

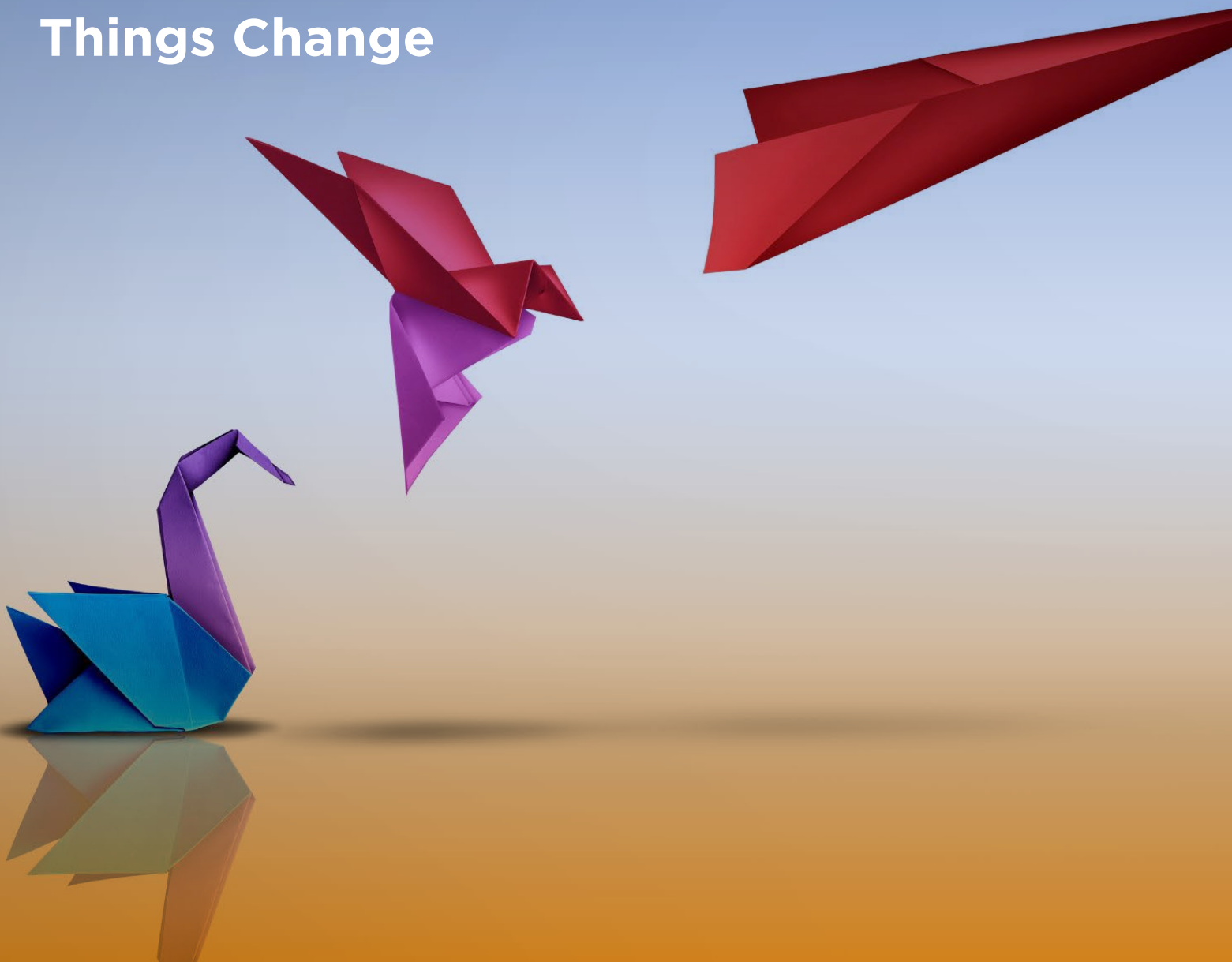


CPASK

Focus FIRMS

The Institute of Chartered Professional Accountants
of Saskatchewan Firm Newsletter | June 2025

Things Change



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Disclaimer

The content within this newsletter is provided for informational purposes and is not an official interpretation of any applicable rules or standards.

LAND ACKNOWLEDGEMENT

We live and work on lands covered by Treaties 2, 4, 5, 6, 8, and 10. These are the territories of the Anihšīnāpēk/Saulteaux, Dakota, Dene, Lakota, Nakoda, nēhiyaw/Plains Cree, nēhinaw/Swampy Cree, nehithaw/Woodland Cree, and Stoney Nations. They are also the homeland of the Métis/Michif Nation. We pay our respects to the First Nations and Métis ancestors of this place and reaffirm our relationship with one another.

We respect and honour the Treaties that were made on all territories, we acknowledge the harms and mistakes of the past, and we are committed to moving forward in partnership with Indigenous Nations in the spirit of reconciliation and collaboration.

INTRODUCTION

Things Change

It's probably not shocking that this firm newsletter focuses on the pace and frequency of change. With tariffs aplenty (or not) the world is in flux more than ever.

Change has been the constant in my career. Over the last 20+ years, change happens in abundance – professional standards, expectations, economic impacts, rule amendments – and I almost never feel fully ready to deal with it all.

And often, we focus on and prioritize the most "controllable" change above others.

This newsletter is intended to help you focus on what you can control in the areas of change: tariffs, CPD undertakings, PI resources and practical tips for Contract CFOs.

If you are ever uncertain about what is changing and how to comply, please contact [CPA Saskatchewan](#) for resources and guidance.



Leigha Hubick
CPA, Registrar

THE POTENTIAL IMPACTS OF TRADE RELATIONS WITH THE UNITED STATES ON THE FINANCIAL STATEMENTS OF PRIVATE ENTERPRISES

[Click here](#) to read this informative article exploring how tariffs could affect sales, purchases and profit margins, as well as the broader implications for financial reporting under Accounting Standards for Private Enterprises (ASPE).



| Licensed Firms



UNAUTHORIZED PRACTICES

There has been an increase in the number of fines assessed to members in an unauthorized practice. Seven fines of \$1,000 each were assessed in 2024-25 by CPA Saskatchewan for executing audit, review or compilation engagement reports without proper licensure and three fines of \$1,000 each for providing other regulated services without proper firm registration.

In addition to these fines, three members were referred to conduct for making false declarations to CPA Saskatchewan. Members are required to answer a series of questions on whether they are providing services to the public in Saskatchewan during Spring Renewal. If a member responds affirmatively and does not currently work at a registered firm, the Registration team follows up with that member. 14 firm registrations were completed in 2024-25 because of that follow-up; most have or will receive a fine for unauthorized practice. It is important that members are carefully reviewing all declarations made for accuracy and completeness to avoid fines and proceeding through to the conduct process.

Firms are also reminded of their obligation to ensure they have proper registration and licensure in all jurisdictions in which they practice. As an area of increased focus during 2024-25 practice inspections, it was observed that many firms lacked awareness of their responsibilities to comply with regulations related to their practice in other jurisdictions.

Firms were asked during their inspection if they had engagements for clients in other jurisdictions. If they answered yes, they were advised of their duty to reach out to those provinces to obtain appropriate registration and licensing (or equivalent). Many firms expressed they did not realize or were confused and frustrated that they would be required to be registered/licensed in other jurisdictions, especially considering remote work, the digital world and ease of carrying out engagements for clients who are not located near the firm.

If you're uncertain about the requirements for registration or licensing, reach out to us at registrar@cpask.ca or licensing@cpask.ca.

RESOURCES WITH SMALL TO MEDIUM-SIZED PRACTITIONERS IN MIND

PROFESSIONAL ENGAGEMENT GUIDE (PEG)

[Professional engagement guide \(PEG\) - CPA Canada](#)

Comprehensive, practical, step-by-step guidance to help you and your staff perform assurance and compilation engagements relating primarily to small and medium-sized entities.

PRACTICE MANAGEMENT, ADVISORY, COMPILATIONS AND TAX GUIDE (PACT)

[Practice management, advisory, compilations and tax guide \(PACT\) - CPA Canada](#)

Take advantage of this effective resource which provides guidance, templates, and useful links for practitioners in



THE VALUE AND BENEFITS OF USING A CHARTERED PROFESSIONAL ACCOUNTANT (CPA)



Adynea Russell
FCPA, FCA

INSIGHTS FROM 30 YEARS OF EXPERIENCE

After almost three decades as a CPA, I've seen firsthand the transformative impact our profession has on businesses of all shapes and sizes. Reflecting on these years, one truth stands out: our value extends far beyond crunching numbers. We are trusted advisors, strategic thought partners, and catalysts for growth. It's imperative as CPAs that we continue to communicate the immense benefits of our expertise to our clients while also embracing the evolving demands of our profession.

This article delves into the unique value we bring to the table as CPAs and how we can elevate ourselves to remain indispensable to the clients we serve.

BUILDING TRUST AND CREDIBILITY

The cornerstone of our profession is trust.

Businesses and individuals turn to CPAs because they recognize our adherence to the highest ethical standards and our commitment to accuracy and accountability. Our credentials are not just letters behind our names; they signify rigorous training, ongoing education, and a dedication to doing what's right, even when it's challenging.

In today's volatile business environment, credibility is everything. Clients need confidence in our profession to trust that their financial reports are accurate, timely, and compliant with regulations. CPAs provide peace of mind. In any type of engagement, our work ensures transparency and reliability, which are critical for securing loans, attracting investors, and maintaining compliance with professional standards and laws. Unlike non-CPA firms, our ability to conduct assurance engagements legislatively sets us apart and solidifies our role as trusted advisors.

COMPREHENSIVE AND SPECIALIZED EXPERTISE

One of the defining strengths of our profession is the depth and breadth of our expertise. Over the years, I have encountered countless business scenarios where our ability to provide a wide array of services has proven invaluable.

