

CPABC INFOCUS

5 Notes from the Leadership
24 *Business Outlook Survey*
26 *BC Check-Up Highlights*

28 Ethics
30 Public Affairs
32 Tax

36 Ongoing Learning
42 Kudos
46 Snapshot

NOVEMBER/DECEMBER 2019

Construction Disruption

How modular housing is changing the game





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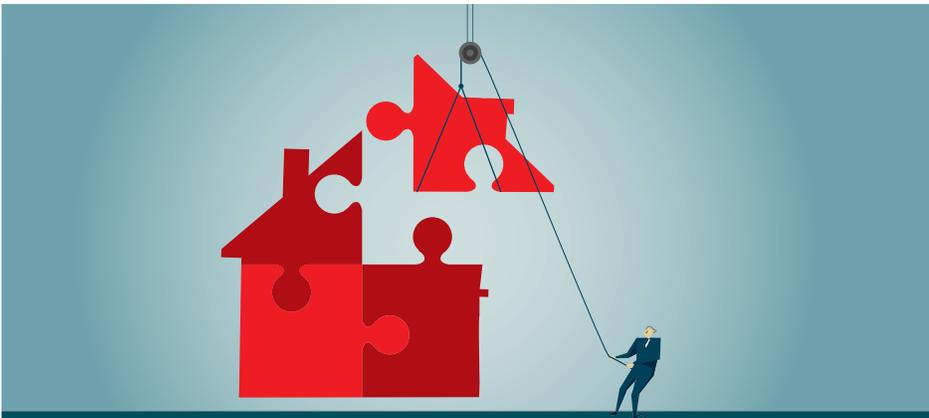
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Cover Story



14

Construction Disruption

How modular building is transforming the construction industry and addressing housing needs

24

Business Outlook Survey results show a rise in economic pessimism



Recurring Columns

28 Ethics

Objectivity is a hallmark of our profession

30 Public Affairs

The office of 2020 and beyond: What is the future of work?

32 Tax

Changes to the taxation of private corporations holding passive investments

- 6 Trendsetter series launched
- 8 We For She
- 9 Nominate a BC CFO!
- 11 Call for regulatory volunteers

In Focus

5 Notes from the Leadership

6 Notes & News

26 This and That

Highlights from CPABC's 2019 *BC Check-Up* report

36 Ongoing Learning

- PD experts: Driving value from data
- PD program highlights: Fall Nexus Days and PD Weeks, web-based learning, and more
- Events: 2019 Fall Pacific Summit recap + save the date for 2020

42 Members in Focus

- Announcements and accolades
- CPAs in the community

46 Snapshot

Karen Miller, CPA, CGA
Corporate controller, Inventys



CPABC **INFOCUS**

November/December 2019, Vol. 7, No. 6

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About

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Building Connections

In late September, I had the pleasure of attending CPABC's 2019 Fall Pacific Summit in Whistler. Themed "Ingenuity Is Everywhere," the conference featured well-received networking events, keynote speeches on innovation and collaboration, and breakout sessions on topical issues such as money laundering and cybersecurity, as well as ethics, professionalism, and soft skills in the age of artificial intelligence. The event delivered a number of practical and inspiring takeaways designed to help attendees progress in their careers and in business (a brief event recap appears on pages 40-41).

For many of our members, marquee events like the summit are an important touchpoint not just for professional development, but also for engagement with other CPAs. I can tell you that it's no different for those of us serving on the CPABC board, as conferences like the summit give us a unique opportunity to meet with members face to face.

Member consultation is also the primary driver of CPABC's annual Member Engagement Tour (MET). By the time you receive this magazine, we'll be more than halfway through the 2019 tour, and I'm pleased to say that we've had a great turnout at each stop thus far. One thing I'd like to note is that we changed the format of the MET this year, expanding the list of presenters to include more members of CPABC's executive and senior management teams (see page 7). Together, they're delivering important updates on the CPA profession, with a particular focus on the recently completed labour market survey for the accounting sector in BC.

Of course, another driver of the MET is member recognition, as the tour gives us an opportunity to acknowledge members across the province who are celebrating significant membership milestones. It's not too late to join us in the celebration! Look for the MET stop nearest you at bccpa.ca/met. ■



Ben Sander, FCPA, FCA
CPABC Chair

CPABC's Thought Leadership at the Forefront

Through a series of economy-focused public affairs pieces released this fall, we have raised the general public's awareness of the role CPAs play in the BC economy and demonstrated that CPABC is a reliable source of unbiased and objective information.

The CPA profession is grounded in ethics, professionalism, and the protection of the public, and each of us has a duty to the profession and to society, as well as to our individual and organizational interests. As CPAs, we must demonstrate integrity and trustworthiness, recognize ambiguity, ask insightful questions, and perform thorough and diligent work, while at the same time maintaining our independence and objectivity (for more on this topic, see pages 28-29).

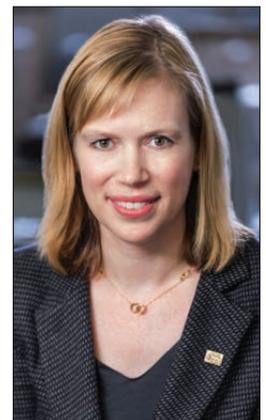
Why is this so important? Financial markets depend on accurate information that is prepared, recorded, and presented consistently. In turn, a stable and well-regulated financial system creates the kind of solid foundation that is essential to a modern, competitive economy—and in the case of BC, an economy that attracts investment and grows sustainably, providing long-term social benefits for all British Columbians.

To that end, we need to understand how the province is doing vis-a-vis the competition. That's why our *BC Check-Up* report compares British Columbia to Alberta, Ontario, and the national average based on key economic and social indicators. See pages 26-27 for highlights from this year's report.

Also critical to our public policy initiatives is member participation. Many of you contributed your thoughts on the economy through the *Business Outlook Survey* (pages 24-25), which not only assesses the province's economic outlook, but also helps us understand how members in different regions are being affected by economic issues. Thank you for your feedback.

Coming up, we're holding an economic roundtable with C-Suite CPAs in November to discuss hot-button issues that are affecting the business climate, including money laundering, cybersecurity, and business productivity.

We will continue to focus on these important issues over the coming months. Again, my thanks to those of you who have helped shape our positions to date. I encourage all members to share your perspectives with CPABC, whether informally or through our *Business Outlook Survey*. ■



Lori Mathison, FCPA, FCGA, LLB
CPABC President & CEO

RESOURCES FOR EMPLOYERS & JOB SEEKERS

CPAs and Future CPAs Meet Leading BC Retailers at Inaugural Trendsetter Series Event

By employment size, the wholesale and retail trade sector remains one of the five largest industries in BC, employing almost 300,000 workers and making up nearly 12% of the provincial workforce.¹ So when CPABC launched its new Trendsetter series, designed to showcase CPA careers in different sectors, it made sense to kick things off with an event focused on retail.

On September 18, approximately 200 people—CPABC members, candidates in the CPA Professional Education Program, post-secondary students, and several guest speakers—attended the “Trendsetters in Retail” event at the Loft at Earls Yaletown. Attendees had the opportunity to network over appetizers and refreshments before the guest speakers—representatives from Best Buy Canada, Herschel Supply Company, lululemon athletica, Lush Fresh Handmade Cosmetics, and Save-On-Foods—took the stage.

In addition to sharing insights on corporate culture, the employee experience, and organizational priorities, these retail representatives explained how CPAs and aspiring CPAs can join accounting and finance teams that are leading digital transformation in global retail operations; find a rewarding career that supports personal development; help build global retail brands from the ground up; and/or work with colleagues who support animal welfare, human rights, and environmental justice causes.

As the Trendsetter series will show, CPABC’s members play key roles in every economic sector. Don’t miss the next event in the series, “Trendsetters in Tech,” slated for January 2020. Choose the News, Events & Publications tab at bccpa.ca and select Events > Other Upcoming Events for more details later this fall.

