

*Private Members' Business*

expertise which a chartered accountant brings to a commercial transaction have become indispensable tools in our modern business world.

The CICA has worked since 1946 at codifying best accounting practice. The result of this long and vigorous commitment has been that the CICA handbook is today regarded as the central reference source of accounting and auditing standards for chartered accountants. As well, governments and financial authorities have recognized the handbook as the primary source of generally accepted accounting principles, for example, by referring to the handbook in statutes such as its incorporation by reference in the Canada Business Corporations Act Regulations.

[*Translation*]

Canada, a country whose trade activities are complex and which enjoys the benefits of a market economy, plays a major role in promoting harmonisation and co-ordination, at the international level, of accounting and auditing standards. The international business community appreciates the unique achievements of CICA in developing and improving Canadian accounting standards and the presentation of financial and audit information.

[*English*]

Accounting and auditing standards are not static. In this world of rapid change the CICA must monitor, shape and codify the constantly evolving set of generally accepted accounting principles and generally accepted auditing standards. In order to accomplish that goal the CICA relies on a number of committees composed completely of volunteers. The committee's task is to oversee the rigorous due process and extensive public consultations which are essential to the standard setting process. In fact, when those who act as advisors and sounding boards for these communities are included, there are over 600 volunteers who contribute well over 5,000 person days annually to this process.

The CICA's Accounting Standards Committee develops the accounting standards eventually published in the handbook. While most of the volunteers on the committee are chartered accountants, it also includes representatives of the Financial Executives Institute of Canada, the Society of Management Accountants of Canada and the Canadian Council of Financial Analysts.

The Auditing Standards Committee develops and publishes in the handbook recommended standards and practical guidance on auditing matters in the best interests of the CA profession and the public as a whole.

In 1981, the CICA established the Public Sector Accounting and Auditing Committee to recommend standards to improve and harmonize financial reporting, accounting and auditing in the public sector in the best interest of the public, including users, preparers and auditors of financial information. The committee consists of senior public sector officials from the federal, provincial and municipal levels of government as well as public accountants and academics. The Auditor General, in his last report, praised the committee's work and encouraged the government to act upon its recommendations.

Both the business world and the profession are evolving rapidly and becoming much more sophisticated. The resulting complexities have created a need to examine new and potentially controversial accounting practices to meet the public's expectations of standard practice. The CICA is meeting this challenge. It has established an Emerging Issues Committee to review emerging and potentially controversial accounting issues and to reach a consensus on appropriate accounting treatments. It has also published a major independent review, conducted by the Macdonald commission, of the public's expectations of audits which recommended ways to narrow the gap between current practice and those expectations.

The bill cannot, however, be said to give to the CICA the exclusive right to set accounting and auditing standards in Canada. As all members are aware, a private bill, such as this one, cannot affect the rights of any person other than the members of the organization which is the subject of the bill. The Interpretation Act is quite clear on this point.

In many ways the bill which is being introduced today simply recognizes the scope and importance of current CA activities and explicitly provides the profession with the powers and objects which reflect that reality. It also sets out in broad terms the mandate which the institute enjoys with respect to such matters as member services, strategic planning, the development of post qualification education and the promotion of the international harmo-