What truly elevates our value is the specialization within our field. CPA firms are comprised of professionals with deep knowledge of specific industries, allowing us to tailor strategies and advice to meet the unique challenges and opportunities of our clients' sectors. Whether it's navigating complex tax laws for a manufacturing company or providing forecasting insights for a tech startup, our specialized knowledge enables us to deliver solutions that are both practical and strategic.

STRATEGIC FINANCIAL GUIDANCE

In my experience, one of the most underappreciated aspects of our role is our ability to provide strategic financial guidance. Clients often come to us with immediate needs—a tax return, an audit, or accounting services—but what keeps them coming back is the strategic value we add. Budgeting, forecasting, and financial planning (management accounting) are not just services; they are the building blocks of a client's long-term success.

For instance, a client may initially seek assistance with streamlining payroll but later rely on us to identify growth opportunities, mitigate risks, or plan for succession. By offering insights that drive better business outcomes, we become indispensable to their decision-making process. Our ability to see beyond the numbers and anticipate future challenges and opportunities is what sets CPAs apart from other financial professionals.

THE POWER OF TECHNOLOGY AND INNOVATION

The tools and technologies available to CPAs today are nothing short of revolutionary. Over the decades, I've witnessed the transition from manual bookkeeping to sophisticated software solutions that enhance accuracy, efficiency, and insight. As CPAs, our ability to leverage these tools is a significant advantage, allowing us to offer clients precision and efficiency that non-CPA firms simply can't match.

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THE VALUE AND BENEFITS OF USING A CPA *continued from page 5*

By using advanced analytics and automation, we can identify trends, prevent errors, and provide real-time advice. These capabilities not only improve the quality of our services but also demonstrate to clients that we are forward-thinking and equipped to handle the complexities of their financial needs in an increasingly digital world.

ETHICAL STANDARDS AND ACCOUNTABILITY

One of the most significant differentiators of our profession is our unwavering commitment to ethical standards. As CPAs, we are bound by a code of conduct that emphasizes integrity, objectivity, and professionalism. This commitment is not just theoretical; it has practical implications for how we serve our clients and uphold the reputation of our profession.

When clients choose a CPA, they are not just hiring a service provider; they are engaging a partner who is accountable for their work. This accountability is a cornerstone of the trust we build with our clients and a key reason why CPAs are viewed as credible and reliable.

THE COMPETITIVE ADVANTAGE OF BEING A CPA

Our CPA designation is a powerful differentiator. It signals to clients that we possess a level of expertise, training, and ethical commitment that non-CPA firms cannot offer. This competitive advantage is particularly important in an era where clients are inundated with choices and often unsure of whom to trust with their financial needs.

Beyond the technical skills, our ability to provide holistic solutions—from assurance services to strategic advisory—positions us as invaluable partners to our clients. This comprehensive approach ensures that clients see the full value of engaging a CPA firm, not just for their immediate needs but for their long-term success.

CONCLUSION: ELEVATING OUR PROFESSION

As CPAs, we have a responsibility not only to serve our clients but also to uphold and elevate our profession. After 30 years in this field, I can confidently say that our value lies not just in what we do but in how we do it. By maintaining the highest standards of integrity, embracing innovation, and continually expanding our expertise, we ensure that the CPA designation remains synonymous with trust, credibility, and excellence.

To my fellow CPAs: let us continue to communicate the unique value we bring to the table. Let us remind our clients—and ourselves—that we are more than accountants. We are their strategic partners and their trusted advisors. Together, we have the power to shape the future of businesses and, by extension, the future of our profession.

NOTICE RE: CGPA CANADA AND PBA CANADA

Click to read CPA Saskatchewan's Notice Re: "Chartered Global Practising Accountants of Canada" (CGPA Canada) and "Professional Business Accountants' Society of Canada" (PBA Canada).



THE ROLE OF FIRMS

IN MAINTAINING THE PUBLIC'S CONFIDENCE

IN THE CPA PROFESSION

There are over 460 firms registered with CPA Saskatchewan, each of which is subject to ongoing regulatory processes including firm renewal and fees, practice inspection, and maintaining professional liability insurance.

Firms invest time, effort, and financial resources to maintain their compliance with all relevant professional standards in order to deliver services to their clients competently and with good character.

Required adherence to professional standards, ethical principles, and ongoing regulation is what sets services provided by CPAs apart from other service providers.

As a CPA, what should you do if you see instances where it appears CPAs did not follow these requirements or other individuals and service providers who are not CPAs are carrying out services reserved to CPAs?

All CPAs and CPA firms have a role to play by providing CPA Saskatchewan with this information when other CPAs and other individuals and service providers are observed to be misusing the designation or erroneously practicing professional accounting. There may be a natural reluctance to get involved, fear of retaliation from, or to cause trouble for another CPA or a service provider or individual who is not a CPA; however, every registrant (member, firm or candidate) has responsibility for the regulation of the profession. That responsibility entails protecting the public and maintaining the reputation of the profession as a whole.

CPA Saskatchewan works to protect the public and maintain the public's confidence in the CPA profession by:

- Engaging legislative enforcement mechanisms such as the cease-and-desist process for individuals and service providers who are not CPAs either misusing the designation or erroneously practicing professional accounting;
- Issuing fines where members are found to perform engagements for which they are not properly registered and/or licensed;
- Addressing concerns received from registrants and the public through the resolution of matters in dispute between clients and practitioners; and
- Carrying out conduct and discipline processes where there is indication of serious breaches leading to professional misconduct under the Rules of Professional Conduct.

How can you ensure that you aren't subject to legislative enforcement?

Firms are required to establish policies and procedures to ensure that all its members and candidates, and any other individuals or service providers associated with the firm, conduct themselves in a manner that will maintain the good reputation of the profession. This includes promoting a culture that supports the regulation of the profession, such as the duty to report under Rule 211.1:

"A member or firm shall promptly report to the Professional Conduct Committee any information concerning an apparent breach of these rules of professional conduct, or any information raising doubt as to the competence, reputation or integrity of a member, student, applicant or firm..."

Where professional misconduct does come to light, a firm's reputation may be harmed if they did not report the matter as required.

What happens when you provide CPA Saskatchewan with a concern?

When a concern is raised, CPA Saskatchewan's regulatory processes focus first on rehabilitation, directed at reducing risk and improving the services received by the public where possible, including:

- Individuals and service providers who are not CPAs are advised of the law relating to use of the CPA designation and the reserved areas of practice to licensed CPAs and are required to acknowledge that they cease practicing in those areas.
- Registrants are advised of the requirements for firm registration and licensing of which they are required to comply.
- For breaches of the Rules of Professional Conduct that do not rise to the level of professional misconduct, registrants are required to acknowledge guidance received. Where the Professional Conduct Committee carries out an investigation, the registrant named in the concern has an opportunity to address the concerns. Not all investigations proceed to a disciplinary hearing. Where rehabilitative activities are appropriate, the Professional Conduct Committee may enter into a resolution agreement with the member or firm.

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THE ROLE OF FIRMS *continued from page 7*

In the situation where the matter proceeds to a disciplinary hearing and a determination of professional misconduct is made, the primary sanction objective is rehabilitation of the registrant. The intention of the sanction is to enable the registrant to get back on the right path to competent practice and ethical conduct.

In terms of fairness to the registrant subject to a complaint or concern, all decisions throughout the process are made by Committees established of a group of peers and public representatives. If a matter proceeds through to a discipline proceeding, the process is subject to the principles of administrative law and oversight of the courts.

Can you remain anonymous in this process?

Registrants may fear consequences or backlash if they raise a concern. Confidentiality is maintained throughout the conduct and discipline process until there is publication

of a discipline order. Where appropriate and practical, complainants can remain anonymous. As well, Rule 224.2 protects those who raise concerns from harassment, threats or intimidation. Any harassment of, or threat to, a complainant by a registrant may be subject to another formal complaint by the Professional Conduct Committee.

Conclusion

Firms play a key role in the responsibility to protect the public and thus maintain the public's confidence in the CPA Profession. A firm can set the tone and assist its members, candidates and others to meet the high standards of our profession, ensuring that the high level of trust our profession works diligently for is maintained.



AS A SASKATCHEWAN CPA, YOU MAY BE ASKED ABOUT PURCHASING AUDIT INSURANCE

A policy of audit insurance is carried by a professional accounting firm. Claims against that policy are triggered by an audit, enquiry, investigation, or review of certain filings, including those relating to: corporate tax, personal tax, capital gains tax, business audits, payroll audits, employer compliance audits, and GST/HST. The policy purports to cover the firm's professional fees, up to a maximum amount, when a client is compelled by a tax authority, such as the Canada Revenue Agency, to act in some way in respect of its filings.

The terms of specific audit insurance products may differ. For example, the terms and conditions, policy coverages and exclusions, and how clients are to be marketed to can vary from product to product. As with any new product, Saskatchewan CPAs should carefully consider how it may affect their professional obligations.

The fundamental principles governing the conduct of CPA Saskatchewan registrants, including members and firms, are set out in the CPA Saskatchewan Rules of Professional Conduct.

Given the nature of audit insurance, issues relating to independence, confidentiality, conflicts of interest, and trust funds, among other things, may come up. In an effort to facilitate a registrant's obligation to ensure compliance with the Rules, CPA Saskatchewan has identified questions which should be asked by Saskatchewan CPAs when considering whether a particular audit insurance product could result in a breach of a registrant's obligations under the Rules.