Insights from trendsetters

If you missed the Trendsetters in Retail event on September 18, here’s what two of the presenters had to say about their companies:

“I really enjoy being part of an organization that encourages people to unleash their full potential and live what we call the ‘sweatlife.’ As an experiential brand, we’re focused on deepening each and every connection with our guests, which is how we view our customers. Being able to stay connected to their insights is tremendously important. As a CPA, my role is to influence change in the organization, and that can mean anything from investing in technology early and embracing automation to generating financial insights and driving operational efficiencies. It’s tremendously satisfying.”

—Emily Wan, CPA, CA, lululemon athletica

“Save-On-Foods is a great place to work! It’s so dynamic and multi-faceted. For example, we run Urban Fare and PriceSmart Foods, and we’re part of the Jim Pattison Group. We have deep roots in the BC grocery industry dating back over a century, but we’re constantly evolving—our fast-paced growth has allowed us to open new stores every year. As a CPA, I’m able to help further the company’s growth by using my analytical skills, identifying problems, and providing solutions.”

—Rachel Teh, CPA, CGA, Save-On-Foods

What trends interest you?

Tell us what sectors you’d like to learn about and which trendsetters you’d like to meet by emailing CPABC’s employer relations team at careers@bccpa.ca.



Top: Rachel Teh, CPA, CGA (far right) with the team from Save-On-Foods. Bottom: Emily Wan, CPA, CA (second from left) with the team from lululemon.

¹ WorkBC, *British Columbia Labour Market Outlook: 2018 Edition*. (workbc.ca)

MEMBER ENGAGEMENT



CPAs share what it's like to work in retail. Top: Jonathan Melegrito, CPA, CA, of Herschel Supply Company. Middle: Dave Andru, CPA, CMA, of Lush Fresh Handmade Cosmetics. Bottom: Mingchi Choo, CPA, of Best Buy Canada.



Photos by Bobo Zhao Productions. More photos of this event are available on CPABC's Flickr page at [flickr.com/cpabc/sets](https://www.flickr.com/photos/cpabc/sets/).



Paito/istock/Getty Images

2019 Member Engagement Tour in Full Swing

CPABC's annual Member Engagement Tour (MET) gives members, candidates, and students across BC a unique opportunity to connect face to face with board members, chapter leaders, and senior staff—all at the same venue.

Launched on October 3 in Dawson Creek, the 2019 MET features presentations from a rotating roster of CPABC board members and staff, including executive management team members Lori Mathison, FCPA, FCGA, LLB (president & CEO); Amy Lam, FCPA, FCA (executive vice-president of corporate services and CFO); Jamie Midgley, FCPA, FCA (EVP of regulation and registrar); and Jan Sampson, FCPA, FCA (EVP of member and student experience).

MET attendees are receiving important updates on a variety of professional matters, including the results of a recent labour market study conducted by CPABC in partnership with the government*; the next steps for the national CPA Canada Foresight initiative; recent changes to the CPA Competency Map; and upcoming changes to the Compilation Engagement standard. They're also getting the scoop on upcoming volunteer, social, and PD events being held by chapters across the province.

Additionally, CPABC is once again using the MET as an opportunity to acknowledge members who are celebrating 10, 25, 50, and 60 years of membership. If you've attained one of these milestones, you'll receive an invitation to attend your local MET stop. To ensure that you receive this invitation, visit CPABC's Online Services site at services.bccpa.ca to confirm that you've subscribed to receive emails about member engagement and chapter activities. And if you attained a key membership milestone last year but were unable to attend a 2018 MET event, contact Member Services at memberservices@bccpa.ca to receive an invitation to this year's tour.

There are still several more MET stops scheduled across the province in November, so don't miss this opportunity to connect with peers and engage with leaders in the profession. The MET schedule is distributed through chapter emails and can also be accessed online at bccpa.ca under the News, Event & Publications tab (choose "Events" to find a tour stop near you).

**As Lori Mathison mentioned in the September/October 2019 issue of the magazine (page 5), the final report on the 2019 labour market study examines the impact of technology and changing market expectations on the economy, forecasts labour demand, and assesses the skills CPAs will need to stay relevant. Details on the report will be provided in the January/February 2020 issue of CPABC in Focus.*

PREMIER EVENT SPONSORSHIP

We For She—Connecting for Change to Advance Gender Equality



On October 1, 2019, business leaders, educators, and students from across British Columbia gathered at the Vancouver Convention Centre to participate in the sixth annual We For She Conference, one of North America’s largest events dedicated to advancing gender equality. This year’s conference, themed “Connecting for Change,” was hosted by the Greater Vancouver Board of Trade, the Women’s Enterprise Centre, and the Province of British Columbia. Once again, CPABC was pleased to be a platinum sponsor.

CPABC’s executive vice-president of corporate services and CFO, Amy Lam, FCPA, FCA, introduced the morning’s keynote speaker, Humaira Ahmed. Ahmed is the founder and CEO of Locelle, an enterprise networking platform that connects and engages women in the workplace for support and mentorship. Addressing a packed house, Ahmed shared her thoughts on gender equality, describing what it was like to grow up with limited freedom in Pakistan, a patriarchal society. She explained that it was her perseverance that finally convinced her family to support her and see her potential as a woman. Ahmed concluded her speech by advising those present that the fear of regret outweighs the fear of failure and perseverance makes anything possible. “Challenge the status quo,” she said. “Speak up. Use your voice.”

In addition to the keynote presentation, the morning agenda featured sessions for business leaders, including “Men and Women – Working and Leading Together,” presented by Stephane Cotichini, senior associate of the Gender Intelligence Group in New York, and “Leading Change Through Bold Conversations: Connecting in a Polarized World,” presented by Amara Hunt, director of diversity and inclusion programs for the Humphrey Group in Vancouver.

We For She also featured a variety of workshops designed for young leaders, including a CPABC staple, “Soft Skill Super Powers.” Presented by Sharon Hummel, CPABC’s manager of student recruitment, and four Vancouver-based CPABC members—Rowena Altamirano, CPA, CGA, senior accountant at Galvanize; Gloria Ching, CPA, CGA, accounting manager at Lush Fresh Handmade Cosmetics North America; Josie Lim, CPA, CA, senior manager at KPMG; and Linda Schucroft, CPA, CA, director of innovative travel solutions at Vancouver Airport Authority—this workshop led participants through activities designed to help them build job-ready communication, leadership, and critical-thinking skills.

The afternoon kicked off with a moderated conversation between keynote speaker Tessa Virtue, Canadian ice dancer and Olympic gold medalist, and Catherine Decarie, senior vice-president of channels and marketing for Export Development Canada. Virtue spoke about the importance of finding mentors who will support you and stay the course. She told the audience her advice to her younger self would be to recognize that there is no shortcut to success and that joy is found in the journey. She concluded with some words of inspiration: “Stay true to yourself, and know your core values.”

Other highlights of the 2019 We For She Conference were a series of humorous and thought-provoking improv sketches by Instant Theatre Company and a performance by singer-songwriter and Grade 9 student Victoria Anthony, who wrapped up the conference after closing remarks from We For She co-chairs Jill Earthy, head of growth at Female Funders in Vancouver, a business that helps women become angel investors, and Lois Nahirney, president and CEO of dnaPower Inc., a biotech company in North Vancouver.

MEMBER RECOGNITION

Nominate a CPA for a 2020 CFO of the Year Award!

For the tenth year in a row, *Business in Vancouver* and CPABC are partnering to recognize and celebrate the top CFOs in British Columbia at the BC CFO Awards. Honourees are chosen based on their performance relating to corporate growth through strategic decision-making, as well as overall performance and execution, sound business principles, and reporting.

