the register to be put in one section, Regulatory Board Rule 318. There are minimal changes proposed to the list of information to be maintained on the register. The most substantial change in this section is the addition of what information will be made publicly available through the CPA Saskatchewan website about registrants.

Notices

Notices are made publicly available but are commonly triggered by a requirement in the Act or the Regulatory Bylaws. The amendments clarify the length of time notices are maintained on the website and the types of disciplinary notices that need to be made public.
Regulatory Board Rule 327 - Practice Administration Reviews

In 2018/19, a new process on practice administration reviews was developed. A practice administration review means a formal process to gather information from a firm deemed to be high risk about a specific practice administration issue (identified through the risk assessment, through the questionnaire, or other regulatory processes), to work with the firm to educate and/or develop and approve an action plan to address that issue, and to monitor that the approved plan is implemented. For best results to ensure firm engagement during the entire review process, a formal practice administration review is expected to occur on site.

Questions
If you have an questions, please contact Leigha Hubick, CPA, CA, at (306) 337-2834 or lhubick@cpask.ca, or at registrar@cpask.ca.

Leigha Hubick, CPA, CA
Registrar
The Institute of Chartered Professional Accountants of Saskatchewan
**MAPPING FOR REFERENCE ONLY**

A blackline has not been included however this tool below summarizes the source of the new rule from the prior rules and explains very briefly the key changes.

<table>
<thead>
<tr>
<th>EXISTING Rules</th>
<th>Prior Rules</th>
<th>Key Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 - Title</td>
<td>n/a</td>
<td>To add in the official title.</td>
</tr>
<tr>
<td>302 – Interpretation</td>
<td>300.1 – definitions</td>
<td>To remove several definitions that are explained in each section.</td>
</tr>
<tr>
<td>304 – Compliance</td>
<td>401-404</td>
<td>Provisions on self-reporting of specific character and reputation issues are added.</td>
</tr>
<tr>
<td>305 – Delivery of notice</td>
<td>300.2</td>
<td>No changes.</td>
</tr>
<tr>
<td>306 – Special Meetings</td>
<td>n/a</td>
<td>To clarify that personal grievances will not be heard at a special meeting of members.</td>
</tr>
<tr>
<td>310 - Conditions</td>
<td>314, 331, 356</td>
<td>To consolidate the Rules for conditions on a registrant, versus having them in each section. To align with how conditions are laid out in the Regulatory Bylaws.</td>
</tr>
<tr>
<td>311 – Candidate</td>
<td>302-306 (307-310 were blank)</td>
<td>To remove the experience requirement while being resident in the US. This change reflects the change in MRA with the AICPA. New rules on the June 2020 deadline for practical experience. To move the register Rules to 318</td>
</tr>
<tr>
<td>312 – Member</td>
<td>311-320 (321-325 left blank)</td>
<td>To remove 311.3 as it is covered by Regulatory Bylaw 10.4. To include the notary requirement To move the conditions Rules to 310 To move the register Rules to 318 To move the existing 315 on certificate and permit to 319 To move the restrictions Rules to 331</td>
</tr>
<tr>
<td>313 – Categories of Practice</td>
<td>n/a</td>
<td>To clarify application for non-practice.</td>
</tr>
<tr>
<td>EXISTING Rules</td>
<td>Prior Rules</td>
<td>Key Changes</td>
</tr>
<tr>
<td>----------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| 314 – Firm     | 326-338 (339-340 left blank) | - To move the conditions Rules to 310  
  - To move the register Rules to 318  
  - To move the restrictions Rules to 331  
  - To move professional liability insurance Rules to 324 |
| 315 – Professional Corporations | 328 | To show that renewal will just be disclosure of changes. Eliminates the requirement to provide ISC profile report. |
| 316 – Licensing | 351-358 (359-360 are left blank) | - To ensure that the competency assessment member is not restricted  
  - To clarify that not renewed for a licence means that the licence is cancelled  
  - To move the conditions Rules to 310  
  - To move the restrictions Rules to 331  
  - To move professional liability insurance Rules to 324 |
| 317 – Labour Mobility Licensing | n/a | To clarify the application process for members who sign assurance reports in other jurisdictions in Canada or Bermuda. |
  To add information on registrant statuses and information to be made publicly available. |
| 319 – Certificate and Permit | 315.1, 332.1, 332.2, 333.1 | No changes. |
| 321 – Use of designation | n/a | To clarify when and how international accountants may use the tags from ACCA, CGMA, etc. |
| 322 – Bankruptcy and Insolvency | n/a | These conditions are automatically applied now, creating efficiency because the Registration Committee will only deal with it if it translates into a non-comply issue. |
| 323 – CPD | 341-347 (348-350 are blank) | To clarify that the activity to be CPD it must be a learning activity.  
  Further changes to exemptions. |
<p>| 324 – PLI | 330.1, 355.1 | To consolidate the Rules on the PLI into one section. |</p>
<table>
<thead>
<tr>
<th>EXISTING Rules</th>
<th>Prior Rules</th>
<th>Key Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>327 – Practice Inspection</td>
<td>361-366 (367-370 are left blank)</td>
<td>To add the practice administrative review process.</td>
</tr>
<tr>
<td>328 – Trust Asset Review</td>
<td>371-373 (374-380 left blank)</td>
<td>No changes.</td>
</tr>
<tr>
<td>329 – Resolution of Inquiries</td>
<td>n/a</td>
<td>To clarify that the Registrar can close an inquiry and introducing mediation on fee/basic disputes.</td>
</tr>
<tr>
<td>331 – Restrictions</td>
<td>357, 335, 318</td>
<td>To consolidate the Rules for restrictions on a registrant, versus having them in each section. To align with how restrictions are laid out in the Regulatory Bylaws.</td>
</tr>
<tr>
<td>332 – Resignation</td>
<td>380-384 (385-389 left blank)</td>
<td>No changes.</td>
</tr>
<tr>
<td>333 – Non-Disciplinary Enforcement</td>
<td>390-399</td>
<td>To clarify that the submission from the registrant should include particular information. To add in that a sole practitioner may also be suspended if the firm is suspended.</td>
</tr>
<tr>
<td>334 - Reports and notice of restriction, suspension or cancellation</td>
<td>394, 395</td>
<td>To add in clarification on the timeline for posting notices and the types of notices.</td>
</tr>
<tr>
<td>335 – Disciplinary Notices</td>
<td>n/a</td>
<td>To add in disciplinary notice requirements.</td>
</tr>
<tr>
<td>336 – Re-entry</td>
<td>n/a</td>
<td>To clarify the application requirements.</td>
</tr>
<tr>
<td>337 – Re-instatement</td>
<td>n/a</td>
<td>To clarify the application requirements.</td>
</tr>
<tr>
<td>338 – Requests for Review by the Board</td>
<td>405</td>
<td>No changes.</td>
</tr>
</tbody>
</table>