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Here is a non-exhaustive discussion of the Rules registrants should keep in mind when considering a particular audit insurance product and the terms and conditions:

- Rule 204 relates to independence and deals with situations where a firm's objectivity is under threat. It does not seek to curtail all activities which pose such a threat. Rather, Rule 204 requires a firm to identify and evaluate threats to its independence. For non-trivial threats where there is not a specific prohibition, the firm must apply safeguards to reduce the threats to an acceptable level. Where no such safeguards are available, the firm must not proceed with the practice. The audit of a client by the CRA could trigger a payout from the firm's audit insurance; consequently, it may be perceived as a threat to the firm's independence, as the firm can generate additional fees resulting from such an audit. As such, the firm would need to demonstrate that appropriate safeguards have been put in place.
- Rule 208 deals with confidentiality, one of the fundamental principles governing professional conduct. The Rule imposes strict constraints on a registrant's use of clients' confidential information. In particular, such information may be used only for specific purposes or with a client's consent. Any disclosure of client information by a firm acquiring or making a claim under an audit insurance policy must be made in adherence with this Rule. Some audit insurance products may include a requirement for disclosure of the firm's complete list of clients and information about the clients' financial positions, not just about those clients that opt for coverage. If a given audit insurance product includes this requirement, a firm should ensure that it handles its clients' confidential information appropriately and in compliance with Rule 208.
- Rule 210 deals with conflicts of interest. It, in part, requires a registrant to determine whether there is any influence or interest that would cause a reasonable observer to conclude that there is a conflict. Conflicts can take three forms, which may overlap: professional conflicts, legal conflicts, and business conflicts. A business conflict may arise when the business interest of a party to whom the registrant provides professional services is contrary to the business interest of the registrant. If a

firm has clients where some portion of the audit-related services are covered by audit insurance, the firm now has an interest in the work that does not exist in a situation where the client engages the firm when an audit arises. Some specific conflict issues that should be considered are:

- A client-firm relationship is defined in an engagement letter wherein the client engages the firm for specific services the client requires, and the client pays for those services. The client, therefore, knows what work is to be done. The cost for services not covered by a policy of audit insurance falls to the client to pay on top of their audit insurance fee. In such a case, the client may have no information regarding the insurance claim that the firm makes with respect to that client's work; or
- A firm, supporting a client during a CRA audit, must not be seen to have focused its effort on performing services which are covered under the insurance policy, at the expense of other services which may be required but that are not covered under the insurance policy. Firms need to consider whether audit insurance coverage offered by and through the firm could represent a real or perceived conflict of interest.
- Rule 212 deals with the handling of trust funds. The obligations that a firm has under this Rule may be triggered if the funds that the firm receives from a client for payment of an audit insurance premium are deemed to be paid in trust. A firm contemplating providing this insurance to their clients should consider what the nature of the fee revenue collected from their clients is since it is not fees for services provided.

Saskatchewan CPAs and firms should be mindful of their obligations under CPA Saskatchewan's governing documents in all circumstances, including the purchasing of audit insurance. A breach of those obligations may constitute unprofessional conduct, in which case the CPA or firm could face discipline orders under Section 32 of *The Accounting Profession Act*, which can include fines, suspension, cancellation, or costs of the discipline process. If you have any questions, please direct them to monitoring@cpask.ca.

PRACTICE INSPECTION: COMMON FINDINGS 2024-25

In this newsletter, we highlight areas of results from the 2024-25 practice inspection year along with highlights of trends, key observations, and areas for improvement that will assist firms in continuing to perform high-quality engagements.

OBJECTIVES OF THE PRACTICE INSPECTION PROGRAM

Practice inspection is a key component of CPA Saskatchewan’s monitoring function within our regulatory framework. The main objective of practice inspection is to protect the public. All registered firms are subject to practice inspection notice, with all licensed firms inspected for their compliance with the relevant standards for accounting, assurance, and related services and the Rules of Professional Conduct (i.e., applicable professional standards).

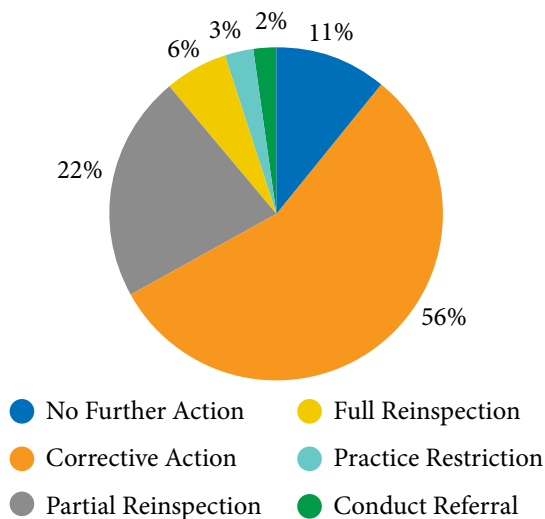
A secondary objective of the practice inspection program is to provide firms with an educational experience. This is achieved by supporting firms with information and guidance about available tools, courses and other materials developed by the profession that they can use to improve the quality of their engagement files with the aim of enhancing their knowledge and application of professional standards.

For details about the practice inspection process and range of outcomes, see: <https://cpask.ca/firm/obligations/practice-inspection>

HIGHLIGHTS OF 2024-25 INSPECTIONS

144 practice inspection notices were sent during 2024-25:

- 82 inspections were completed during the year (i.e., licensed firms with inspectable services)
- 52 inspections were waived (i.e., affiliate firms or no inspectable services)
- 7 firms ceased providing services subject to inspection and/or were closed
- 3 inspections were deferred to be completed in 2025-26 (i.e., not yet completed any inspectable engagements)



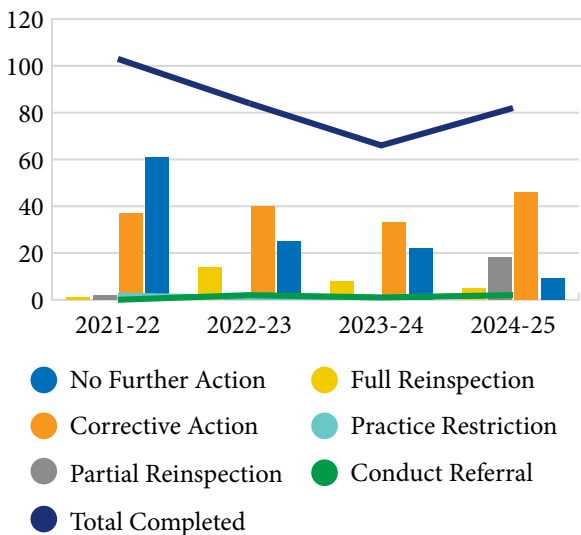
TRENDS IDENTIFIED IN THIS YEAR'S INSPECTION RESULTS

The overall compliance rate of inspections (factoring in firms with inspection outcomes of no further action and corrective action) was at 67%; this is down from 83% in 2023-24. The

main cause of the overall decline in results is attributed to two recent significant changes in professional standards – the adoption of the Canadian Standard on Related Services, CSRS 4200 for compilation engagements and the adoption of standards relating to quality management applicable to all licensed firms – the Canadian Standards on Quality Management, CSQM 1 and 2.

Firms need to take steps to dedicate staff time to obtain sufficient knowledge of these new standards through completion of continuing professional development in these topic areas and then apply that knowledge to their engagement files through development of and/or use of tools, checklists and programs.

As inspections are carried out on a cyclical basis, the chart below outlines the number of inspections completed and the corresponding results for the last 4 years.



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TRENDS IN FIRMS UNDERGOING RE-INSPECTION

One key measure used to assess the overall effectiveness of the practice inspection program is the rate of compliance for firms undergoing re-inspection.

12 re-inspections (including the 3 carried forward from 2023-24) were scheduled to be completed during 2024-25 (15 in 2023-24). Of these:

5 inspections or
42%

were assessed by the Committee as “Meets Requirements” or “Meets Requirements with Action Plan”. (2023-24: 6 inspections and 40%);

5 inspections or
42%

were assessed by the Committee as “Does Not Meet Requirements” and thereby requiring further re-inspection of the firm. (2023-24: 4 inspections and 27%).

1 firm or
8%

had a restriction imposed on the firm’s licence requiring the firm to have a supervised practice. (2023-24: 1 firm and 7%).

1 firm or
8%

ceased practicing in the area subject to re-inspection. (In 2023-24, for the 5 remaining inspections or 33%, 3 inspections were not yet completed by March 31, 2024 as the firms had not yet completed engagement files ready for inspection and 2 firms ceased practicing in the area subject to re-inspection.)

As supported by the re-inspection results noted above, many firms subject to re-inspection do take prompt action to address deficiencies noted in their practice inspection. For some firms subject to re-inspection, we noted one or more of the following root causes:

- planned updates to the firm’s methodologies, templates or checklists were not promptly made to engagement files after the initial inspection,
- the firm did not take adequate steps to ensure their corrective action plan was fully implemented within its engagement files after the initial inspection,
- the members of the firm did not undertake appropriate CPD,
- the firm did not incorporate CPD taken by its members into its engagement files,
- the firm did not appropriately assess quality risks identified within the inspection into its system of quality management and develop a plan to monitor these quality risks, or
- the firm did not successfully implement tools and resources available to sufficiently increase overall quality within their engagements

The goal of firms should always be to continually improve the quality of their work performed in line with professional standards, regardless of their inspection results.

REMINDERS FOR A SUCCESSFUL PRACTICE INSPECTION

We continue to remind all firms about the following “tips for success”:

- Keep up to date on all relevant CPD.** Take the time to understand your clients and take the right courses to ensure you understand the standards, know how to apply them, and document your files appropriately with that understanding.
- Ensure all tools, checklists, and other materials are kept up to date.** Set up a system to regularly check on updates to all subscriptions. Review the subscriptions and compare to the relevant standards to ensure all are appropriate. Check on the “date last updated” within templates. If it has been years since last updated, it is time to get new ones.
- Set fees appropriately for the work done.** Fees should be reflective of the value of your work. Regardless of the fees charged, the engagement work needs to be sufficient and appropriate, it needs to follow all proper supervision and file review processes, and it needs to be adequately staffed with appropriate resources to complete the work on time.
- Only take on engagement work that is within your skill set.** Our field is increasingly specialized; do not accept or continue client engagements that are or have become too complex for you to complete appropriately. Be mindful of your own limitations and develop relationships with other professionals that can be engaged to consult on complex engagement matters.
- Engagement files must be fully documented.** The engagement file needs to “tell the story” of the work of the practitioner. It is important to document the engagement file to the extent that an experienced practitioner, having no prior knowledge of the client or engagement, can understand the situation of the entity, can understand how the engagement was performed by following the documentation process, and can draw the same conclusions of the practitioner.