Awards will be presented in the following categories:

- Large Public (revenues > \$75 million)
- Small Public (revenues < \$75 million)
- Large Private (revenues > \$75 million)
- Small Private (revenues < \$75 million)
- Publicly Accountable
- Non-Profit
- Transformation Agent

Visit biv.com/bc-cfo-awards to nominate a fellow CPA for a BC CFO Award. Nominations (including supporting materials) must be received by *Business in Vancouver* by noon on March 2, 2020.



Facing page (left): Conference attendees gather for a fun photo op. Facing page (right): Amy Lam, FCPA, FCA, introduces keynote speaker Humaira Ahmed. This page (top): Humaira Ahmed shares her inspirational story. Right: Participants share how they will "connect for change." Photos by Matt Borck of Sara Borck Photography.



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*Nature Trust Salmon River estuary property, Vancouver Island,
photo by Graham Osborne*

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VOLUNTEER OPPORTUNITIES

Call for Volunteers: 2020-2021 Regulatory Committees

CPABC is looking for expressions of interest from CPAs who want to serve on our regulatory committees for the 2020-2021 committee year. Service on a regulatory committee is a tremendous learning experience that provides an opportunity for you to contribute to the profession in a meaningful way, extend your peer network, and gain insights into the profession's operations.

Effective regulation of the profession speaks to the very essence of the CPA brand. Regulatory committees are central to CPABC's regulatory processes, and these committees rely on the participation of suitably qualified volunteers. CPABC's Board of Directors appoints regulatory committee members annually, and committee members are generally expected to serve six consecutive one-year terms.

CPABC has five regulatory committees with mandates ranging from proactive and educational to reactive and adjudicative regulation. In addition to overseeing relevant regulatory processes, regulatory committee members are called on to advise the board and make recommendations on governance and policy changes.

The five regulatory committees are described below.

Membership Committee

The Membership Committee ensures that only suitably qualified and competent persons of good character are admitted to membership and that CPAs maintain their membership in accordance with requirements. This committee also oversees waiver applications in the event that a member may qualify for full or partial exemption from CPABC fees and CPD requirements.

Public Practice Committee

The Public Practice Committee ensures that members engaged in public practice are meeting the acknowledged standards of the profession by promoting and maintaining their knowledge, skills, and proficiency levels. This mandate is achieved through the issuance of public practice licences to appropriately qualified members who have met the education, examination, and practical experience requirements for licensure in a particular category; the assessment and approval of practice review results; and the approval of organizations that wish to train students in pre-approved pathways.¹

Get involved!

Visit bccpa.ca/volunteer to find out how you can volunteer in the profession.

Investigation Committee

In the event that a complaint is approved for investigation, the Investigation Committee will investigate the conduct of members, firms, and students to determine whether grounds exist for disciplinary action. The outcome from this process will be either a dismissal, a settlement agreement requiring the agreement of both the Investigation Committee and the member/firm/student, or a "Statement of Complaint," which refers the matter to the Disciplinary Committee.

Disciplinary Committee

The Disciplinary Committee works independently of CPABC and its board. On receipt of a Statement of Complaint, the Disciplinary Committee conducts hearings into the conduct of members, firms, and students to determine whether disciplinary action is required. If disciplinary action is required, this committee determines appropriate sanctions. Disciplinary hearings are formal, quasi-judicial processes, and are used only for the most serious of matters.

The Disciplinary Committee strikes Disciplinary Panels of three or five members to preside over each matter referred to the committee. Disciplinary Panel members are supported by legal counsel.

Bylaws Committee

The Bylaws Committee reviews the bylaws, bylaw regulations, and *CPABC Code of Professional Conduct* to ensure that the governing documentation remains appropriate. When policy amendments are proposed, the committee ensures that the revised governing documentation properly captures the intent of the change. This committee also initiates changes for board approvals in the event of redundancies or refinements.

How to volunteer

Visit CPABC's online Volunteer Resource Centre at bccpa.ca/volunteer and choose CPA Volunteer Opportunities > Regulatory Committees to access the volunteer form and get committee details, including time commitments and suitability criteria. And if you're interested in serving on more than one regulatory committee, please rank your preferences in order of interest as you complete the form.

If you have questions regarding any of our regulatory committees, please contact Nicolette Kirkpatrick, executive assistant to CPABC's executive vice-president of regulation and registrar, at 604-730-6234 or nkirkpatrick@bccpa.ca. We very much look forward to hearing from you!

¹ In this article, "students" refers only to candidates enrolled in the CPA Professional Education Program.

NOTES & NEWS

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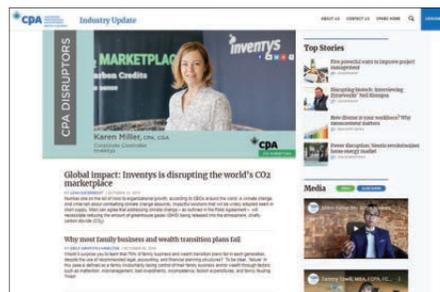
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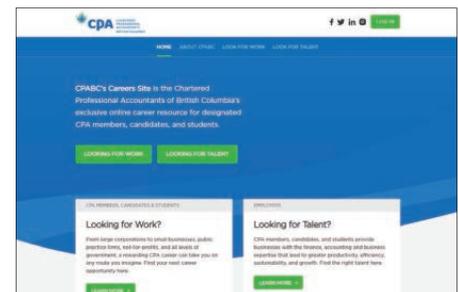
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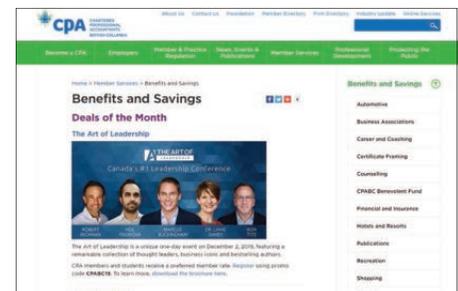
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Member Benefits and Savings



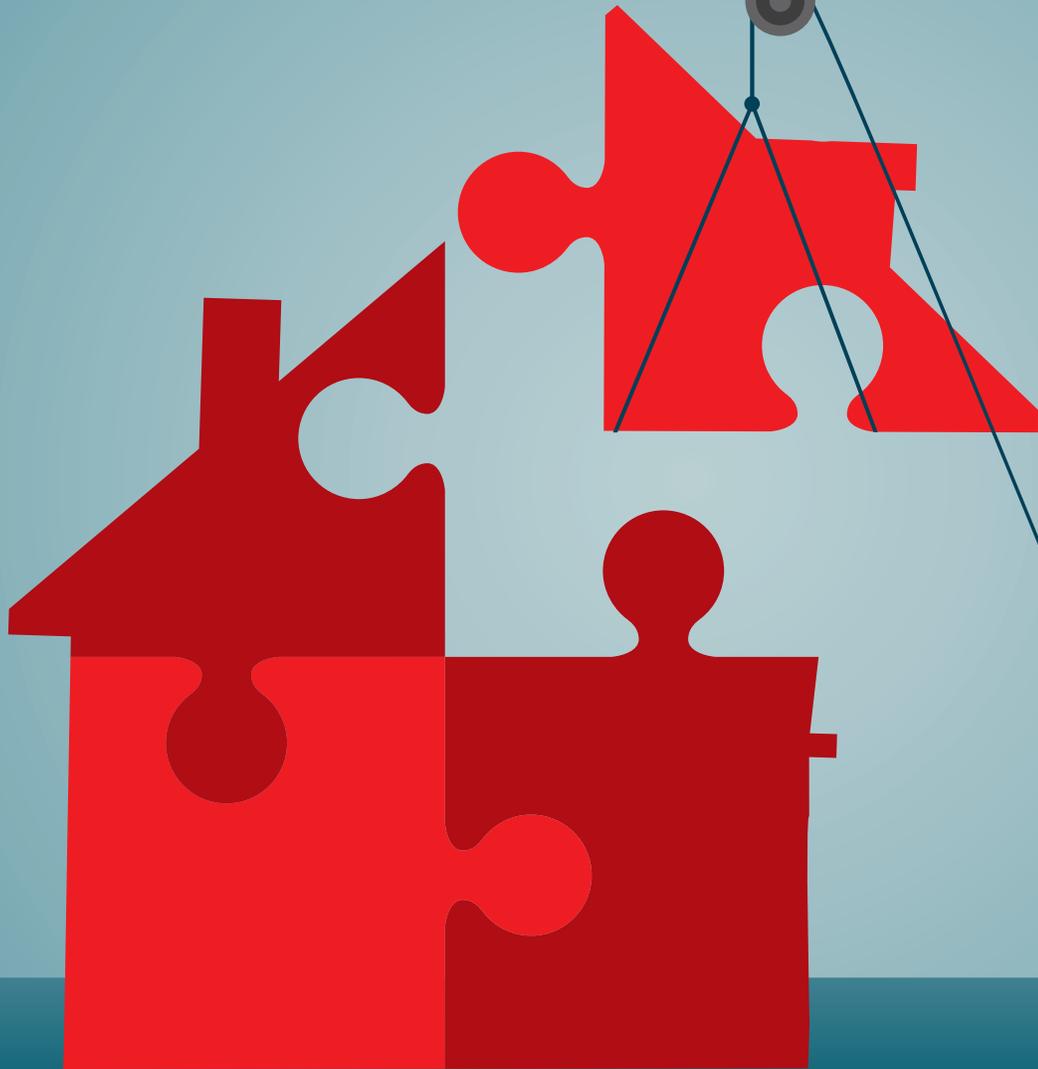
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Construction Disruption

