

IFIAR 2026 Member Profile – CPAB

1. Jurisdiction	1.1 Insert the name of the jurisdiction in English: Canada
2. Member¹	2.1 Insert the name of the Member, both in the local language and in English: The Canadian Public Accountability Board (CPAB) Conseil canadien sur la reddition de comptes (CCRC) (in French)
	2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website: 150 York Street, Suite 900 Toronto, Ontario Canada M5H 3S5 Tel: +1 416-913-8260 Website: www.cpab-ccrc.ca
	2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation: <i>Establishment</i> CPAB was created by the Canadian Securities Administrators, the Office of the Superintendent of Financial Institutions (Canada) and the Institutes of Chartered Accountants in Canada as part of a regulatory response to perceived deficiencies in financial reporting by reporting issuers. It was incorporated on April 14, 2003 under the <i>Canada Corporations Act</i> and continued under the <i>Canada Not-for-Profit Corporations Act</i> in June 2014. <i>Responsibilities</i> CPAB’s purpose is to contribute to the public confidence in the integrity of financial reporting of public companies in Canada by effective regulation and by promoting quality, independent auditing. This is accomplished through performance of the activities listed in paragraph 101 of CPAB’s Rules which can be found at the following link 2025-cpab-rules-en . <i>Authority</i>

¹ In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<p>The Canadian Securities Administrators' National Instrument 52-108 – Auditor Oversight (NI 52-108) imposes certain requirements on Canadian reporting issuers and on auditors that prepare auditors' reports with respect to the financial statements of reporting issuers. NI 52-108 requires financial statements filed by a reporting issuer to be audited by a 'participating audit firm' (i.e. an audit firm that has entered into a participation agreement with CPAB and thereby becomes subject to CPAB's oversight). A comparable requirement is imposed on audit firms, requiring them to be participating audit firms if they audit the financial statements of a Canadian reporting issuer.</p> <p>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</p> <p><input type="checkbox"/> Licensing <input checked="" type="checkbox"/> Registration <input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting <input type="checkbox"/> Permanent Education / Continuous Training of Auditors <input checked="" type="checkbox"/> Inspection <input checked="" type="checkbox"/> Enforcement <input type="checkbox"/> Other:</p>
<p>3. Governing Body Composition and members</p>	<p>3.1 Describe with an appropriate level of detail the current composition of the Member's governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</p> <p>Consistent with CPAB By-law No. 1, Article 3 as further described below.</p> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</p> <p>In accordance with CPAB By-law No. 1 Article 3, the Board of Directors shall consist of:</p> <ul style="list-style-type: none"> • At least 5 Non-Accountant Directors, • At least 3 Accountant Directors (Professional Accountants) and there shall always be fewer Accountant than Non-Accountant Directors, • At least two directors must have oversight regulatory experience, including at least one Professional Accountant and at least one person with audit oversight regulatory experience. <p>For the purposes of appointment to the Board, CPAB's By-laws define a "Professional Accountant" as an individual with a professional accounting</p>

	<p>designation; who is not a sole proprietor, partner, member, director, officer or employee of a participating audit firm; has not been a sole proprietor, partner, member, director, officer or employee of a participating audit firm during the 1-year period prior to appointment; and has relevant satisfactory experience.</p> <p>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes to either of the above, please describe:</p> <p>In accordance with CPAB By-law No. 1 a Director cannot be a sole proprietor, partner, member, director, officer or employee of any Participating Audit Firm for a 1-year period prior to appointment.</p>
<p>4. Independence safeguards</p>	<p>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</p> <p>There is a code of ethics for CPAB’s Board of Directors and a separate code of ethics for CPAB employees and consultants.</p> <p>Both of these documents (linked above) can be found on CPAB’s website and include independence considerations applicable to the nature of the functions.</p> <p>Are employees of the Member covered by the same or separate set of independence requirements?</p> <p><input type="checkbox"/> Same set of requirements <input checked="" type="checkbox"/> Different set of requirements</p> <p>If there are separate independence requirements for employees, please describe:</p> <p>See above.</p> <p>4.2 Are there any additional safeguards in place that provide for the Member’s overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe:</p>