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We strongly encourage firms to utilize the wide range of available resources and guidance materials published by the profession that relate to the above noted changes in professional standards and other upcoming changes. CPA Saskatchewan staff can direct you to applicable resource materials by contacting practiceinspection@cpask.ca.

KEY OBSERVATIONS MADE WITHIN 2024-25 INSPECTIONS

Note: The items included below are selected areas of deficiencies found in practice inspections to bring to the attention of firms and may have resulted in material misstatement and/or inappropriate or unsupported opinions or conclusions. See [Appendix A](#) for reference to the most commonly observed deficiencies.

Independence – Prohibited Services and Documentation of Threats and Safeguards

A continued trend noted during inspections of all areas of practice this past year related to the firm's understanding of and compliance with independence requirements within the Rules of Professional Conduct. Within assurance engagements, a number of firms:

- did not adequately identify and document independence prohibitions and did not discontinue the engagement, where required;
- did not adequately identify and document threats to the practitioner's independence;
- did not adequately identify and document the safeguards that were used by the firm to address independence threats;
- did not implement safeguards that were adequate to address an identified independence threat or used insufficient safeguards to inappropriately justify the mitigation of independence threats; or
- did not reassess independence when circumstances had changed during the engagement.

While compilation engagement standards do not require the firm to be independent, an assessment of independence must still be documented and assessed within the engagement file. Disclosure may be required within the compilation engagement report.

Firms are reminded to ensure that:

- **All members and staff are aware of all prohibited services (for assurance engagements specifically).** Firms can access the guidance resources provided with the Rules of Professional Conduct to help in their assessment of whether the service they intend to provide is a prohibited service. Firms cannot carry out a prohibited service for any reason to ensure they maintain full independence (including the perception thereof) and objectivity (i.e., a threats and safeguards approach cannot be used for these situations).¹
- **Where there is a threat to independence that is not clearly insignificant, but is not a prohibited service, the engagement file accurately and clearly describes the threat, fully documents all services provided by the firm, clearly documents all safeguards used to mitigate the threat and documents the outcome of the safeguard(s) used.** If there are changes to services provided or staff on the engagement at any point throughout the engagement, this assessment must be revisited. Reconfirm the appropriateness of the safeguards and the conclusion that they were adequately used before completing the engagement.
- **The assessment of a clearly insignificant threat is well-documented within the engagement file.** This assessment cannot be made as a blanket across all engagements of a similar type completed by the firm and must be made for each file individually based on its own merits.

Remember – the title of each audit or review engagement report clearly states this is the work of an independent practitioner! Be prepared to decline the engagement or to adjust the services the firm provides if independence and objectivity cannot be maintained for any reason. The principle of independence is central to the integrity of the accounting profession. Firms who do not maintain their independence and objectivity will face a complaint raised to the Professional Conduct Committee.

¹ https://www.cpask.ca/public/CKeditorUpload/Protecting_the_Public/Documents/2022-06-01_FINAL_BOARD_APPROVED_RPC_with_Guidance.pdf

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KEY OBSERVATIONS WITHIN EACH AREA OF INSPECTION

Application of Technical Expertise within Financial Reporting Frameworks: Areas Needing Attention

PART II - ACCOUNTING STANDARDS FOR PRIVATE ENTERPRISES (ASPE)

PART II 3400 - REVENUE - FINANCIAL STATEMENTS MISSING ALL OR SOME ELEMENTS OF DISCLOSURE OF REVENUE RECOGNITION POLICIES

We continue to observe financial statements on inspections that contain generic revenue recognition policies meant to apply to all revenue streams or inaccurate revenue recognition policy disclosure. If revenues are generated in various ways (i.e., separate material revenue streams) with different points in time where the criteria for recognition are met, these should each be separately disclosed following the requirements under Part II - 3400.

PART II 3856 - FINANCIAL INSTRUMENTS - FINANCIAL STATEMENTS MISSING THE REQUIRED DISCLOSURE FOR RELATED PARTY TRANSACTIONS THAT RELATE TO FINANCIAL ASSETS OR FINANCIAL LIABILITIES

An ongoing transactional area missed or not considered within the presentation and disclosure of financial statements for related party transactions are advances or loans made to or from related parties. The balances often fluctuate between related entities throughout the year. Appropriate accounting treatment and disclosures for these transactions need to be made in line with requirements for financial instruments. Firms need to be careful that financial statements follow the offsetting requirements. The net amount for related party transactions or related party balances from multiple parties can only be reported as a net balance when the criteria are met.

PART II 3856 - FINANCIAL INSTRUMENTS AND PART II - 3251 - EQUITY - FINANCIAL STATEMENTS CONTAINING INCORRECT ACCOUNTING TREATMENT FOR RETRACTABLE OR MANDATORILY REDEEMABLE SHARES IN A TAX PLANNING ARRANGEMENT

Material misstatements continue to be observed in financial statements regarding the classification of share transactions as equity versus liabilities. Firms are encouraged to utilize available guidance within Knotia and other resources when assessing whether the criteria to present these share

transactions as an equity item within the financial statements are met and to very clearly document their assessment within the engagement file (<https://www.cpacanada.ca/business-and-accounting-resources/financial-and-non-financial-reporting/accounting-standards-for-private-enterprises-aspe/publications/aspe-briefing-retractable-mandatorily-redeemable-shares>).

Further, the presentation and disclosure requirements for these transactions are outlined within 3251 – Equity.

PART II - 3041 - AGRICULTURE - FINANCIAL STATEMENTS MISSING REQUIRED DISCLOSURES

This standard became effective for fiscal years beginning on or after January 1, 2022; therefore, we observed more financial statements containing the required disclosures in 2024-25 inspections.

When applicable engagement files were inspected, we frequently observed the required disclosures missing from the financial statements regardless of whether the cost model or the net realizable value model were chosen. Most often, each major category of inventory was not separately disclosed. In some cases, when following the net realizable value model, the amount of inventories recognized as an expense during the period were grouped together with the aggregate of gains and losses arising during the current period from changes in the carrying amount of inventories. Firms are encouraged to access Knotia and available guidance resources to ensure the correct disclosures are made: <https://www.cpacanada.ca/business-and-accounting-resources/financial-and-non-financial-reporting/accounting-standards-for-private-enterprises-aspe/publications/aspe-agriculture-briefing-section-3041>

Note, at the time of publishing this article, there is an exposure draft out for proposed amendments to 3041 – Agriculture: <https://www.frascanada.ca/en/aspe/documents/amendments-to-section-3041-agriculture>

PART III - ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS (ASNPO)

Link to the applicability of Part III standards to NPOs: <https://www.cpacanada.ca/en/business-and-accounting-resources/financial-and-non-financial-reporting/not-for-profit-organizations/publications/accounting-standards-applicable-to-private-sector-nfpos>

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PART III – 4400 – FINANCIAL STATEMENT PRESENTATION BY NOT-FOR-PROFIT ORGANIZATIONS - LACK OF UNDERSTANDING OF THE DIFFERENCES IN PRESENTATION AND DISCLOSURE REQUIREMENTS FOR NON-PROFITS FOLLOWING THE DEFERRAL AND RESTRICTED FUND METHODS

Firms are reminded to have a good understanding of the differences in the presentation requirements under Part III 4400 Financial Statement Presentation for Not-For-Profit Organizations for each of the Statement of Financial Position, the Statement of Operations and the Statement of Changes in Net Assets. Non-profits cannot blend the reporting requirements under either method to suit their information needs. Firms need to raise issues (i.e., through an error summary or other such reporting to those charged with governance) with the way an organization has chosen to present its financial statements.

PART III – 4410 – CONTRIBUTIONS – REVENUE RECOGNITION - LACK OF UNDERSTANDING OF THE DIFFERENCES IN PRESENTATION AND DISCLOSURE REQUIREMENTS FOR CONTRIBUTIONS

Non-profits who adopt either the restricted fund method or the deferral method of accounting for contributions need to carefully follow the requirements of Part III 4410 – Contributions – Revenue Recognition. First, an assessment of whether the revenue meets the definition of a contribution is required. When the revenue is determined not to be a contribution, the presentation and disclosure requirements, including revenue recognition requirements under Part II 3400 – Revenue would then apply (see above link to a resource that outlines the specific elements applicable to NPOs under Part III).

After it is determined the revenue is a contribution, an assessment of whether the contribution meets the definition of a restricted contribution or an endowment contribution is completed. Contributions not meeting either the definition of a restricted contribution or an endowment contribution would be considered an unrestricted contribution. An important characteristic that defines how contributions are accounted for is whether a restriction is externally imposed. In some cases, contributions that did not have external restrictions placed on them (i.e., internally restricted) following the deferral method were accounted for inappropriately, therefore causing material misstatement to arise between deferred revenue balances and net assets.

Application of Technical Expertise within Assurance Standards: Areas Needing Attention**AUDITS – CAS 210 – AGREEING THE TERMS OF AUDIT ENGAGEMENTS AND CAS 580 – WRITTEN REPRESENTATIONS – LETTERS NOT CUSTOMIZED TO CLIENT SPECIFIC SITUATIONS**

It is generally observed that most firms have strengthened their processes to obtain signed engagement letters at the beginning of the engagement and the representation letter at the end of the engagement. However, we have observed that these letters are templated and are not customized to the actual services delivered by the firm or contain clauses that are not applicable to the engagement. Be sure engagement letters are thoroughly reviewed for accuracy and applicability and re-signed on a regular basis (if not done annually). Be sure to also review that the letters contain all clauses to minimize risk to the firm.