How Modular Building Is Transforming the Construction Industry and Addressing Housing Needs

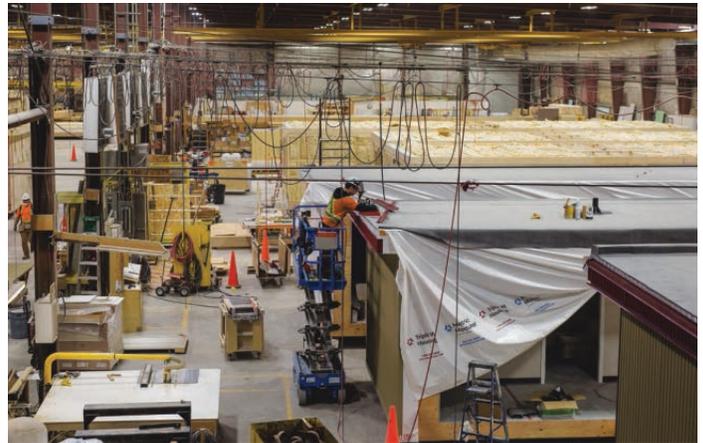
By Michelle McRae

This article has been adapted from an interview by Leah Giesbrecht (“Construction Industry Disruptor Builds Housing Solutions”), published in May 2019 for CPABC’s CPA Disruptors series at industryupdate.ca.

It's no secret that the lack of available and affordable housing is a top concern in Metro Vancouver. In Demographia's 2019 survey on housing affordability, Vancouver ranked as the second least affordable city in the world, surpassed only by Hong Kong.¹ Demographia calculates affordability using the "median multiple"—median house price divided by median household income—and cities are deemed "severely unaffordable" if their median multiple reaches or exceeds 5.1. Vancouver's median multiple in the third quarter of 2018 was 12.6.²

According to the *RBC Housing Affordability Index*, households in Greater Vancouver that earned the median pre-tax income in 2018 spent 87.3% of their earnings on their housing costs; the national average, by comparison, was 52.1%.³ Moreover, at more than \$58,000, BC had the highest rate of consumer debt in the country last year, making British Columbians particularly vulnerable to sudden changes in income and interest rates, and significantly increasing their risk of insolvency.⁴

Understandably, the situation is a source of anxiety for residents. According to an Ipsos poll conducted on behalf of the Urban Development Institute in May 2019, the majority of British Columbians are concerned about housing affordability, want more housing options, and want municipalities to reduce obstacles to building (see sidebar on page 23 for key stats).⁵ This anxiety extends to employers as well. In response to a 2018 VoteLocal survey, 73% of employers said



Modular housing units, like the ones being built at Metric Modular's construction facility in Agassiz (above), are helping to address BC's housing crisis. Photo by Wink Photography.

housing affordability was hindering their ability to recruit and retain staff, and 37% said they were considering relocating away from Metro Vancouver due to its lack of affordability (for workers, that figure rose to 46%).⁶

It's a complicated problem that requires a multi-faceted solution. Recognizing this, the Greater Vancouver Board of Trade (GVBOT) released the report *More Homes, More Choices: An Expanded Federal*

¹ Demographia, *15th Annual Demographia International Housing Affordability Survey: 2019*, Data for 3rd Quarter 2018, demographia.com.

² Ibid.

³ Average percentages for 2018. (rbc.com/newsroom/reports/rbc-housing-affordability.html)

⁴ For more stats from CPABC's 2019 *BC Check-Up* report, visit bccheckup.com. You'll also find a high-level summary of the report on pages 26-27.

⁵ Ipsos, *British Columbians Frustrated by Lack of Housing Options*, press release, June 3, 2019. (ipsos.com)

⁶ FleishmanHillard HighRoad, Mustel Group, and the Greater Vancouver Board of Trade, *VoteLocal: Exploring the Issues that Will Shape the 2018 Civic Election in Metro Vancouver*, September 2018.

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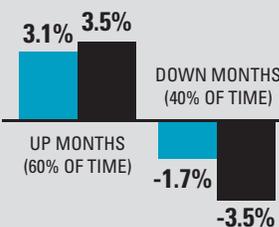
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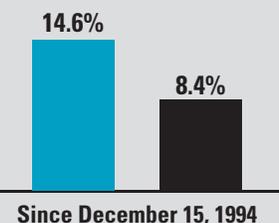
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Average Monthly Performance¹



Compound Annual Returns²



■ Odlum Brown Model Portfolio*

■ S&P/TSX Total Return Index

¹Performance measured mid-month from December 1994 - September 2019. ²As of September 15, 2019. *The Odlum Brown Model Portfolio is a hypothetical all-equity portfolio that was established by the Odlum Brown Equity Research Department on December 15, 1994 with a hypothetical investment of \$250,000. It showcases how we believe individual security recommendations may be used within the context of a client portfolio. The Model also provides a basis with which to measure the quality of our advice and the effectiveness of our disciplined investment strategy. Trades are made using the closing price on the day a change is announced. Performance figures do not include any allowance for fees. Past performance is not indicative of future performance.

Approach to Increasing Housing Options in Greater Vancouver in August 2019. While noting that all levels of government have a role to play in addressing the housing crisis, the GVBOT identifies specific measures the federal government could take to “unlock” more housing in BC. These include changing tax policy to incentivize construction and exploring creative ways to accommodate new rental units within existing zoning.⁷

Fitting more housing into existing neighbourhoods is a process known as “infilling,” “infill housing,” or “urban infill,” and it’s precisely the kind of development Metric Modular, a BC-based modular construction firm, recently completed in Seattle.

“We built an apartment building with only micro-suites to bring market-rate rental units to

Seattle at a more affordable level,” says Joel Holloway, CPA, CA, the company’s chief financial officer. “The project was built adjacent to transit, and because it was urban infill, we were able to add rental capacity to an existing neighbourhood.”

Could modular construction be a creative solution to BC’s housing shortage as well? The short answer is yes. With its accelerated build times and increased cost efficiency, modular construction is a natural choice for supportive housing projects like BC’s Rapid Response to Homelessness Program, for example. When the Government of British Columbia announced the Rapid Response program in 2017, it committed almost \$300 million over two years to build more than 2,000 modular supportive housing units.⁸ Modular construction, said BC Housing, “offers a fast and effective response to the growing issue of homelessness in communities throughout the province.”⁹

Metric Modular contributed to the Rapid Response program, building 194 units across BC. Its most recent complex opened in Penticton in late September 2019.

