

# Public Trust Committee Terms of Reference

Approved by the Council of Chief Executives May 23, 2019

## 1. Mandate

Our commitment to protect the public interest is the cornerstone of the CPA profession. It defines who we are and enables the public to place its trust in us. Continuing to maintain the public's confidence and trust is essential to the future reputation of the profession. The public's interest is protected through the profession's rules of professional conduct and self-regulatory activities. The provincial bodies are responsible for this role and have agreed to carry out their responsibilities through policies, strategies and processes that are harmonized to the greatest extent possible. In addition, it is in the best interest of the public and the profession that the rules of professional conduct are harmonized across all jurisdictions, subject only to infrequent differences reflecting local laws and circumstances.

The mandate of the Public Trust Committee (the Committee) is as follows:

to provide leadership and oversight in establishing policies, strategies and processes by which the CPA Canada Board of Directors, the boards of the provincial bodies and the relevant committees can maintain the integrity of the profession and the confidence and trust of the public.

*(Note: For purposes of these terms of reference, use of expressions such as "Canada," "national" and "province" and their cognates should be read to apply as if Bermuda, the Yukon Territory, the Northwest Territories and Nunavut were provinces of Canada.)*

## 2. Responsibilities

The Committee is responsible for:

- a) Recommending policies and strategies to uphold the public's confidence and trust in the profession;
- b) Monitoring international developments with respect to the International Ethics Standards Board for Accountants (IESBA) Code of Ethics and developing responses to changes, on behalf of the Canadian CPA profession, regarding any future changes to the Code of Ethics being proposed by IESBA;
- c) Monitoring, reviewing, on behalf of the profession, and responding to any proposed changes to the independence standards as recommended from time to time by the Independence Standing Committee;
- d) Monitoring the development and renewal of the profession's standards related to professional conduct and self-regulation, through an ongoing CPA Unified Rules Standing Committee and such other standing committees, task forces and best practice sharing groups, etc. as may be required; Monitoring the development and renewal of the profession's disciplinary process;
- e) Monitoring the development and renewal of the profession's practice inspection process;
- f) Identifying other matters which have or may have impact on the public's trust and confidence in the profession and providing for the establishment and monitoring of the appropriate standing committees, task forces and best practice sharing groups, etc. to research and address them;
- g) Communicating and promoting any recommendations relating to improving the public's confidence in the profession to the Council of Chief Executives (CCE) and ultimately to the CPA Canada Board of Directors and the boards of the provincial bodies, as appropriate; and
- h) Approving the terms of reference of the standing committees, task forces, and best practice sharing groups that the Public Trust Committee believes are necessary to carry out its mandate.

### 3. Authority

The Committee is empowered

- a) to initiate review and commission research, and consult with appropriate parties within and outside the profession;
- b) to authorize standing committees, task forces and best practice sharing groups that it establishes to do the same; and
- c) to adopt, in both English and French, in keeping with the Collaboration Accord and pursuant to Section 7 of the Collaboration Accord, harmonized independence standards for Chartered Professional Accountants and ensure they are kept up to date.

### 4. Accountability

The Committee is accountable to the CCE at least annually.

### 5. Composition and Term

The Committee composition and terms are as follows:

- a) Staff representatives will be appointed annually by the Council of Chief Executives and will normally be composed of one subject matter expert from each provincial/Bermudian body and CPA Canada, it being understood that provincial/Bermudian bodies may pool resources in recommending the staff population of the Committee, and
- b) Three public representatives will be appointed by the Council of Chief Executives with each serving a three-year term, once renewable and staggered to provide continuity at the discretion of the Council of Chief Executives.

## 6. Chair

The Chair will be appointed by the CCE for a term of two years, once renewable, from two recommendations of Committee members for the position provided by the Committee.

## 7. Assistance/Advice/Operation

The Secretariat will be provided by an individual who has knowledge and experience in the profession's self-regulatory processes. This individual will be responsible for assisting the chair in developing agenda materials for Public Trust Committee meetings, circulating materials in advance of such meetings, preparing initial drafts of reports on behalf of the Committee, and preparing minutes of Committee meetings. More importantly the individual will take a lead role in environmental monitoring on behalf of the Public Trust Committee and bringing forward relevant information to the Committee's attention.

The secretariats for the standing committees, task forces and best practice sharing groups related to the Public Trust Committee shall be provided as the Committee deems appropriate in the circumstances.

Liaison with the CPA Canada shall be provided by the Chair of the Public Trust Committee.

The Committee may from time to time invite guests to all or part of its meetings when their specialized subject matter expertise is required.

## 8. Consultation and Communications

The Committee will seek advice and guidance from the provincial bodies (including any liaison designated by a provincial body for that purpose), the CPA Canada Board of Directors and the general membership as required.

## 9. Standard of Care and Reliance on Experts

- a) In the discharge of their duties under the Committee's mandate, each member of the Committee shall be obliged to act honestly and in good faith with a view to the best interests of the Canadian CPA profession and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- b) In the discharge of their duties, the members of the Committee may rely in good faith upon a report of a person whose profession lends credibility to a statement made by that person.

## 10. Quorum and Decision-Making

A quorum consists of a simple majority of the Committee, including at least two public representatives. Decisions will be reached by consensus. Matters on which the Committee cannot reach consensus will be referred to the Council of Chief Executives.

## 11. Reporting

The Committee shall report to the CCE as often as necessary, but at least annually, through the Committee's executive sponsor.

## 12. Meetings

Meetings may be conducted in person or by telephone or video conference and shall be held as frequently as required but not less than three times per year to discharge the Committee's mandate properly. Meetings may be convened by order of the Chair or at the request of any Committee member of management.

## 13. Bilingualism

The Committee will adhere to the bilingualism policy of CPAC.

## 14. Funding

Funding for reasonable and necessary expenses for the activities of the Committee is shared by the provincial bodies and CPA Canada on a *prorata* basis. Funding of the Unified Rules Committee is shared by the provincial bodies. Funding of other committees, working groups and task forces will be determined based on the mandate of such groups and as agreed to by the CCE.

## 15. Legal Counsel

Any legal counsel support will be required to be pre-approved by the PTC Secretary.