Within representation letters specifically, many templates make reference to the adjusting entries being attached and/or a summary of uncorrected misstatements attached. Best practice is to obtain clear, explicit sign off by management on a listing of all adjusting entries and to ensure that the summary of uncorrected misstatements is always attached to the fully signed letter (or the clause clearly amended to indicate the situation when there are no uncorrected misstatements).

If there are significant delays in obtaining a signed engagement letter or obtaining the signed representation letter, be sure to document the situation within the engagement file.

CAS 240 – THE AUDITOR’S RESPONSIBILITIES RELATING TO FRAUD IN AN AUDIT OF FINANCIAL STATEMENTS – RESPONSES TO FRAUD RISKS NOT CONSIDERED

In many inspections of audit files, firms don’t fully contemplate the ways in which fraud can be perpetrated by the organization. Often overlooked by firms, after assessing the risks of material misstatement due to fraud at the financial statement level, the response to these risks needs to consider:

- The assignment and supervision of staff, taking into account the knowledge, skill and ability of the engagement team, including those with significant engagement responsibilities

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- Evaluating whether the selection and application of accounting policies by the entity, especially those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting in an effort to manage reporting results
- How to incorporate an element of unpredictability in the selection of the nature, timing and extent of audit procedures.

When determining and assessing audit procedures, auditors should incorporate an element of unpredictability, applying professional judgment and, when appropriate, innovative approaches to enhance audit effectiveness.

AUDITS – CAS 315 – IDENTIFYING AND ASSESSING RISKS OF MATERIAL MISSTATEMENT – UNDERSTANDING OF IT

One common area of struggle within CAS 315 relates to the firm's documentation of the understanding of their client's information processing activities, resources and policies, and how information flows throughout the system ultimately into the entity's financial statements. CAS 315 requires robust documentation of the auditor's understanding of the entity in all areas impacting financial reporting. A client's information processing activities are important because they directly affect the accuracy, completeness, and timeliness of financial reporting. Key elements include how transactions are initiated, authorized, recorded, processed and reported, what accounting records and supporting documents are used, the IT environment (i.e., highly automated versus manual), and how manual interventions or overrides occur. This understanding, tailored to the level of risk and complexity of the IT environment, is then used to identify significant risk areas within the entity to determine the nature, timing, and extent of further audit procedures.

CAS 500 – AUDIT EVIDENCE – ASSESSING COMPLETENESS OF THE INFORMATION PROVIDED AND INFORMATION OBTAINED FROM OTHER PARTIES

Auditors place a lot of reliance on information provided by the entity subject to audit. It is important for auditors to carry out procedures to confirm the information is complete and accurate and hasn't been modified, including obtaining supporting or corroborating information from third parties, where possible. When information is obtained from third parties directly, it is important to document the audit process of obtaining the information as well as audit procedures performed to ensure responses are complete and sufficiently detailed to address the audit objectives.

CAS 530 – AUDIT SAMPLING – SAMPLE SIZES ADJUSTED OR REDUCED TO A JUDGEMENTALLY SELECTED AMOUNT

CAS 530 outlines clear requirements for documenting audit sampling. In many audit files inspected, firms use a standardized methodology for determining the sample design, size and selection. However, despite firms completing the process to determine the sample size in line with their internal methodology, it may produce results that are deemed to be too extensive and the sample size is adjusted or reduced judgements. For example, the firm's methodology produces a sample size of 100 items based on the characteristics of the population input into the calculation. The auditor proceeds to document that a sample size of 20 items judgements selected will be sufficient without any justification for how this was determined.

Firms are reminded that there are many different sampling methods available including using statistical and non-statistical methods. Additional guidance for various sampling methods and strategies can be found within the Appendices 1-4 of CAS 530 – Audit Sampling.

The firm should clearly understand the characteristics of the population subject to sampling, whether there are ways to stratify the population (e.g., items above materiality that can be tested separately, key items tested separately through other audit procedures, items within the population subject to different control processes), whether value-weighted selection processes can be used, and consider sample selection methods.

REVIEW ENGAGEMENTS – CSRE 2400, PARAGRAPH 47 – INQUIRIES OF MANAGEMENT AND OTHERS WITHIN THE ENTITY – NOT ALL REQUIRED INQUIRIES ARE DOCUMENTED

In many inspections this year, we observed firms not documenting the completion of each of the required inquiries of management and others within the entity as required under paragraph 47 of CSRE 2400. If inquiries are not applicable to the entity, this assessment needs to be clearly documented that it is not applicable and why it is not applicable instead of simply removing the inquiry from the file documentation. If using review engagement documentation templates published by CPA Canada (i.e., the Professional Engagement Guide templates), the inquiries are included on various worksheets. Therefore, if not all worksheets from the template are incorporated into the firm's methodology, some required inquiries may be missing from the engagement documentation. Firms need to cross-reference their templates used to all requirements of the standard to ensure full coverage.

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**REVIEW ENGAGEMENTS – CSRE 2400,
PARAGRAPH 48 – ASSESSMENT OF DATA FROM
THE ENTITY’S ACCOUNTING SYSTEM AND
ACCOUNTING RECORDS ARE ADEQUATE FOR
ANALYTICAL PROCEDURES**

Firms generally missed this required documentation element within their engagement files. If the underlying data used in an analytical procedure is unreliable or incomplete, any conclusions drawn from this analysis may be flawed. Assessing and documenting the adequacy of the accounting data used is a critical starting point to an analytical procedure, as it ensures that any conclusions about the financial statements are based on credible financial information.

**Application of Technical Expertise
within Related Services Standards:
Areas Needing Attention****RELATED SERVICES ENGAGEMENTS
– CANADIAN STANDARD ON RELATED
SERVICES, CSRS 4200 COMPILATION
ENGAGEMENTS – CLIENT CONTINUANCE
PROCEDURES NOT COMPLETED BEFORE
THE ENGAGEMENT IS ACCEPTED**

On many inspections of compilation engagement files, documentation of required inquiries of management regarding the intended use of the compiled financial information (and whether that information is intended to be used by a third party) and the acknowledgement of the basis of accounting expected to be applied was either not made or was not updated for the current engagement. These procedures are required to be performed annually at the very beginning of a compilation engagement, prior to obtaining a signed engagement letter or, in the case of a recurring compilation engagement, prior to evaluating whether there is a change in circumstances requiring a revised engagement letter or a reminder to management of the terms of the engagement letter. Management’s responses to these inquiries are critical to ensure a compilation engagement is appropriate in the circumstances.

**CANADIAN STANDARD ON RELATED SERVICES,
CSRS 4200 COMPILATION ENGAGEMENTS
– FINAL VERSION OF THE COMPILED
FINANCIAL INFORMATION NOT RETAINED**

In some inspections, a draft copy or a working copy that would have been shared with management or those charged with governance was retained on file. However, the final issued compiled financial information was not saved within the engagement file. Paragraph 35 outlines the requirement

for obtaining an acknowledgment from management or those charged with governance that it has taken responsibility for the final version of the compiled financial information. This can take different forms, including a signature on the final version of the compiled financial information, a written communication (letter, email or otherwise) or documentation of oral acknowledgment received by the practitioner (e.g., meeting notes). Firms need to take steps to ensure that all required documentation items are included on file prior to finalizing the engagement file.

We continue to emphasize that all engagements to compile financial information must be carried out by licensed CPAs only and follow the requirements of CSRS 4200. Notice to Reader reports cannot be issued by CPAs for any reason and shall not be attached to compiled financial information. CPAs who either practice compilations while unlicensed or continue to issue Notice to Reader reports are subject to the cease and desist process, which includes a penalty of up to \$3,000.

**Application of Technical Expertise within
Quality Management Standards: Areas
Needing Attention****QUALITY MANAGEMENT STANDARDS
– CANADIAN STANDARD ON QUALITY
MANAGEMENT 1 & 2 – LACK OF ADOPTION**

As noted within our inspection results earlier, there was a significant increase in the number of partial re-inspections in 2024-25. Many of these partial re-inspections relate to firms who are providing compilation engagements but have not adopted the quality management standards altogether. In these cases, firms were provided with an opportunity to complete this documentation requirement through the corrective action plan process which is currently underway.

**CANADIAN STANDARD ON QUALITY
MANAGEMENT 1 & 2 – NOT ALL
ELEMENTS INCLUDED**

For those firms who did adopt the quality management standards, some required elements were missing, such as documentation of the required quality objectives (governance and leadership, relevant ethical requirements, acceptance and continuance of client relationships and specific engagements, engagement performance, resources, information and communication), documentation of the required risk assessment to identify and assess quality risks, and documentation of responses to address quality risks (including the specified responses required within the standard).

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CANADIAN STANDARD ON QUALITY MANAGEMENT 1 & 2 – MONITORING PROCESSES NOT ESTABLISHED AND EVALUATION PROCESS NOT COMPLETED

For firms who did adopt the quality management standards, some elements under the Monitoring and Remediation Process were not documented, including the design and performance of monitoring activities. These are intended to be carried out on a regular basis to help the firm identify quality risks. An element of this, but not the only monitoring activity to complete by the firm, is the inspection of engagements completed by the firm on a cyclical basis by an objective party.

The firm is required to determine a point in time to complete an evaluation of their system of quality management (within one year of the date of adoption at most) and then performed annually thereafter. Many firms had not yet completed this step at the time of inspection.