Holloway agrees that modular construction is well-suited to address homelessness.

“We can provide expedited solutions to the housing shortage through our ability to accelerate project timelines,” he explains. “And we have experience producing buildings that meet the stringent requirements of BC Housing.”

He’s quick to add, however, that modular construction is becoming an increasingly mainstream alternative for permanent housing as well.

“Already, modular construction is challenging traditional approaches in virtually all sectors of the construction industry in North America,” he says. “Increasingly, we’re seeing our methods become accepted for multi-family residential, dormitory, hotel, and office projects—to name a few.”



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⁷ boardoftrade.com/morehomes

⁸ BC Housing Research Centre, *Modular Supportive Housing Resident Outcomes Study*, August 2019.

⁹ Carla Wilson, “Going Modular to Help the Homeless,” *Times-Colonist*, September 29, 2018.

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Still, North America lags behind many other parts of the world when it comes to embracing modular construction. In a 2019 McKinsey & Company¹⁰ study measuring the current off-site share of housing by country/area, Finland, Norway, and Sweden topped the list at 45%, while the United States came in at just 3%. A separate study found that Sweden is by far the most advanced country in the world, with 84% of its permanent housing having an off-site component, compared to approximately 5% in Australia, the UK, and the US.¹¹ And the Modular Building Institute found that while the construction industry drove approximately nine billion dollars of activity in North America in 2018, the estimated market share for permanent modular construction was only 3.67% (in Canada, it was 3.6%).¹²

Nevertheless, Holloway is optimistic. “Canada and the US have been slow adopters compared to Europe and Asia, but we believe that’s going to change,” he says. “We see modular construction moving from a fringe technology to an increasing portion of the construction market.”

Far from producing the uniform, mass-produced homes often associated with modular housing, Metric Modular already builds a wide range of structures with unique designs and custom finishes, from multi-family residences to wilderness resorts and student housing. The company also builds energy-efficient, customizable, single-family homes for its sister company Triple M Housing.

“I would encourage anyone who thinks that modular construction is limited to portable office space or low-quality housing to take a look at the projects we’ve completed recently,” says Holloway.

These include Elk Mountain Lodge, an executive lodge in the Colorado Rockies, and Jacobson Hall, a 220-bed student housing complex at Trinity Western University in Langley.

In addition to building affordable housing projects in six different BC communities, the company is currently pursuing multi-family construction projects across the province and along the West Coast, from Washington state to Northern California.

“Multi-family is a vital stream for us,” says Holloway. “So is hospitality. We’re excited about growth opportunities in both streams over the next two years.”

This excitement is buoyed by the company’s market research, which shows that affordable housing and hospitality are the main drivers of modular construction in BC and in the Western US.

“The US market is key, due to the shortage of labour in high-growth regions and the favourable exchange rate,” says Holloway. “There’s a lot more interest in California, in particular, right now, because of the housing crisis along the coastline. The government there is stepping up by providing financing support to commercial companies that can bring affordable housing to market, while also funding projects with housing non-profits.”

Is modular construction poised to transform the construction industry? Possibly. In addition to compressed timelines and potentially significant cost savings, Holloway says it offers a variety of ancillary benefits, including superior quality.

¹⁰ Nick Bertram, Steffen Fuchs, Jan Mischke, Robert Palter, Gernot Strube, and Jonathan Woetzel, *Modular Construction: From Projects to Products*, McKinsey & Company, June 2019 (22). (mckinsey.com)

¹¹ Rod Sweet, “Why Sweden Beats the World Hands Down on Prefab Housing,” *Global Construction Review*, May 28, 2015. (globalconstructionreview.com)

¹² Modular Building Institute, *2019 Permanent Modular Construction Report*, 2019 (37). (modular.org)

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Joel Holloway, CPA, CA (left), CFO of Metric Modular, reviews project details with colleagues on the shop floor. Photo by Wink Photography.

“We believe we improve quality over traditional construction methods by providing certainty,” he explains. “Our process allows us to have rigorous and standardized quality programs that would cost more and be more difficult to implement using traditional methods. We’re also able to limit weather variables—particularly moisture.”

Indoor, centralized construction means that roughly 70% to 90% of a project can be built inside Metric Modular’s construction facilities, with most of the trades-related work such as plumbing, electrical, and mechanical systems completed in-house. According to Holloway, reliable access to skilled tradespeople is another advantage of modular construction.

“We’re able to attract and retain skilled trades by offering consistent work, a regular commute, and a very safe (and indoor) work environment,” he explains. “This differs significantly from traditional construction, where tradespeople are required to commute to different jobsites and work through variable weather conditions, and often have employment that is project-dependent.

“We’re also able to service a broad geographic area,” he adds. “Modular construction mitigates the challenge of a geographic concentration of trades required for traditional construction markets. Often trades may be in short supply in certain geographic areas, and modular construction can bridge that gap.”

Working within its two construction facilities—one in Agassiz and the other in Penticton—enables the company to maintain a high level of control over production. And this level of control and standardization means modular buildings can be completed 30% to 50% faster than traditional buildings, and often at a lower cost.

“Site preparation and foundation work is completed while the building modules are under construction in our factories, reducing traditional construction timelines by about half,” says Holloway. “This can save our customers carrying and financing costs, and brings revenue-generating projects to market quicker. Our projects also are very design-intensive early on, allowing us to thoroughly understand project requirements at the outset. This approach ensures that our projects are less prone to change orders and cost overruns.”

Detailed upfront design also helps the company keep waste to a minimum. One of the greenest aspects of modular construction is that by reducing as much as 80% of on-site building activity, it produces less material waste and pollution.

“In the factory,” says Holloway, “we can produce a more sustainable product by eliminating the risk of material waste from moisture or other environmental factors, and by optimizing material usage by precutting all lumber inputs and prefabricating other components.”

Centralized building also allows Metric Modular to more effectively recycle waste. “We use local programs for recycling and re-using the construction material waste,” he says. “For traditional site-built projects, this would be a challenge due to diverse project locations, but the consistency of our factory production makes these programs much simpler to implement.”

Metric Modular’s construction methods also produce buildings that are uniquely energy efficient, able to meet some of the most rigorous standards in the world. Notably, the company has pioneered Passive House technology in Canada through projects like Bella Bella Passive House, Canada’s first modular, multi-unit passive house, built in 2015.

Buildings with Passive House certification consume up to 90% less heating and cooling energy than conventional structures.¹³

“Passive House buildings are well-suited to modular construction due to the stringent quality requirements, building shape, and highly insulated building envelope,” says Holloway. “The most obvious benefit of this technology to a homeowner is dramatically reduced energy costs. As an example, the Passive House four-plex we built for the Yale First Nation saw energy bills reduced from \$250 to under \$20 for the first month of occupancy.”

Holloway predicts that escalating demand from consumers and stricter building code requirements for energy-efficient buildings will drive further development and growth in modular construction. “Specifically,” he says, “we see modular servicing high energy-efficiency requirements in metropolitan centres.”

In addition to its advances in Passive House certification, Metric Modular is a pioneer in the use of volumetric modular construction, a process that essentially involves “stacking and joining factory-finished modules to form a substantially complete building.”¹⁴ Jacobson Hall, the aforementioned student housing complex built for Trinity Western University, was actually Canada’s first five-storey volumetric modular building. The company completed the project in just nine months.

Building information modelling (BIM) is another technology Metric Modular is implementing to help drive innovation.

“BIM has been around for over a decade, but neither modular nor traditional construction has fully leveraged it yet,” says Holloway. “We’re early in our BIM adoption process at Metric, but we see it as a key strategic initiative to drive both integrated project delivery and even automation in our factories. We’ve made tangible strides, but implementing BIM takes time because it requires us to change underlying systems.”

