

I. DECISION MODEL

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September 11, 2024

BACKGROUND

The mandate of the Institute from Section 4 of *The Accounting Profession Act* is to protect the public, i.e. that all registrants are competent and of good character. A registrant (candidate, member or firm) is regulated in compliance with this mandate. A registrant that encounters difficulties in effectively complying with one or more of the regulatory processes may represent a risk to the public.

Non-compliance in the registration function of regulation may take many forms, including:

- Incomplete registration application, including renewal requests,
- Lack of sufficient continuing professional development (CPD) activities,
- Lack of evidence to support CPD activities,
- Lack of professional liability insurance to cover services,
- Lack of notification related to declarations of bankruptcy or management of trust assets,
- Inappropriate declarations to the Institute, and/or
- Non-responsiveness to the Institute's requests.

OBJECTIVE

To ensure a fair and reasonable process for the Registration Committee's decisions related to registrants.

PRINCIPLES

Underlying principles for the decision model:

- To ensure registrants are competent and of good character to be registered in good standing.
- To remove elements of subjectivity from regulation.
- To maintain consistency in decision making processes.

To maintain confidentiality and impartiality, registrant names are omitted from all documentation presented to the Registration Committee. The candidate or member name will be replaced with their CPA Canada number. Employment title, employment sector and years of registration will not be redacted. The CPA firm name will be replaced by the CPA Saskatchewan ID number.

CRITERIA

1. *Pattern of Behaviour*

Registrants that demonstrate a compliant pattern of behaviour are presumed to be competent and of good character. Therefore, the contrary can be true, a pattern of non-compliance represents a risk to the public in that the registrant is not competent to deliver professional service or not capable of delivering that service in an ethical manner.

Timeliness is fundamental to demonstration of compliance. Lack of timely compliance is the first indicator that a registrant is not engaged in the regulatory functions of the Institute. However, timeliness is only one factor in compliance. The quality of engagement a registrant has in their regulation is important as well. For example, fulsome CPD reporting and responses to Institute requests are a consideration of high quality.

2. *Intention of member, including the exercise of due care and steps taken to avoid the compliance issue*

Once an item of non-compliance has occurred, there are two considerations of a registrant's intention. First, the intention of the registrant to comply with the initial requirement in a timely and transparent manner. Good intention in this criteria is further represented with the demonstration by the registrant of their own accountability to comply with the requirements of the profession. The more prompt, accurate and complete information provided to the Institute before the deadline for compliance can be in identifying the policies, procedures or tasks to be put in place to address non-compliance and the more likely the registrant is competent and of good character.

3. *Corrective action taken by the member, considering nature, extent and timing*

A registrant's good intention to remedy the non-compliance is paramount. Good intentions are represented in documentation of a plan to remedy the area of non-compliance now and in the future. As in criteria #2 above, the more accurate and complete the information provided to the Institute on the corrective action taken to ensure compliance, the more likely the registrant is competent and of good character.

4. *The risk of repetition and future harm to the public*

A registrant's reputation reflects on the public's perception of CPAs and on the Institute. CPAs are relied on in business, government, and as advisors. It is imperative to sustaining the profession that the public trusts CPAs to deliver service, i.e. that employers hire CPAs and that the public engages CPAs.

For example, non-compliance in registration may be indicative of poor delivery of professional services to the public or to an employer, inadequate practice management or inability to train CPA candidates as those would reflect poorly on the public's perception of CPAs.

Harm is the extent the public is negatively impacted by the registrant's lack of compliance. The harm would be different depending on the area of non-compliance. For example, non-compliance with PLI requirements represents a potential harm to the public. Further, a bankruptcy declaration from a member who holds trust assets may be an actual harm to the public.