Canadian Standards on Quality Management 1 & 2 (CSQM 1 & 2) came into effect for firms practicing in assurance on December 15, 2022; and came into effect one year later on December 15, 2023 for firms practicing in related services engagements (i.e., compilations). While there are new aspects incorporated into the quality management standards, we remind firms to:

- regularly review and assess their quality risks for any changes or new risks identified through completed engagements and monitoring activities,
- carry out an evaluation of their quality management system within one year of implementing the new standard, and annually thereafter, and
- assess and complete cyclical monitoring within an appropriate timeframe either by an internal or external qualified and objective CPA, depending on the size of the firm.

[Appendix A](#) includes reference to a listing of the most commonly reported deficiencies.

UPCOMING CHANGES:

The CPA profession and regulatory landscape continues to shift and evolve. In the coming years, practitioners will face challenges relating to the rapid advancements in technology, enhanced data analytics and the development of new and unique industries, while continuing to adopt new and changing professional standards and changing areas of competency.²

CPA Saskatchewan will continue to monitor how practitioners address these challenges and opportunities, while ensuring

educational materials and guidance are provided to firms through our practice inspections and newsletters.

[Appendix B](#) includes a list of upcoming effective standards within the CPA Canada Handbook.

REFERENCES

CPA Quebec (n.d.) 2023-24 retour sur l'inspection professionnelle. Retrieved May 8, 2025, from: <https://cpaquebec.ca/-/media/docs/membres-cpa/obligations-cpa/inspection-professionnelle/bilan-annuel-2023-2024.pdf>

CPA Ontario (n.d.). Regulatory Report. Retrieved May 8, 2025, from: <https://assets.cpaontario.ca/protecting-the-public/governance/pdfs/regulatory-report-2024.pdf>

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CPA Alberta (n.d.) Focus on Practice Review – 2023. www.cpaalberta.ca. Retrieved May 8, 2025, from: <https://www.cpaalberta.ca/-/media/Files/Protecting-the-Public/Practice-Reviews/Focus-on-Practice-Review---September-2023-2>.

APPENDIX A: MOST COMMON DEFICIENCIES REPORTED IN 2024-25

In our Spring 2024 Focus on Firms newsletter, we published a listing of the most commonly reported deficiencies in each of the areas of audit engagements, review engagements, compilation engagements, and quality management standards, and the various financial reporting frameworks (note: IFRS is not included as this framework is not frequently inspected). These deficiencies continue to remain our most commonly reported in 2024-25 and are not re-published in this year's article. You may find these included at: https://cpask.ca/public/plugins/pdfs/24cpa003_focus_on_firms_spring2024_newsletter-1716310891.pdf

Note: The deficiencies listed in last year's practice inspection article either alone or in combination with other deficiencies may or may not result in a firm being unsuccessful on a practice inspection. We encourage the firm to use this article and the previous year's listing to assess where your engagement files may require more documentation to comply with the professional standards.

² <https://cpaleadstheway.ca/> Date accessed May 15, 2025.

APPENDIX B – NEWLY EFFECTIVE OR UPCOMING CHANGES IN PROFESSIONAL STANDARDS³

Accounting Standards – CPA Canada Handbook Part I – International Financial Reporting Standards

Effective for annual periods beginning on or after January 2026:

<p>Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures re:</p> <ul style="list-style-type: none"> • Nature-dependent Electricity Contracts (Power Purchase Agreements) 	In accordance with specific requirements in IFRS 9 and IFRS 7
<p>Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures re:</p> <ul style="list-style-type: none"> • Classification and Measurement of Financial Instruments 	In accordance with specific requirements in IFRS 9 and IFRS 7
<p>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards re:</p> <ul style="list-style-type: none"> • Hedge accounting by a first-time adopter 	In accordance with specific requirements in IFRS 1
<p>Amendments to IFRS 7 Financial Instruments: Disclosures re:</p> <ul style="list-style-type: none"> • Gain or loss on derecognition 	In accordance with specific requirements in IFRS 7
<p>Amendments to Guidance on implementing IFRS 7</p> <ul style="list-style-type: none"> • Introduction • Disclosure of deferred difference between fair value and transaction price • Credit risk disclosures 	In accordance with specific requirements in IFRS 7
<p>Amendments to IFRS 9 Financial Instruments re:</p> <ul style="list-style-type: none"> • Derecognition of lease liabilities • Transaction price 	In accordance with specific requirements in IFRS 9
<p>Amendments to IFRS 10 Consolidated Financial Statements re:</p> <ul style="list-style-type: none"> • Determination of a ‘de facto agent’ 	In accordance with specific requirements in IFRS 10
<p>Amendments to IAS 7 Statement of Cash Flows re:</p> <ul style="list-style-type: none"> • Cost method 	In accordance with specific requirements in IAS 7

³ <https://www.frascanada.ca/en/> Accessed May 15, 2025

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Part II – Accounting Standards for Private Entities

Effective for annual periods beginning on or after January 2025:

Amendments to Section 3840, Related Party Transactions - In accordance with the specific requirements in Section 3840

Effective for annual periods beginning on or after January 2026:

AcG-21, Accounting for Life Insurance Contracts with Cash Surrender Value - In accordance with the specific requirements in AcG-21

Part III – Accounting Standards for Non-for-Profit Organizations

Effective for annual periods beginning on or after January 2026:

AcG-21, Accounting for Life Insurance Contracts with Cash Surrender Value - In accordance with the specific requirements in AcG-21

Public Sector Accounting Standards

Effective April 1, 2026:

The Conceptual Framework for Financial Reporting in the Public Sector - Fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted.

Financial Statement Presentation, Section PS 1202 - Fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if *The Conceptual Framework for Financial Reporting in the Public Sector* is also adopted at the same time.

Assurance Standards – CPA Canada Handbook

Effective December 15, 2023:

CAS 600, Group Audits - Audits of financial statements for periods beginning on or after December 15, 2023.

Effective December 15, 2024:

CAS 260, *Communication with Those Charged with Governance* - Paragraph 17 is effective for audits of financial statements for periods beginning on or after December 15, 2024.

CAS 700, *Forming an Opinion and Reporting on Financial Statements* - Paragraphs 28(c)(ii) and 50(e)(ii) are effective for audits of financial statements for periods beginning on or after December 15, 2024.

FOLLOW FOR UP TO DATE TAX INFORMATION

For up to date tax information and articles posted in real time, follow [Ryan Minor](#), Director of Tax at CPA Canada and/or [John Oakey](#), Vice-President of Taxation at CPA Canada, on LinkedIn.



Other Regulated Services



FRACTIONAL OR CONTRACT CFOS

Chartered Professional Accountants are in demand and many smaller organizations and enterprises are preferring to outsource their key accounting leadership roles, such as Controller or Chief Financial Officer.

CPA Saskatchewan regulations refer to these types of outsourced services as ‘management accounting’. Management accounting encompasses a wide range of services, including budgeting and forecasting, cost management, performance measurement, financial analysis, and the integration of digital technologies.

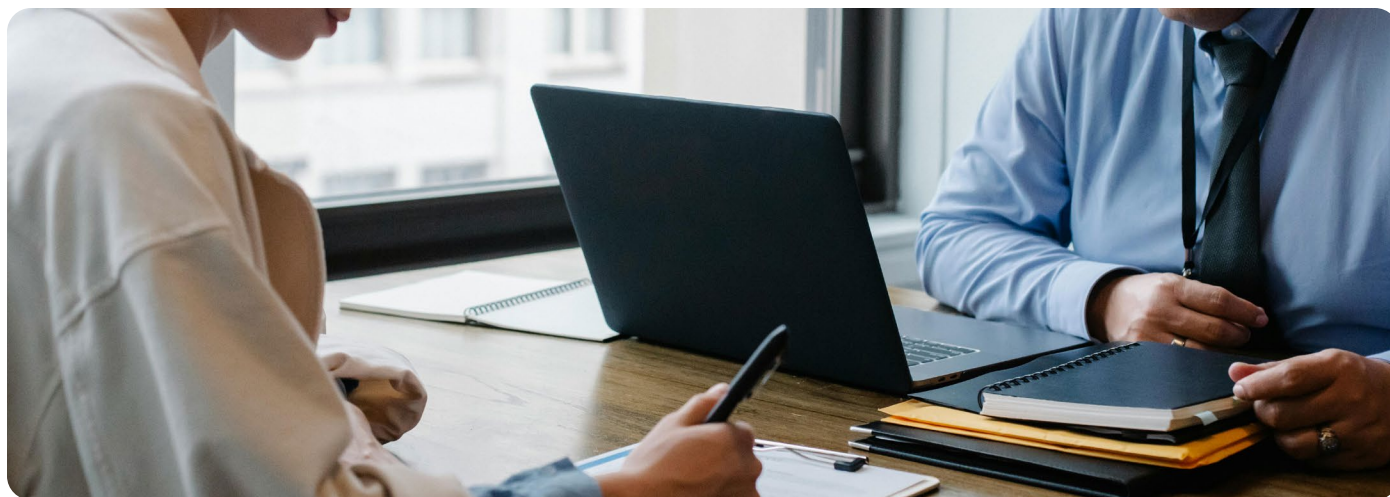
In almost all instances, CPAs require firm registration when providing management accounting services as a fractional or contract controller or CFO to organizations and enterprises.