Holloway says integrated project delivery (IPD) is even more in its infancy.

“IPD moves projects to a collaborative framework, from the contract through to the completed construction project,” he explains. “By leveraging technology and taking a more proactive and collaborative approach, you can take a project from start to finish more efficiently. We see modular building methods integrating and benefiting from this change.”

Asked about the impact of automation on workers in this field, Holloway says the company is committed to helping its existing tradespeople adapt.

“We have a well-tenured employee base with a wealth of knowledge,” he explains. “Skilled trades will always be needed for many aspects of our production process, so as the more mundane tasks get automated, we’ll upskill employees accordingly. We consider our team one of our top strategic advantages.”

As to the question of whether modular construction will help solve BC’s housing shortage, Holloway is excited about the possibilities.

“In a broad sense, modular construction isn’t a singular answer to the housing crisis,” he says. “But as roadblocks are removed and government and industry align to bring more housing to market and resolve the crisis, I think it will be a game-changer.” ■

¹³ passivehousecanada.com

¹⁴ Derek Henderson, “What Is Volumetric Construction,” blog post, z-modular.com, May 10, 2018.



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British Columbians want more housing options

Key results from the Ipsos poll conducted on behalf of the Urban Development Institute in May 2019:

- 74% of respondents agreed that “home prices and rents remain high because there are too few housing options.”
- 75% agreed that “municipalities should allow a greater diversity of housing options within single family neighbourhoods.”
- 74% agreed that “new taxes, fees, and red tape on homebuilders are making housing even less affordable for renters and home owners.”
- 71% said they’d seen no increase in affordable housing options (to rent or buy) over the past two years.
- 71% said municipal processes for approving housing proposals are too long and need to be fixed.
- 70% said the actions of governments (provincial & municipal) have not improved housing affordability.
- 68% agreed that “governments aren’t doing enough to encourage the construction of new rental housing.”
- 58% say municipalities are not doing enough to encourage more diverse housing options, such as duplexes, triplexes, mid-rise apartments, or senior living residences.
- 80% said they wanted more housing options close to existing and new transit stations/hubs.



Source: Ipsos, *British Columbians Frustrated by Lack of Housing Options*, press release, June 3, 2019. ([ipsos.com](https://www.ipsos.com))

Business Outlook Survey Results Show a Rise in Economic Pessimism Among BC CPAs

From CPABC's Public Affairs Team

Each year, CPABC conducts its *Business Outlook Survey* to measure members' perceptions of the current and future economic climate in BC. Respondents are also asked to share their thoughts on the challenges to business success, the performance of governments in supporting BC businesses, and efforts to stimulate economic activity in the province and in their local communities. After performing an analysis and a year-to-year comparison, CPABC uses the results to inform its various public affairs initiatives, including its annual budget submission to the Select Standing Committee on Finance and Government Services in advance of the provincial budget.

A summary of the 2019 survey results follows.

Thoughts on the economy

Respondents to the 2019 survey were less optimistic about BC's economy than their counterparts in previous years, with only 41% rating the economy as "good."¹ This cloudy outlook also extended to the future, with less than 17% of respondents saying they expect BC's economic performance to improve within the next two years and 29% saying they expect it to worsen. Respondents had even more negative expectations for the economic performance of the rest of Canada and the US, although their outlook was consistent with that reported in 2018.

¹ This year's results are not directly comparable to those of 2018, as the scale was revised for the 2019 survey. However, in general, fewer respondents in 2019 had a positive view of the current state of BC's economy, and more respondents rated it as "fair."



oatava/iStock/Getty Images

When asked about their own business performance, 40% of survey respondents said they expect their business to expand over the next two years—a slightly less optimistic result than in 2018 (46%)—and 51% said they expect their business performance to stay the same. The number of respondents who said they expect their business performance to contract grew to 9%, up from 5% in 2018. Overall, survey respondents working in industry and the not-for-profit sector expressed more pessimism about business performance than those working in public practice or government.

When asked about their investment plans, 20% of respondents said either their organization, or their clients, had put investment plans on hold. Most attributed this hold to "economic concerns" (64%), as highlighted in the next section.

Challenges to business success

In keeping with the results from previous years, the ability to attract and retain high-calibre employees and/or skilled labour was ranked as the number one challenge to business success in BC, with 87% of survey respondents rating it as a "major" or "moderate" challenge. Also in keeping with previous years' results, government regulation came in second (72%). The ability to raise capital ranked third (61%).

This year's survey showed a slight increase in concern regarding housing prices, with 88% of respondents identifying the price of housing in BC as a substantial challenge, compared to 85% of respondents in 2018. Consumer debt (69%), transportation and infrastructure investment (69%), and the current value of the Canadian dollar versus the US dollar (68%) completed the list of the top economic challenges in BC. Almost all of these issues pose ongoing challenges to business success in the province.

Governments' support of business

The percentage of respondents who held favourable opinions about governmental performance in creating a good climate for business and investment in BC were low—consistent with the results from previous years. Overall, “good” performance ratings were far lower for all three levels of government in 2019 compared to 2018.² The provincial and federal governments received the lowest “good” rating at 9%, followed by the municipal government at 12%. About half of the respondents rated governmental performance as “fair.”

Consistent with the 2018 results, one-third of the 2019 survey respondents said BC’s tax rates and incentives are competitive, and 41% said they’re not. When asked what the provincial government can do to improve BC’s tax competitiveness, respondents identified the following as the top priorities:

1. Ensuring tax rates are globally competitive (68% – up from 52% in 2018),
2. Lowering corporate income tax rates (55% – same as in 2018), and
3. Increasing the threshold for the small business income tax rate (51% – new measure for 2019).

Additionally, more than half of all respondents indicated that any increase in provincial tax rates would have a negative impact on business investment plans, whether for their company or their clients. This was the same result as in 2018.

The impact of the BC Employer Health Tax (EHT) also remains a concern, although less so than in 2018. Asked how the implementation of the EHT has affected business, 60% of respondents said it had increased the cost of doing business. Other stated concerns: 18% said the EHT had led to a reduction in other employee benefits and 11% said it had prompted a shift from full-time hiring to contract/temporary hiring. These were the same top three concerns identified by CPA respondents in 2018, before the EHT was implemented.

The upshot

Overall, the results of the 2019 survey show that CPAs’ perceptions of the economy are in line with other forecasts. While CPAs believe BC is performing better economically than the rest of Canada and the United States, members anticipate only moderate economic growth through the remainder of 2019 and likely into early 2020 as well. ■

² This year’s results are not directly comparable to those of 2018, as the scale was revised for the 2019 survey.

ABOUT THE SURVEY

The CPABC *Business Outlook Survey* was conducted between August 9 and September 4, 2019, as a self-administered online survey. A total of 2,265 CPABC members completed the survey, resulting in a 14% response rate. The maximum margin of error was +/- 1.9%, 19 times out of 20. The survey was managed by NRG Research Group, an external market research supplier. Of those members who completed the survey, most work in the Lower Mainland (67%); the second- and third-largest groups work in the Vancouver Island/Coast (17%) and Thompson/Okanagan (9%) regions.

Over half of all survey respondents work in industry (52%), with manufacturing and finance being the most common business sectors. Nearly 1/3 (26%) work in public practice, and 58% work for an organization with more than 50 employees.

To learn more about this year’s survey, check out the 2019 CPABC *Business Outlook Survey* infographic at bccpa.ca, under the News, Events & Publications tab, in mid-November.

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BC CHECK-UP 2019

CPABC's *BC Check-Up* uses selected economic and social indicators to evaluate BC as a place to **WORK**, **INVEST**, and **LIVE**.

All four **WORK** indicators were positive in 2018, but gains were moderate compared to the previous year.