BENCHMARKS

Criteria	Benchmark
1. Pattern of Behaviour.	Continued or pervasive instances of non-compliance represent more risk to the public.
2. Intention to comply.	The registrant demonstrated intention to comply prior to the deadline. This includes accurate and timely submissions. The benchmark for this criterion will relate to the accuracy and completeness of steps taken to ensure an appropriate outcome. The robustness of professional judgement (including documentation) is a key consideration.
3. Corrective Action.	<p>The registrant demonstrates corrective action that is specific to the area of non-compliance.</p> <p>The benchmark for this criterion will relate to the accuracy and completeness of steps taken to ensure an appropriate outcome. The robustness of professional judgement (including documentation) is a key consideration.</p>
4. Risk of Repetition and future harm to the public.	<p>Risk to the reputation is such that the future harm to the public or profession is likely. Indication that the registrant's frame of mind related to ethical behavior on a go-forward basis is poor.</p> <p>There is identified of harm to the public as a result of the registrant's non-compliance.</p> <p>Risk will be assessed as low, moderate or high.</p>

For each benchmark there may be aggravating and mitigating factors to consider, including:

1. Aggravating - The registrant is demonstrating pervasive lack of understanding with the Rules,
2. Aggravating - The registrant is not responsive to requests, or
3. Aggravating - The registrant is engaged in providing service to clients.
4. Mitigating - The registrant is dealing with life events which are beyond their control,
5. Mitigating - The registrant is co-operative, or
6. Mitigating – The registrant is non-compliant with payment of late fees only.

OUTCOMES

The Registration Committee has authority under the following Rules:

- Bylaw 4/Board Rules 304.1 and 309.2 – a matter related to character and reputation.
- Bylaw 10/Board Rules 310.1 – agree to conditions on a registrant and Board Rule 310.5 – impose restrictions on a registrant, approve a suspension of a registrant or cancel a registrant when they do not agree or fulfill the conditions in 310.1.
- Bylaw 13/Board Rule 313.2 and 323.11 – approval of applications for non-practice.
- Bylaw 23/Board Rule 323.21, 323.22 and 323.23 – review and approval of declarations of non-compliance with CPD.
- Bylaw 28/Board Rule 328.2 – matters related to administration of trust assets.



- Bylaw 31/Board Rule 331.1 and 331.5 – impose restrictions on a registration when a registrant has not complied with a requirement, Rule or notice.
- Bylaw 32/Board Rule 332.7 – approval of a request to resign not in good standing.
- Bylaw 33/Board Rule 333.4 and 333.9 - approval of a suspension of a registrant or a rescindment of a suspension.
- Bylaw 37/Board Rule 337.2 – approval of reinstatement of registration.

The Registration Committee may choose to take no action.

Further, at any time the Registration Committee may make a recommendation to the Professional Conduct Committee to investigate the conduct of a registrant.

The Registration Committee may suspend the registration of a registrant for non-compliance outside of the automatic suspension/cancellation Rules. There are no set terms for a suspension by the Registration Committee; the registrant will be suspended until they comply in full and are approved for reinstatement **or** for a maximum of 1 year from the date of determination by the Registration Committee. After 1 year of non-compliance, the suspended registrant will be recommended for cancellation.

The cause for moving from taking no action to a recommendation of cancellation is largely driven by the registrant's engagement in their profession's regulatory processes. Members who are engaged in the processes to register, including renewal each year, are not likely to be affected by non-disciplinary enforcement measures.

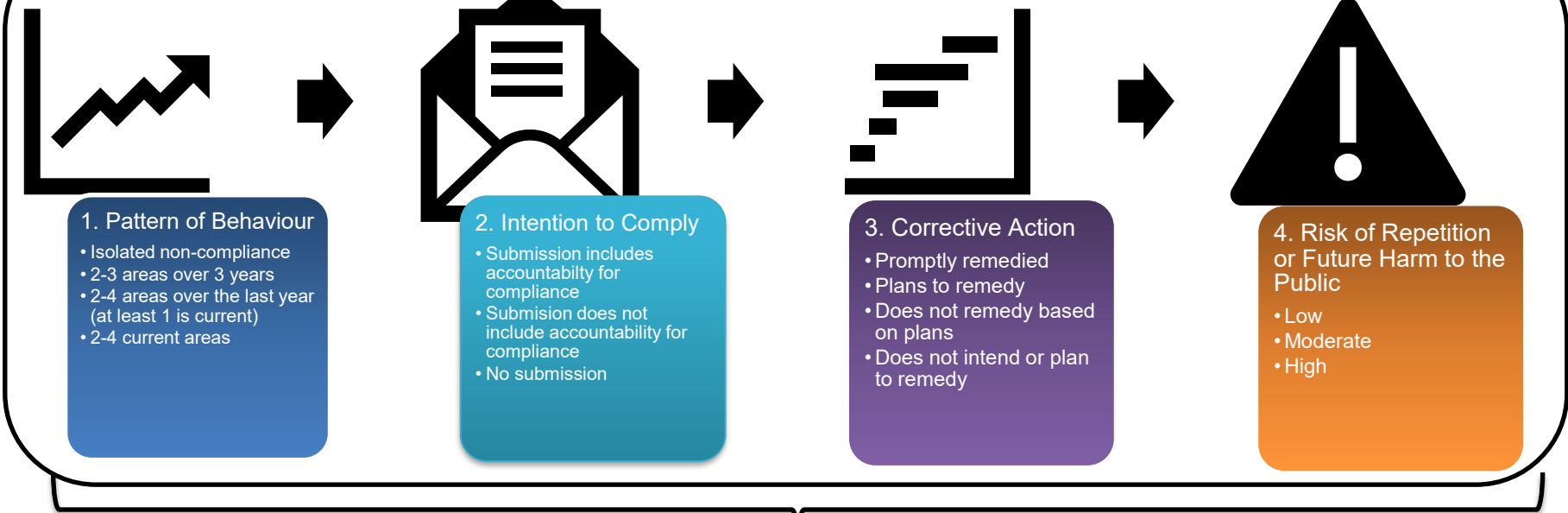
Regardless of the outcome, the mechanism to inform the public of the determination is to publish the Registration Committee's decision. Publication will rarely be waived.

