

# Research, Guidance and Support Corporate Oversight & Governance

## SUMMARY RESOURCE GUIDE

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# Framework Series

The *Framework* series of documents is designed to outline the critical steps and considerations throughout a process, with the goal of enabling directors to identify issues that warrant director attention and provide directors with practical tools.

## **Oversight of the External Auditor: Guidance for Audit Committees (Updated 2018)**

(36 pages | 2018)

Audit quality is increasingly in the spotlight as a key element of the financial reporting process. *Oversight of the External Auditor: Guidance for Audit Committees* builds on the discussion papers and final report of the Enhancing Audit Quality (EAQ) initiative, a joint project of Chartered Professional Accountants of Canada (CPA Canada) and the Canadian Public Accountability Board (CPAB) that examined how to enhance audit quality in light of global developments.

## **Annual Assessment of the External Auditor: Tool for Audit Committees (Updated 2018)**

(31 pages | 2018)

The Enhancing Audit Quality (EAQ) initiative recommended that audit committees should conduct a comprehensive review of external auditors at least every five years. But what needs to happen during an annual assessment in the in-between years? *The Annual Assessment of the External Auditor — Tool for Audit Committees* identifies three audit quality areas your audit committees should consider and a step-by-step approach to using our tool, including:

- determining the scope, timing and process for the annual assessment
- obtaining input from key personnel
- assessing areas for audit committees to consider
- concluding on the annual assessment and communicating results to the board

## **Periodic Comprehensive Review of the External Auditor: Tool for Audit Committees (Updated 2018)**

(37 pages | 2018)

As recommended by the Enhancing Audit Quality (EAQ) initiative, audit committees should conduct a comprehensive review of external auditors at least every five years, to provide a deeper and broader analysis of external auditor performance than an annual assessment. *Periodic Comprehensive Review of the External Auditor — Tool for Audit Committees* provides guidance on the preparation and content of the audit committee's public report, so your audit committee can: identify potential areas where the external audit firm can improve, identify potential areas where your audit committee can improve oversight, reach a final conclusion on whether the auditor should be reappointed or the audit should be put out for tender.

## **Overseeing Mergers and Acquisitions: A Framework for Boards of Directors**

(182 pages | 2016)

Boards of directors must be involved in mergers and acquisitions to ensure effective and independent oversight on material transactions that affect shareholder value. This document provides a robust framework to help directors oversee mergers and acquisitions effectively and ensure shareholder value is maximized. It covers the full life cycle, from strategy and transaction development to implementation to post-closing activities.

## **Overseeing Strategy: A Framework for Boards of Directors**

(140 pages | 2015)

This document provides an indispensable framework to help directors effectively oversee the strategic planning process, from preparation and strategy formulation to execution and monitoring results. Learn how to engage in the process earlier, set clear expectations about quality, add value, and oversee execution that creates shareholder value.

## **A Framework for Board Oversight of Enterprise Risk**

(90 pages | 2012)

Experienced CEO and Director John Caldwell discusses the importance of boards taking more active and direct roles in risk assessment, and offers a framework for getting there. Learn how to go beyond the traditional oversight of typical risk management processes.

# 20 Questions Series

The *20 Questions* series addresses subjects important to directors through twenty questions they might ask management, advisors or themselves. Each question is followed by an “answer” that helps the readers understand the significance of the topic and provides the basis for understanding the answers they get.

## **20 Questions Directors Should Ask about Pension Governance**

(54 pages | 2016)

20 Questions Directors Should Ask About Pension Governance contains a practical framework for analysis to help boards of directors, pension committees and boards of trustees create and maintain good governance practices. The document examines the board’s roles and responsibilities in managing and monitoring the pension plan and fund, pension and group benefit plan and design, funding and financial reporting policies, pension plan investment, risk assessment and management controls directors should be aware of and hiring and supervising third-party advisors.

## **20 Questions Directors Should Ask about Internal Audit**

(44 pages | 2016)

This document provides an essential checklist of questions and responses that reflect the evolving roles of internal audit professionals in governance, risk, compliance and future value. The document is intended to inform insightful discussion among directors, audit committee and board members, management, and internal audit professionals. The questions and responses comply with The Institute of Internal Auditors (IIA)’s International Standards for the Professional Practice of Internal Auditing (IIA’s Standards), as well as leading internal audit practices.