Population growth remained steady in 2018 and economic activity was sustained despite a slowdown in the housing market. The number of jobs in BC **grew by 26,800** (or 1.1%), the slowest rate since 2014.



BC had **one of the lowest unemployment rates** in the country in 2018, declining by 0.4 percentage points (ppt) to 4.7%. BC's youth unemployment rate was also the lowest in the country, declining by 0.5 ppt to 8.1%.



The province's **labour force** is increasingly **becoming more educated**, with educational attainment increasing by 0.7 ppt to 72.1% in 2018. However, this was still behind the national average of 74.5%.



A more educated workforce and a diversified economy also pushed **average labour compensation up by 2.1%** to \$57,707 in 2018, but this was still behind the national average of \$60,028.



All four **INVEST** indicators were positive in 2018, reflecting a strong investment climate.



After declining in 2017, BC's private sector non-residential building investment **rebounded by 23.9%** to reach \$5.2 billion.



The value of BC's **exports per worker rose by 6.7%** in 2018 and registered a 28.8% growth rate over the past five years. However, it was still behind the national average in absolute terms.



There was **no change** in BC's government net debt as a share of GDP in 2018.



BC's labour productivity grew by 0.9% in 2018. This was a modest gain, and one of the best in the country. BC may now be **closing the productivity gap** with Canada.

Both **LIVE** indicators deteriorated in 2018, suggesting that BC is becoming a more expensive place to live.



BC's consumer debt per capita rose by 2.6% to \$58,329 in 2018, **still the highest level of personal debt** burden among our comparison jurisdictions.



Despite the cooling of housing prices in 2018, the median share of household pre-tax income required to pay for housing costs in Vancouver and Victoria rose by 5.1 ppt. This continued to **squeeze many potential buyers out of the market**.

READ THE FULL REPORT AT bccheckup.com

Objectivity Is a Hallmark of the CPA Profession

From CPABC's Professional Conduct Department

As a core principle of GAAP,¹ objectivity requires that accounting be recorded based on facts and evidence, not opinions and feelings. For any given transaction, there is a general expectation that any reasonable observer, looking at the evidence, would arrive at the same or similar values and apply the same or similar accounting treatment.

Along with the other core principles of GAAP,² objectivity helps ensure that the accounting profession has the public's trust.

What are the rules for maintaining professional objectivity?

Objectivity is required of every CPA member and student,³ regardless of sector.

The concept of accounting objectivity in GAAP is closely related to the concept of behavioural objectivity in the *CPABC Code of Professional Conduct* (CPA Code). As described in Rule 202.2 (Objectivity) of the CPA Code, objectivity requires that "registrants"⁴ not allow their "professional or business judgment to be compromised by bias, conflict of interest or the undue influence of others." Decisions must, therefore, be based on the weight of the evidence at hand.

As noted in its preamble, the CPA Code "is derived from five fundamental principles of ethics." In addition to objectivity, these principles are professional behaviour, integrity and due care, professional competence, and confidentiality. To each of these five concepts, the CPA Code applies the criterion of whether a reasonable observer would conclude that a specific circumstance poses an unacceptable threat to a member's or student's objectivity.

¹ Generally accepted accounting principles.

² While there is some debate in professional literature about the full spectrum of accounting principles, most definitions include at least the principles of full disclosure, going concern, accrual basis, materiality, consistency, and conservatism.

³ "Student" refers to candidates in the CPA Professional Education Program (PEP).

⁴ "Registrants," as used in the CPA Code, refers to members and students (candidates in PEP). The CPA Code does not apply to students enrolled in the CPA preparatory courses.

⁵ Some facts have been altered to preserve anonymity.

What gets our members in trouble?

The professional conduct department at CPABC has handled several significant complaints about members' objectivity. These included instances where:⁵

- A member performed a specified-procedures trust report for a lawyer after having already performed bookkeeping for the same individual. In this case, the member compromised their objectivity by giving an opinion on the integrity and accuracy of their own work ("self-review").
- A registered firm that had gone through several mergers and reorganizations over the years failed to rotate the lead engagement partner on one audit engagement for 10 years. Rule 204.4(20) (Specific Prohibitions, Assurance and Specified Auditing Procedures Engagements — Long association of senior personnel with a reporting issuer or listed entity audit client) limits the length of time a lead engagement partner or engagement quality control reviewer may be involved with a reporting issuer or listed entity to seven years. Thus, it was determined in this case that the engagement partner's objectivity had been compromised.
- An auditor succumbed to pressure from a client, a charity, to offset accounts payable against the cash balances at year-end. This resulted in a material understatement of the charity's cash and accounts payable balance at year-end (caused by the fact that payment cheques had been dated at year-end but not released until later). In this case, the auditor compromised both the integrity of the financial statements and their own objectivity by accepting the improper accounting treatment.
- A member audited the financial return of a political candidate. Although the member was not involved in the candidate's campaign, another partner at their firm served as the candidate's fundraising chair. Due to the close business relationship between the two partners, the auditor's objectivity came into question.
- A member acted as the accountant for an agricultural venture owned equally by two sibling partners. When a dispute arose between them, the member continued to act for the partnership but took instructions from and provided information to one sibling only.

In each of these instances, CPABC's Investigation Committee found that the members or firms involved had breached the objectivity requirements of the CPA Code and the Investigation Committee recommended a variety of sanctions.



Are objectivity and independence the same principle?

In several of the examples above, the firms or members in question violated Rule 204 – Independence of the CPA Code, which covers specific prohibitions for assurance and specified auditing procedures engagements.

As per section 12 (Practice of public accounting – additional requirements) of the guidance to Rule 202 in the CPA Code: “The requirement to be objective is not the same as the requirement to be independent pursuant to Rule 204. Objectivity is a state of mind. Independence is not only a state of mind; it also includes the appearance of independence, in the view of a reasonable observer. It is the reasonable observer test that distinguishes ‘independence’ from ‘objectivity’ and that gives the public the necessary confidence that the registrant can express a conclusion without bias, conflict of interest or the undue influence of others.”

A note about advocacy and valuation services

Advocacy

Section 8 (Objectivity and advocacy) of the guidance to Rule 202 in the CPA Code states: “The requirement for an objective state of mind does not preclude a registrant from acting in an advocacy role for a client or from working to advance the best interests of an employer.” When acting as an advocate, however, the member “must consider the ability to effectively advocate the client’s or employer’s position, while still maintaining objectivity and integrity. It may be possible to do so when the advocacy role is apparent in the circumstances and the position being advocated is supportable.”⁶

The guidance cautions, however, that “circumstances may arise which stretch the bounds of performance standards, go beyond sound and reasonable professional or commercial practice or compromise credibility. Such circumstances may pose an unacceptable risk of impairing the reputation of the registrant, client and/or employer. In those circumstances, the registrant should consider whether it is appropriate to perform the service.”

⁶ When acting as an advocate, care should be taken to ensure that such work does not constitute the practice of law.

Valuation

CPAs often provide business valuation services. When working with a client on a business valuation, a member may be asked to evaluate, or recommend an advantageous transaction with, another company. If the member had a role in preparing the financial statements of the other company, they should beware the dangers of self-review.

Assess your objectivity on a continual basis

Because circumstances can change as engagements evolve, section 13 (Continuing assessment of objectivity and integrity) of the guidance to Rule 202 of the CPA Code recommends that registrants continually assess and manage any risks to their objectivity and integrity. The guidance notes: “In the absence of specific rules, standards or guidance, a registrant should consider whether another registrant, without the relationships or influence that have put objectivity or integrity at risk, would have come to the same decision with access to the same information.”

Do you need guidance?

CPABC has professional standards advisors who are here to help you understand the CPA Code. All discussions are confidential, non-binding, and unofficial. Contact CPABC’s advisors by email at professionaladvisory@bccpa.ca or call:

- Stella Leung, CPA, CA, at 604-488-2609
- Brigitte Ilk, CPA, CGA, at 604-629-8363
- Both can also be reached using our toll-free number at 1-800-663-2677.