When starting a firm as a Fractional or Contract Controller or CFO, there are some important considerations. Just because you aren’t providing assurance and tax services doesn’t mean you aren’t required to establish some basic business practices to follow in your operations to maintain your compliance with the Rules of Professional Conduct:

WHAT YOU NEED	WHY YOU NEED IT	WHAT RULE REQUIRES IT
A contract/engagement letter between you and the organization or enterprise (i.e., the client)	<p>Contracts between the CPA and the organizations and enterprises that are engaging the management accounting services are essential.</p> <p>As management accounting covers a broad range of services some tasks may seem closer to bookkeeping services rather than a professional service; whereas, other tasks may involve actively managing the strategic financial strategies through cash flow management. Be very, very clear about what you are prepared to deliver as a professional service to that client to ensure expectations are aligned.</p> <p>If you are not prepared to take on a certain responsibilities, be sure you clearly scope it out of your contract and communicate that to the client. Clients tend to assume that a CPA just handles everything.</p> <p>Insurance considerations, billing frequency, indemnification, and management expectations should be defined also.</p>	<p>Integrity and Due Care 200.1</p> <p>CPAs are expected to be straightforward, honest, and fair dealing in all professional relationships. They are also expected to act diligently and in accordance with applicable technical and professional standards when providing professional services. Diligence includes the responsibility to act, in respect of any professional service, carefully, thoroughly, and on a timely basis.</p> <p>Further, CPAs are required to ensure that those performing professional services under their authority have adequate training and supervision.</p>
Transparent billing practices	<p>If you aren’t billing by the hour, then you need to ensure that you have a fee model that clearly explains what you are doing to earn that fee. Often, a flat monthly fee for a variety of services is charged. If those services aren’t properly defined (see Contract requirements above), then you could be subject to a complaint of over-billing.</p>	<p>Fee Quotations and Billings 214.1</p> <p>CPAs are required to get information prior to providing a quotation to ensure that quote is fair and reasonable. Then, once rendered, those billings must be supported.</p>

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WHAT YOU NEED	WHY YOU NEED IT	WHAT RULE REQUIRES IT
Professional Liability Insurance (“PLI”)	PLI looks different for Fractional or Contract Controllers or CFOs. There are more options available in the marketplace now than have ever been for CPAs providing management accounting services. Ensure you speak with your broker and get multiple quotes. In some instances, the organizations and enterprises will cover the CPA with their insurance policy and if that is the case, ensure that is clearly stipulated in your contract.	Bylaw 24.1 Every firm is required to carry PLI.
Professional Development	There are a variety of professional development courses available to enhance competency of the Fractional or Contract Controller or CFO, and that needs to be considered. With the role technology plays in management accounting and the economic changes affecting all realms of business, taking good, relevant, verifiable professional development is critical and helps you stay on top of best business practices available.	Competence 200.3 Bylaw 23.1 Clients, employers, and the public generally expect the accounting profession to maintain a high level of competence. This underscores the need for maintaining individual professional skill and competence by keeping abreast of and complying with developments in the professional standards and pertinent legislation in all functions where a registrant performs professional services, or where others rely upon a CPA’s calling.
Documentation	Throughout the Rules of Professional Conduct, there are requirements to document how key decisions are made. Often, we see that management accounting services are poorly documented and documentation of the related decisions made from those services is lacking. Be sure to develop a strong documentation system.	Maintenance of Policies and Procedures Rule 230.1, 231.1 Establishing, maintaining, and upholding appropriate policies and procedures designed to ensure that services are performed competently is a requirement of the profession.



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CLIENT'S BASIC EXPECTATIONS

As a CPA, there is an inherent reliance on your technical knowledge and skills to provide Fractional or Contract Controller or CFO services competently. Clients expect the CPA to be able to competently carry out:

1. Planning, forecasting and budgeting, with related management reporting,
2. Cash flow management, often specific to optimization strategies,
3. Risk management, including the development and documentation of internal controls and fulsome analysis supporting key decisions,
4. Year-end financial reporting and compliance with statutory excise tax filings, and
5. Bookkeeping services.

It is important to reflect on whether you need to take some professional development in any of these areas as a refresher or to build new skills in these areas to provide even more value to your clients. These services directly support decision-making within organizations. CPAs specializing in management accounting provide essential insights that guide day-to-day operations, assist in long-term strategic planning, and enable businesses to optimize resource allocation, manage costs effectively, and measure progress against financial and strategic goals.

RESOURCES

[Five Key Responsibilities of a Fractional CFO — The Finance People](#)

[Barnes-Dennig-Fractional-CFO-Guide-to-Success.pdf](#)

[On Demand PD courses through CPA Saskatchewan](#)

[Virtual PD through CPA Canada](#)

CPA QM ADOPTION

Canadian Standards on Quality Management 1 & 2 (CSQM 1 & 2) came into effect for firms practicing in assurance on December 15, 2022; and came into effect one year later on December 15, 2023 for firms practicing in related services engagements (i.e., compilations).



CPA SASKATCHEWAN 2024-25 ANNUAL REPORT

View the Annual Report for current statistics for firms operating in Saskatchewan.

MAKING CPD MEANINGFUL: ALIGNING PROFESSIONAL DEVELOPMENT WITH YOUR PRACTICE

For licensed Chartered Professional Accountants (CPAs), continuing professional development (CPD) is more than just a regulatory requirement; it's a commitment to maintaining competence and providing high-quality service to clients.

When faced with busy schedules and a wide array of available courses, it's critical to approach CPD intentionally, ensuring that your professional development aligns with your actual area of practice.

REFLECT ON YOUR AREA OF PRACTICE

Before enrolling in any CPD course, take a moment to reflect on the nature of your current work. CPD should enhance the value you bring to your clients. Choose courses that challenge you, address areas where you may need a refresh, or help you prepare for emerging trends or upcoming changes in standards.

Ensure the CPD courses taken are relevant to your area of practice. If you're not working with International Financial Reporting Standards (IFRS), for example, there may be little benefit in completing IFRS-related CPD courses. Instead, focus your efforts on training that reinforces and expands your expertise in the standards and competencies that directly affect your client service deliverables.

It's important to take note of the specific CPD requirements:

- For assurance licensed CPAs (comprehensive and specified), the minimum verifiable CPD hours requirements are based on applicable assurance, quality management, or financial reporting framework topics specific to the type of assurance work provided to clients. Compilation and taxation PD hours do not qualify for these requirements.
- For compilation licensed CPAs, a minimum of 3.5 hours of verifiable CPD in a three-year cycle must be directly related to either Canadian Standard on Related Services (CSRS) 4200 or the new quality management standards (CSQM 1 and 2). These hours are critical for ensuring that compilation-only practitioners remain current on key changes and maintain a high level of competency in delivering compilation services.

REVIEW YOUR SUBSCRIPTIONS AND ALERTS

Keeping current doesn't stop at verifiable CPD hours. It's just as important to ensure you're receiving timely updates and guidance from CPA Canada and other authoritative sources. Review your email subscriptions and alert settings to make sure you're getting:

- Technical updates relevant to your area of practice

- Updates on changes to standards and legislation (e.g., assurance, compilation, tax)
- Regulatory updates from CPA Saskatchewan
- Practice management and quality management guidance

If you've changed roles or shifted your client service focus in recent years, you might need to adjust the topics and publications you're subscribed to. Staying on top of these updates ensures you're aware of developments as they happen, helping you to act proactively in your professional work.

MAKE LEARNING REAL

Taking a course is just the beginning. The real value comes when you apply what you've learned to your practice.

After completing a CPD course, take the time to reflect on how the content relates to your actual day-to-day processes and specific client engagements.

Ask yourself:

- How can I apply this knowledge to improve my processes or client deliverables?
- Are there areas in my practice that need adjustment in light of what I've learned?
- What follow-up actions should I take to reinforce this knowledge?

Intentional follow through not only deepens your understanding but ensures that your professional development truly supports your ongoing proficiency in delivering high-quality client service.

FINAL THOUGHTS

CPD is an investment in your professional career, not a formality. By being deliberate in course selection, aligning learning with practice, reviewing your information sources, and committing to integrating new knowledge, you can transform CPD from a compliance obligation into a powerful tool for professional growth and impact.



NEW COURSE

The Role of a CPA in a Non-Profit Organization

CPAs have a broad knowledge base, a strong ethical foundation, and often contribute to their community through non-profit organizations.

Developed by CPA Saskatchewan, this on demand course will help you understand your responsibilities related to involvement in a non-profit organization while using the Code of Conduct as guidance.

REGISTER NOW

Estimated Verifiable Ethics CPD Hours: 3

| Regulatory



REGULATORY NOTICES

LICENCE CANCELLATIONS

A member licence may be voluntarily cancelled at any time throughout the year or at the time of licence expiry when that member no longer authorizes assurance or compilation engagement reports in Saskatchewan or does not renew their licence prior to expiry on December 31. A firm's licence becomes cancelled when there are no longer any licensed members at a firm. Adjustments to the firm's tier of licensing (i.e., from comprehensive to specified or from comprehensive to compilation or from specified to compilation) may be required when there is no longer a licensed member at the firm with that tier of licence held. A member or firm licence may be cancelled through regulatory processes as determined by the Professional Practice Committee.

CONFIRM THE CURRENT LICENSING STATUS OF A MEMBER OR FIRM

Our online directories on our website have information about a [member's licensing status](#) or a [firm's licensing status](#) or to confirm the type of licence held by a member or firm. A description of the services permitted under each licence type is included within the links above. It is important to report any discrepancies noted to licensing@cpask.ca.

PUBLIC NOTICE

As required in our Rules, all licence expiries and cancellations, whether made voluntarily by the member or through our regulatory processes (such as through practice inspection or through registration processes) must be published and made publicly available through our website and newsletter. Click here to find the related rules outlining when licences are cancelled and the current listing of [licensing cancellation notices](#).

The members and firms listed below are **no longer authorized** to practice professional accounting in Saskatchewan after the effective date noted, which means these members and firms cannot authorize the release of any assurance engagement reports (in the case of a comprehensive or specified licence cancellation) or compilation engagement reports (for cancellation in all licence types) or any other certification, declaration or report on behalf of a firm in Saskatchewan.

Contact licensing@cpask.ca for any licensing inquiries or if you have questions or concerns about the individuals and firms listed below.