TABLE 1: The Model

Criteria	Range of Scenarios				
	No action required	Condition	Restriction	Suspension	Cancellation by the Board
<i>Registrant Status</i>	<i>“Good Standing”</i>	<i>“Conditional”</i>	<i>“Restricted”</i>	<i>“Suspended”</i>	<i>“Cancelled”</i>
Pattern of Behaviour	Isolated non-compliance which is not likely to reoccur.	At least 1 area of non-compliance outstanding. No more than 3 areas of non-compliance over the last 3 years.	At least 1 area of non-compliance outstanding Additional areas of non-compliance over the last year.	At least 1 area of non-compliance outstanding. Additional areas of non-compliance over the last year.	At least 1 area of non-compliance outstanding. Excessive non-compliance over a short period of time.
Intention to Comply	Non-compliance is promptly remedied.	Submission indicates accountability in the non-compliance.	Previous plans to comply have not been fulfilled. No submission or a submission that does not indicate accountability for compliance.	Previous restrictions have not been upheld. No submission or a submission that does not indicate accountability for compliance.	No submission.
Corrective Action	Non-compliance is remedied	Plan to comply is reasonable and timely.	Current plan is not reasonable or timely.	No current plan or current plan is not reasonable or timely.	No attempt to remedy the non-compliance.
The risk of repetition or future harm to the public.	Low	Low/Moderate	Moderate	Moderate/High	High

Institute obtains information that indicates non-compliance has occurred.

The following is assessed:



1. Pattern of Behaviour

- Isolated non-compliance
- 2-3 areas over 3 years
- 2-4 areas over the last year (at least 1 is current)
- 2-4 current areas

2. Intention to Comply

- Submission includes accountability for compliance
- Submission does not include accountability for compliance
- No submission

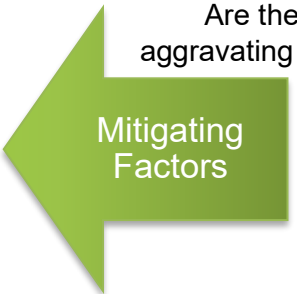
3. Corrective Action

- Promptly remedied
- Plans to remedy
- Does not remedy based on plans
- Does not intend or plan to remedy

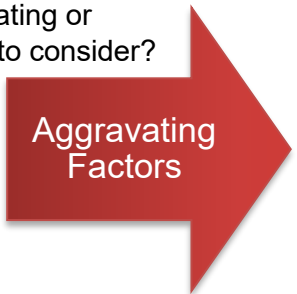
4. Risk of Repetition or Future Harm to the Public

- Low
- Moderate
- High

The non-compliance an isolated event.
 The non-compliance is promptly remedied.
 There is low risk of loss to the public or profession.
 Harm is minor.



Are there mitigating or aggravating factors to consider?



The non-compliance pervasive.
 The registrant has no plan or intent to remedy the non-compliance.
 There is high risk of loss to the public or profession.
 Harm is significant.