## **20 Questions Directors Should Ask about Building and Sustaining an Effective Board**

(56 pages | 2015)

Guides readers through the various stages of a board's evolution, from creation through to renewal. This document examines the phases of establishing the board (structural considerations), sustaining the board (skills, leadership and culture) and renewing the board (succession planning).

## **20 Questions Directors Should Ask about Directors' and Officers' Liability Indemnification and Insurance (2nd ed)**

(44 pages | 2014)

Helps directors assess the effectiveness of a corporation's director and officer (D&O) indemnification and insurance programs. Topics include: the importance of having D&O insurance programs in place; when and how to seek advice from insurance and legal professionals; and what to include in a corporation's by-laws.

## **20 Questions Directors Should Ask about Special Committees (2<sup>nd</sup> ed)**

(38 pages | 2012)

Learn about the process of building, running and ensuring the effectiveness of a robust special committee. Topics include when to establish a special committee, assessing the independence of committee members, when to engage an outside expert, reporting to the board, and how a board reviews a committee's conclusions.

## **20 Questions Directors Should Ask about IT (2nd ed)**

(40 pages | 2012)

This is a practical resource for directors who want the most current thinking on how to oversee information technology (IT). Find out how to measure IT performance, leverage emerging technologies, and the role of the board in governing information assets.

## **20 Questions Directors Should Ask about Strategy (3rd ed)**

(29 pages | 2012)

Assists directors in understanding the board's work in strategy, including strategy development, risk appetite, how strategy affects skill and resource requirements, corporate social responsibility, and high-stakes strategic decisions.

## **20 Questions Directors Should Ask about Executive Compensation (2nd ed)**

(36 pages | 2011)

Helps members of boards and compensation committees understand their role in compensation matters by exploring both oversight responsibilities as well as some of the underlying operational issues they need to have a solid basis for assessing the information they receive from management and external advisors.

## **20 Questions Directors Should Ask about Insolvency**

(35 pages | 2011)

This practical resource for directors whose company is insolvent or heading into insolvency provides guidance on how to be prepared, what to expect and what to do, including assessing the corporation's financial health, understanding the impact of insolvency on directors, understanding stakeholders and their interests, and knowing the options for restructuring and learning to manage the process.

## **20 Questions Directors Should Ask about Governance Committees**

(27 pages | 2010)

Assists boards of directors in understanding the role of the governance committee and thinking broadly about a possible mandate and responsibilities for such a committee, including who should sit on the governance committee, how the governance committee assesses potential directors, and the role of the governance committee in chair succession and CEO succession.

## **20 Questions Directors Should Ask about the Role of the Human Resources and Compensation Committee**

(36 pages | 2009)

Discusses how the human resources and compensation committee should be helping to shape and approve executive compensation and other HR planning, including how to evaluate the link between pay and performance.

## **20 Questions Directors Should Ask about Responding to Allegations of Corporate Wrongdoing**

(32 pages | 2009)

Discusses recommended practices for directors deciding how to deal with allegations of corporate wrongdoing, including whether the board is ready to handle an allegation, the board's responsibility regarding whistleblowing, when and how to launch an investigation, and when to bring in an external auditor.

## **20 Questions Directors Should Ask about CEO Succession**

(40 pages | 2008)

This practical tool helps boards understand the CEO succession process for both planned succession and special circumstances such as a sudden vacancy or family owned business. Guidance includes assessing a CEO's leadership range and the red flags that will tell you when it's time to make a change, forming a search committee, internal versus external candidates, and integrating a new CEO into the company.

## **20 Questions Directors Should Ask about Crisis Management**

(32 pages | 2008)

Helps directors lead constructive conversations about preparedness and business continuity. This guide includes examples of crises for organizations and the effect on the people involved, grouped into three categories: operational incidents, sudden crises, and potential crises.

# Director Briefings

*Director Briefings* are designed to be a comprehensive guide to a specific matter of importance for directors. Throughout each Guide there are sections outlining questions for directors to ask to assist in undertaking their oversight role in an effective manner.

## **Director Briefing: Stakeholder Engagement**

(30 pages | 2018)

Stakeholder engagement is a vital tool for organizations to help sustain their long-term interests and ensure that their board discharges its oversight responsibilities. This briefing helps board members understand how to develop a process to engage with stakeholders and oversee those activities effectively.

