

## **Public Trust Committee**

### **Terms of Reference**

#### **Background**

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.

#### **Role**

Acting on behalf of the management of the profession, the role of this Committee is 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.

#### **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) Reviewing, on behalf of the profession, and responding to any proposed changes to the independence standards as recommended from time to time by an appropriate task force;
- (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 committees, task forces, etc. as may be required;

- (e) Monitoring the development and renewal of the profession's disciplinary and practice inspection processes through such committees and/or task forces as may be required;
- (f) Identifying 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 committees, task forces, 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 Unified Rules Standing Committee and any other committees, working groups or task forces that the Public Trust Committee believes are necessary to carry out its mandate.

### **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 committees, task forces, etc. 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.

### **Accountability**

The Committee is accountable to the Council of Chief Executives.

### **Composition and Term**

The Committee will consist of up to ten members, as follows:

- (a) a Committee chair appointed by the CCE who is normally a member of the CCE;
- (b) at least one additional member of the CCE,
- (c) three public representatives, and
- (d) five additional members.

In addition, Committee members shall be appointed such that the Committee includes at least one and not more than three members representative of each of the regions.

The Committee members will serve for a three-year term, once renewable, and staggered to provide continuity.

The Committee is a Standing Committee of the Council of Chief Executives and is subject to a five-year mandatory review to be performed by the Council of Chief Executives.

### **Assistance/Advice/Operations**

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 other committees, task forces, etc 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.

### **Consultation and Communication**

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.

### **Quorum**

A quorum consists of six members of the Committee, including at least one public representative, subject to the requirements of the Decision Making clause.

### **Decision Making**

The Committee shall endeavour to reach decisions by consensus. However, any decision may be made by a vote of the majority of those members present, provided that at least two public representatives are present. Each member is entitled to one vote.

### **Reporting**

The Committee shall report as necessary to the Council of Chief Executives but at least annually.

### **Meetings**

The Committee will meet as frequently as required, but not less than three times per year.

### **Bilingualism**

The Committee is designated as English/French with accommodation.

**Funding**

Funding for reasonable and necessary expenses for the activities of the Public Trust 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.

*Effective April 1, 2016*