MEMBER LICENCES VOLUNTARILY CANCELLED AFTER MAY 2024 UP TO MAY 20, 2025, WITH THE EFFECTIVE DATE OF LICENCE CANCELLATION AND TYPE OF LICENCE THAT WAS HELD NOTED.

IF APPLICABLE, THE FIRM LICENCE CANCELLATION IS ALSO NOTED.

Voluntary licence cancellations in 2025:

Michael Henry Epp – resigned effective April 29, 2025 (Comprehensive)

Scott Donald Ragnar Olsson – resigned effective April 24, 2025 (Comprehensive)

Susan D. Schuck – resigned and Susan D. Schuck CPA Prof. Corp. firm closure effective April 1, 2025 (Compilation)

Kristen Jade Jarocki, CPA – voluntary cancellation member licence effective January 29, 2025 (Compilation)

Licence expiries (not renewed for the following calendar year, all effective January 1, 2025):

Darcy James Spilchen, CPA, CMA, CA – member comprehensive licence

Jason Stuart Brown, CPA, CA – member comprehensive licence

Christine Sherry Wakelin, CPA, CA – member compilation licence

Roderick B. Campbell, CPA, CMA – member and firm, Rod Campbell CPA P.C. Ltd., compilation licences

continued on page 29

Licence cancellations (with resignation and/or firm closure noted, as applicable) after May 2024 up to December 31, 2024:

Heather Dawn Murk – resigned effective December 31, 2024 (Comprehensive)

Donald Wayne Simpson – resigned effective December 31, 2024 (Comprehensive)

Harold John Braun, CPA, CA – voluntary cancellation member and firm licences effective December 31, 2024 (Specified), Harold Braun, CPA Prof. Corp. – firm closed

Erin Canham, CPA, CA – voluntary cancellation member and firm licences effective December 31, 2024 (Compilation), Erin Canham, CPA, CA – firm closed

Donald Bruce Carson, CPA, CA – voluntary cancellation member and firm licences effective December 31, 2024 (Compilation), D. Bruce Carson CPA, CA

Jim H. Chow – resigned and Jim Chow, CPA Prof. Corp firm closure effective December 31, 2024 (Compilation)

Sharon G. Gimás, CPA, CMA – voluntary cancellation member and firm licences effective December 31, 2024 (Compilation), Sharon Gimás, CPA, CMA

Curtis R. Hepting, CPA, CMA – voluntary cancellation member and firm licences effective December 31, 2024 (Compilation), Curtis Hepting, CPA Professional Corporation

James Dean Wankel, CPA, CA – voluntary cancellation member licence effective December 31, 2024 (Compilation)

Glenn A. Ziegler – resigned and Glenn Ziegler CPA Prof. Corp. firm closure effective December 31, 2024 (Compilation)

Lainey Nicole Bokhaut – resigned and Bokhaut Chartered Professional Accountants LLP firm closure effective November 28, 2024 (Compilation)

Mary Ann Alcid Posada, CPA, CMA – member and firm licence cancellation through regulatory processes effective November 25, 2024 (Compilation), FilAcc CPA P.C. Ltd.

Amberlea Vera Chabot, CPA, CA – voluntary cancellation member licence effective November 25, 2024 (Specified)

Lisa Joan Yanko, CPA, CMA – voluntary cancellation member and firm licences effective November 18, 2024 (Compilation), Essential Bookkeeping Services

Jocelyn Amber Underwood, CPA, CA – voluntary cancellation member licence effective November 8, 2024 (Compilation)

Craig Kenneth Hermann, CPA, CA – voluntary cancellation member licence effective November 7, 2024 (Compilation)

Donald J. Walker, CPA, CGA – voluntary cancellation member and firm licences effective October 31, 2024 (Comprehensive), DWalker CPA Prof. Corp. – firm closed

Nuvero LLP – firm closure effective October 10, 2024 (Comprehensive)

Yang Gao, CPA – voluntary cancellation member and firm licences effective August 13, 2024 (Compilation), Yang Gao, CPA P.C. Ltd.

Oluwatomisin Ibijoke Olaniyi Laseinde, CPA, CA – voluntary cancellation member and firm licences effective August 2, 2024 (Compilation), Tomisin Olaniyi Laseinde CPA Prof. Corp. – firm closed

Chris J. De Jong, CPA, CGA – voluntary cancellation member and firm licences effective June 30, 2024 (Comprehensive), De Jong & Associates, Chartered Professional Accountants, Prof. Corp.

Arlene G. Ratzlaff, CPA, CGA – voluntary cancellation member and firm licences effective June 12, 2024 (Specified), Arlene Ratzlaff, CPA, CGA – firm closed

DISCIPLINARY NOTICES



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF DISCIPLINE DETERMINATION AND ORDER NOTICE OF EXPULSION

On November 21, 2024 and March 29, 2025, the Discipline Committee of the Institute of Chartered Professional Accountants of Saskatchewan issued its Determination and Order, respectively for:

DONALD HENRY WINDELS

The former member has been found guilty of professional misconduct under Section 26 of *The Accounting Profession Act* in respect of services provided as an Executive Director for and a Director of a not-for-profit organization and related entities from 2008 to 2021.

Specifically, Windels:

- Held positions of trust for a not-for-profit organization mandated to support vulnerable persons and did not conduct himself with integrity, objectivity or competence.
- Engaged in various instances of transactions over several years which were not within the charitable mandate of the not-for-profit organization, and which used the resources of the not-for-profit organization for personal benefit to him or his family.
 - Did not exercise appropriate moral behaviour and awareness of professional standards related to financial reporting or conflict management.
 - Did not act in a manner that maintained the good reputation of the profession.

The Discipline Committee of the Institute of Chartered Professional Accountants of Saskatchewan ordered the expulsion of Donald Henry Windels. Having been expelled, this individual shall not use either the title 'professional accountant' or the professional designations 'Chartered Professional Accountant' or 'Certified General Accountant', or the initials 'CPA' or 'CGA' in Saskatchewan.

Visit www.cpask.ca for the full [Determination and Order](#).

Authorized by:
Leigha Hubick, CPA
Registrar

April 3, 2025

DISCIPLINARY NOTICES



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF DISCIPLINE DETERMINATION AND ORDER

On May 14, 2024, the Discipline Committee of the Institute of Chartered Professional Accountants of Saskatchewan issued its Determination and Order for:

A1 ACCOUNTING GROUP LLP

The firm has been found guilty of professional misconduct under Section 26 of *The Accounting Profession Act* related to failures to uphold appropriate policies designed to ensure that in the conduct of the practice the members complied with the profession.

The failures included the issuance of audit reports without the required authorization of the licensed external monitor by a restricted partner including two (2) reports for which there was non-compliance with the applicable CPA Accounting Handbook Standards for material financial statement items.

Visit [www.cpsk.ca A1 Accounting Group LLP - Discipline](http://www.cpsk.ca/A1_Accounting_Group_LLP_-_Discipline) for the full Determination and Order.

Authorized by:
Leigha Hubick, CPA, CA
Registrar

May 24, 2024



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF DISCIPLINE DETERMINATION AND ORDER

On June 27, 2024, the Discipline Committee of the Institute of Chartered Professional Accountants of Saskatchewan issued its Determination and Order for:

KENNETH E. (TED) LEWIS, CPA, CMA

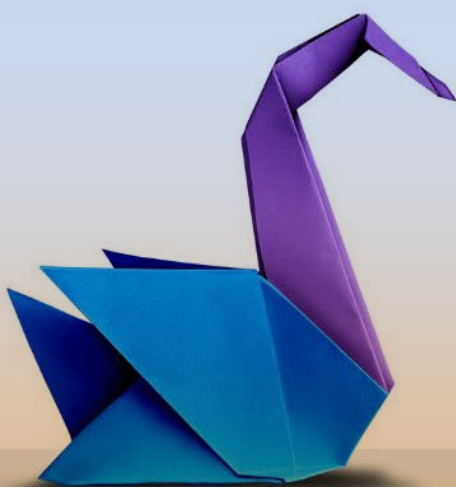
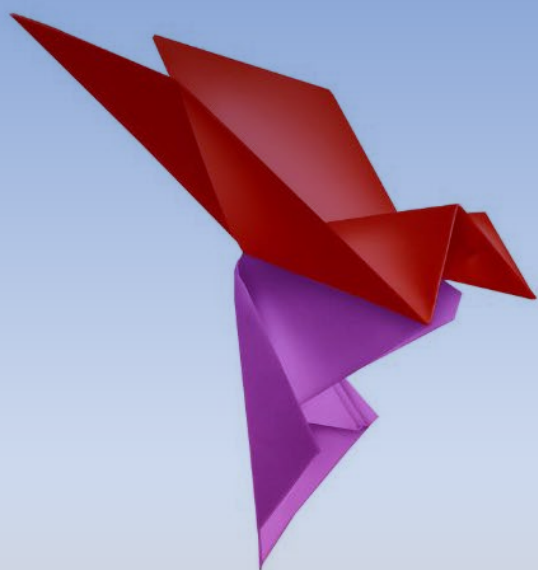
The member has been found guilty of professional misconduct under Section 26 of *The Accounting Profession Act* in respect of services to eight (8) clients beginning in or about November 2021 through January 2023.

Specifically, Lewis failed to act with integrity and demonstrate due care and competence expected of a registrant by authorizing the release of audit engagement reports without the prior authorization of an external monitor when they knew that they were restricted from doing so. In addition, Lewis failed to complete audit engagements in compliance with the CPA Canada Handbook accounting and assurance standards.

Visit [www.cpsk.ca Lewis, Kenneth E. \(Ted\) - Discipline](http://www.cpsk.ca/Lewis,_Kenneth_E._(Ted)_-_Discipline) for the full Determination and Order.

Authorized by:
Leigha Hubick, CPA, CA
Registrar

July 4, 2024



CPA

SASKATCHEWAN