5. Funding Arrangements	<p>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</p> <p>CPAB derives the majority of its revenue from "participation fees" paid by Canadian reporting issuers. To facilitate the collection process, CPAB invoices audit firms and the firms in turn bill their reporting issuer audit clients per agreement with CPAB and with the understanding of the reporting issuer. Participation fees are calculated as a percent of reporting issuer's audit fees.</p> <p>Every three years, CPAB develops a strategic plan that outlines strategic priorities for the following three-year period. This strategic plan is approved by the Board of Directors. CPAB's latest strategic plan can be found at the following link on CPAB's website: Strategic Plan 2025-27. On an annual basis, CPAB's management develops an operating plan and budget and determines the participation fee percentage required to enable CPAB to recover its annual operating costs and provide a reasonable reserve for contingencies. The operating plan, budget and a proposed participation fee percentage is presented to the Board of Directors for approval.</p> <p>5.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>We do not get fees from any member of the profession directly (the fees are collected by the firms from their reporting issuer clients). None are on our Board, nor is any employee an active member of the profession.</p>
6. Audit Market	<p>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member's oversight or mandate.</p> <p>As at December 31, 2025, 235 participating audit firms were registered with CPAB and therefore subject to inspection. CPAB's mandate is limited to the inspection of firms that audit Canadian reporting issuers. There are approximately 8,500 reporting issuers in Canada.</p> <p>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member's jurisdiction.</p>

	<p>The Canadian member firms of the Big 4 global networks audit approximately 5,300 (62%) of Canada’s reporting issuers, representing more than 92% of the market capitalization.</p>
7. Inspection System	<p>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 12 Enforcement, please reference that section for details on such measures).</p> <p>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:</p> <p>CPAB conducts its inspections directly using full time staff based in our three offices in Toronto, Vancouver and Montreal.</p>
	<p>7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</p> <p>CPAB’s Rules 403 and 404 specify the required frequency of inspections of participating audit firms:</p> <ul style="list-style-type: none"> • Annually if 100 or more reporting issuer audit reports are issued during a calendar year. • At least once every two years if 50 – 99 reporting issuer audit reports are issued during a calendar year. • At least once every three years if less than 50 reporting issuer audit reports are issued during a calendar year. <p>CPAB has entered into Memoranda of Understandings with the provincial regulators of public accountants who perform inspections of some of the smaller audit firms. CPAB is provided the provincial inspection reports and arranges for CPAB staff to supplement a provincial inspection if necessary.</p>
	<p>7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.</p>

	<input checked="" type="checkbox"/> Employees of the Member <input type="checkbox"/> Professional body <input type="checkbox"/> Third Parties <input type="checkbox"/> Other Please explain below: CPAB conducts its inspections directly using full-time staff based in our three offices in Toronto, Vancouver and Montreal.
8. Licensing	8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization? <input type="checkbox"/> Directly <input type="checkbox"/> Through Oversight If directly, please describe the responsibility, including any changes, with an appropriate level of detail. If through oversight, please indicate the name of the other organization and its composition. Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures. <p style="text-align: center;">N/A</p>
9. Registration	9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization? <input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight If directly, please describe the responsibility, including any changes, with an appropriate level of detail. CPAB is responsible for establishing and maintaining requirements for the participation of public accounting firms that audit reporting issuers in the Board’s oversight program. Under Canadian Securities Administrators National Instrument 52-108, public accounting firms that audit Canadian reporting issuers (RIs) must participate in CPAB's oversight program. To register, participating audit firms must submit an Intent to Participate form and Quality Control Report to CPAB. Participating firms must sign CPAB’s Participation Agreement. If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.

10. Audits and/or Ethics Standard Setting	<p>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>CPAB has some involvement in the setting of auditing standards as CPAB is a permanent member of the Reporting & Assurance Standards Oversight Council (RASOC) that provides oversight of the setting of auditing standards in Canada.</p>
11. Permanent Education / Continuous Training of Auditors	<p>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</p> <p><input type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p style="text-align: center;">N/A</p>
12. Enforcement	<p>12.1 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Referral</p> <p>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</p> <p>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description</p>

of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.