## **Audit Committee Guide to Audit Quality Indicators (2018)**

(25 pages | 2018)

This Guide provides a useful step-by-step process to help audit committees and management identify relevant audit quality indicators (AQIs) and establishes a general understanding of how they can be used to spark a discussion both internally and with the external auditor (auditor) about improving audit quality.

## **Key Performance Indicators: Tool for Audit Committees**

(28 pages | 2017)

This briefing outlines the role audit committees and management can play in developing a robust process to effectively oversee key performance indicators (KPIs) presented in an issuer's MD&A and earnings press releases. While the discussion is aimed at directors, this briefing and accompanying tool can also be used by management.

## **Climate Change Briefing: Questions for Directors to Ask**

(62 pages | 2017)

This briefing explores these issues and sets out questions that directors might ask about climate change as part of their oversight responsibilities. While the discussion is aimed at directors, this briefing may also help management understand the board's and their own role in anticipating, assessing and managing the risks and opportunities that climate change can bring.

## **Small Company Boards: Questions for Potential Advisors and Directors**

(41 pages | 2016)

Provides guidance for those considering a role on the board of directors of a small organization. This publication contains a practical discussion and illustrative case studies that show how small companies have used and adapted corporate governance practices.

## **Guidance for Directors: Disclosure and Certification — What's at Stake**

(42 pages | 2014)

Assists board members fulfil their disclosure oversight responsibilities through appropriate review of CEO and CFO certifications required under the regulatory corporate disclosure regime for publicly listed companies.

## **Guidance for Managers: Disclosure and Certification — What's at Stake**

(74 pages | 2014)

Helps managers fulfil their responsibilities for the establishment, implementation and execution of a formal, documented certification support process for filing of CEO and CFO certifications required under the regulatory corporate disclosure regime for publicly listed companies.

## **Shareholder Engagement — Questions for Directors to Ask**

(36 pages | 2011)

This Briefing addresses the importance of better shareholder engagement and offers a number of questions directors should ask to drive enlightened conversations on the topic. Topics include goodwill, how other organizations perceive the robustness of your governance practices, what is being said about your organization on social media, the responsibilities of management versus directors, and the risks of not engaging with certain categories of stakeholders

## **Sustainability: Environmental and Social Issues Briefing - Questions for Directors to Ask**

(36 pages | 2011)

Assists directors in understanding the environmental and social issues that boards need to consider, including the potential implications on strategy, risk and risk oversight, financial performance, external reporting, reliability of information, and stakeholder relations.

## **Controlled Companies Briefing — Questions for Directors to Ask**

(28 pages | 2010)

Highlights how the board's typical role can be different in a company with a controlling shareholder. Topics discussed include the nature and degree of control exercised by the controlling shareholder, confidence to use independent judgment and challenge the controlling shareholder, how dual share class structures work, "coattail" provisions to protect minority shareholders, and under what circumstances a director should resign from a controlled company.

## **Diversity Briefing — Questions for Directors to Ask**

(20 pages | 2010)

Examines how diversity affects various areas of a board's mandate, including the impact on innovation, whether the organization's workforce and management succession planning is inclusive, how an organization's culture can make it more attractive to preferred business partners from other cultures, linkages between a company's diversity initiatives and organizational strategy, and how board composition compares to that of an organization's employees.

## **Long-term Performance Briefing — Questions for Directors to Ask**

(19 pages | 2009)

Directors can easily lose sight of the company's long-term performance in the midst of surviving market volatility in the short term. Learn how to focus on enhancing longer-term corporate interests despite the immediate pressures of an economic downturn.

# Board Bulletins

*Board Bulletins* are succinct, informative pieces to advise directors about developing issues.

## **Cybersecurity Risk – Questions for Directors to Ask**

(4 pages | 2014)

Better understand the risks and security considerations that boards should discuss with management as they embrace cyberspace as part of their business strategy.

## **Social Media – Questions for Directors to Ask**

(7 pages | 2014)

This high level overview enables boards to play a key role in helping your organization maximize the benefits and minimize the potential risks of social media.

# CFO Series

The *CFO Series* is designed to provide practical guidance to CFOs on working with CEOs and boards of directors.

## **Deciding to Go Public: What CFOs Need to Know**

(44 pages | 2008)

Learn what a CFO should consider when deciding to go public, what a company should have in place beforehand, do and what life will be like once public.