CPAB is responsible for:

- Requiring remedial action by participating audit firms when necessary or appropriate.
- Conducting investigations and review proceedings and imposing, where appropriate, requirements, restrictions or sanctions on participating audit firms.
- Working in close conjunction with professional regulatory authorities on identified matters of misconduct.
- Referring matters as appropriate to securities regulators.

In accordance with Rule 602 of CPAB's Rules,

If as a consequence of an Inspection or Investigation, or otherwise, the Board considers that a Violation Event has occurred, the Board may give notice to a participating audit firm that it proposes to impose requirements, restrictions or sanctions on such firm, which may include one or more of the following:

- a. Additional professional education for some or all of the designated professionals of a participating audit firm;
- b. The design, adoption or implementation of policies by a participating audit firm to ensure its compliance with the Rules of the Board and Professional Standards;
- c. Assignment of a reviewer or supervisor to oversee the work of one or more designated professionals of a participating audit firm;
- d. Termination of one or more audit engagements of a participating audit firm;
- e. Appointment of an independent monitor, subject to the approval of the Board, to observe and report to the Board on a participating audit firm's compliance with the Rules and Professional Standards;
- f. Prohibition of a participating audit firm from accepting new reporting issuer audit clients for a period of time;
- g. Prohibition of a participating audit firm from assigning one or more designated professionals to audits of financial statements of reporting issuers, for a period of time or permanently;
- h. Public censure;
- i. Monetary assessment intended to recoup the Board's anticipated cost of monitoring the participating audit firm's compliance with the terms of any requirement, restriction or sanction;
- j. Termination of a firm's status as a participant and its Participation Agreement; or
- k. Other remedial actions.

13. Other Responsibilities in Audit Oversight or Audit Regulation	13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail: N/A
14. Main Other Responsibilities of the Member outside the area of Audit Oversight or Audit Regulation	14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation: N/A
15. Member Update for public information (if any)	15.1 Are there any major news, activities, events or updates (on audit matters, the Member’s organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year’s Member Profile? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please describe these changes with an appropriate level of detail: <p>Effective January 2023, CPAB started a phased approach to enhancing public disclosures about the results of our oversight of participating audit firms that audit Canadian reporting issuers, to provide greater transparency for the investing public, audit committee chairs and other stakeholders.</p> <p>The first phase included disclosure of significant enforcement actions imposed on a participating audit firm and disclosure of recommendations which were included in a firm report but not addressed by the firm.</p> <p>Effective November 18, 2024, changes to improve operational effectiveness and administrative practices were approved by the relevant government and securities regulators. These changes relate to:</p> <ol style="list-style-type: none"> 1. CPAB’s review proceeding process including allowing CPAB to request the imposition of enforcement actions on an interim basis and confirming the review panel’s ability to order the publication of its decisions. 2. Participation and withdrawal from CPAB’s oversight program including changes such as allowing the termination of a participating audit firm for material non-compliance with, or misrepresentation during, the initial or annual registration process or participation requirements. Another change is allowing CPAB to maintain jurisdiction if a participating firm withdraws while CPAB is completing an enforcement or investigatory process.

3. Housekeeping matters which improve language clarity, updated nomenclature to align with current standards, including the new quality management auditing standard, and removing references to outdated methods of communication.

The final phase became effective on March 24, 2025, when changes to CPAB's rules were approved by the relevant government and securities regulators to allow for the publishing of individual firm inspection reports and making the reporting of file-specific inspection results to audit committees mandatory. The first firm-specific public inspection reports are expected to be published in March 2026.

To help stakeholders understand our newly expanded public disclosures, CPAB has launched a webpage with information on our regulatory reporting and answers to common questions.

In addition, as part of our strategic commitment to foster an environment that supports improved quality at smaller firms, CPAB:

- Hosted a series of Public Company Audit Summits focused on smaller firms which engaged participants from firms across the country.
- Launched a dedicated resource hub for smaller firms, featuring root cause analysis guidance and case study driven publications.