In complex situations, you may also want to consider obtaining independent legal counsel. The *Chartered Professional Accountants Act*, *CPABC Bylaws*, *CPABC Bylaw Regulations*, and *CPABC Code of Professional Conduct* can be accessed online at bccpa.ca/member-practice-regulation/act-bylaws-rules.

Comments or questions about this article?

Contact the professional conduct department at professionalconduct@bccpa.ca. ■



Lori Mathison is the president & CEO of CPABC.

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The Office of 2020 and Beyond: What Is the Future of Work?

By Lori Mathison, FCPA, FCGA, LLB



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CPABC's 2019 *BC Check-Up* report paints a clear picture of British Columbia's tight labour market. As noted in the report, unemployment in BC fell from 6.1% in 2014 to 4.7% in 2018, while the job vacancy rate increased by 0.8%, reaching a high of 2.5%. Competition for talent is tough, and employers in all industries are struggling to fill positions. Making matters worse is the shift to a more transient and mobile workforce.

To tackle these challenges, organizations need to think differently about recruitment, retention, and succession planning. This was the focus of a panel discussion at CPABC's 2019 Spring Pacific Summit, which featured four C-suite CPAs: Ali Pourdad, CPA, CA, co-founder and former CEO of Progressa; Brad Pennefather, CPA, CMA, vice-president of membership and business intelligence at Vancouver Canucks; Diana Vuong, CPA, CA, vice-president of finance and chief financial officer at the Vancouver Airport Authority; and Kate Furber, CPA, CA, audit and assurance partner and BC lead for private company services with PwC Canada. I'd like to share some of their insights here.

Speaking about the technology sector, panellist Ali Pourdad said the supply of talent is not enough to fill labour demands. As a result, employees are changing jobs more frequently—often for better experiences, pay, or benefits. This is consistent with the findings of a Gallup study conducted in 2016 that identified millennials as a “flight risk.”¹ The study revealed that 60% of millennials were open to a different job opportunity.²

¹ Gallup, Inc., *How Millennials Want to Work and Live*, 2016, news.gallup.com.

² Ibid.

To retain the right talent ... employers have to get employees to “buy in” to the company’s vision, focus on their training and development, be very transparent, and set proper expectations.

A people-focused approach should be a key part of any company’s strategic plan, said Pourdad, noting that it’s already a core strategy at Progressa. To retain the right talent, he said, employers have to get employees to “buy in” to the company’s vision, focus on their training and development, be very transparent, and set proper expectations. Otherwise, the turnover rate will be high, no matter how well workers are paid.

High turnover is a major concern. In its 2016 study, Gallup estimated that millennial turnover due to lack of engagement cost the US economy \$30.5 billion annually.³ A high turnover rate can be especially difficult for businesses that focus on client relationships, as changes in staffing can directly affect the client experience. Panellist Brad Pennefather said focusing on recruitment is a way to encourage longer tenures. He explained that because Vancouver Canucks often hires recent graduates, the organization includes testing in its recruitment process to identify candidates’ soft and hard skills so that it can then place them in roles best suited to their levels of expertise. And once they’re in the organization, they’re repeatedly asked for feedback. Pennefather said that collecting constant feedback from staff ensures the workplace meets both employee and employer needs and fosters a positive culture.

Collecting employee feedback can boost engagement and mitigate turnover by helping employers measure how well they’re meeting employees’ needs. Take flexible work arrangements, for example. A 2019 study by Werk found a significant gap between the supply and demand of workplace flexibility—96% of US workers said they needed some form of flexibility at work, but only 42% said they had access to it.⁴ Additionally, an earlier survey of US workers conducted by Fractl found that after health insurance, employees place the highest value on benefits that increase flexibility and work-life balance: flexible hours, more paid vacation time, and work-from-home options.⁵

Giving employees the option to work off site may help with retention, but some employers are concerned that this kind of flexibility may affect workplace culture. For many organizations, it is a balancing act. Panellist Diana Vuong said she worries that the lack of accidental collaboration—which can be sparked by the simplest of interactions, such as a conversation at the water cooler—could affect company culture over time. These moments, said Vuong, are valuable, as they can increase the cohesiveness of the team and steer the office culture in a positive way. Figuring out ways to foster continued collaboration and social interaction will be important to the success of the organization, Vuong advised, noting that the Vancouver Airport Authority hosts company-wide and department-wide events to bring people together and encourage social interaction.

Incorporating coaching, mentorship, and transparency around succession planning can also foster a positive workplace and growth-focused culture. According to a 2017 study by Glassdoor, workers who don’t see a clear progression from their current role *within* their company turn to opportunities elsewhere.⁶ This helps explain why organizations with highly visible growth opportunities are able to recruit and retain qualified candidates. Panellist Kate Furber noted that within PwC’s assurance practice each experienced senior manager attends regular coaching meetings and meets annually with the head of the BC assurance practice and their coach to discuss their career plans. This process, said Furber, creates a two-way channel that encourages communication and transparency. Furber added that empowering younger staff early in their careers has fostered leadership at different layers within the firm.

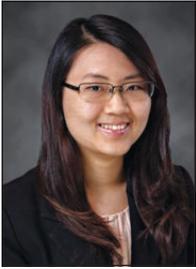
The evolving nature of the workforce and of workers’ expectations should be key considerations for any organization as it re-thinks its recruitment, retention, and succession-planning strategies. A successful succession strategy requires well-developed career plans for employees that begin from the moment they are hired. ■

³ Gallup, Inc., *How Millennials Want to Work and Live*, 2016, news.gallup.com.

⁴ Werk Enterprises Inc., *The Future Is Flexible: The Importance of Flexibility in the Modern Workplace*, 2019, werk.co/research.

⁵ Fractl, *Employee Benefits Study: The Cost and Value of Employee Perks*, February 2017, frac.tl/employee-benefits-study.

⁶ Morgan Smart and Andrew Chamberlain, PhD, *Why Do Workers Quit? The Factors that Predict Employee Turnover*, Glassdoor, February 2017, [glassdoor.com](https://www.glassdoor.com).



Tina Huang is a senior manager in tax at BDO Canada LLP in Vancouver, where she specializes in personal and corporate tax planning for privately held businesses and high-net-worth individuals, as well as corporate reorganizations, purchases and sales of a business, and estate planning. She thanks Tara Pedersen, CPA, CGA, senior manager in tax at BDO, for her assistance with this article.

Changes to the Taxation of Private Corporations Holding Passive Investments

By Tina Huang, CPA, CA



bizvector/Stock/Getty Images

Over the last few years, a number of fundamental changes have been made to the way private corporations and their shareholders are taxed. Some of these changes affect a wide range of taxpayers and are complex and difficult to understand, even for tax professionals. One major change that has been widely discussed is the expanded legislation regarding what was commonly known as “kiddie tax”—now known as the tax on split income (TOSI). The new legislation further limits the circumstances wherein income can be split between family members who are subject to lower marginal personal tax rates.

In addition to TOSI, two other measures were enacted in 2018 to limit the tax deferral benefits when investment income is earned in a private corporation:

1. Limiting access to the small business deduction; and
2. Limiting access to refundable taxes.

These two measures are not mutually exclusive and can apply simultaneously. They are effective for year-ends beginning on and after January 1, 2019.

Limiting access to the small business deduction

In BC, up to \$500,000 of active business income earned by an associated group of Canadian-controlled private corporations (CCPCs) is subject to a combined federal and provincial small business tax rate of 11% for 2019¹—quite a favourable rate compared to the general corporate tax rate of 27%. The new measures introduce a grind to the small business limit of \$500,000 in cases where an associated group of CCPCs has earned \$50,000 or more of adjusted aggregate investment income (AII) in the previous taxation year. For every \$1 of AII earned above the \$50,000 threshold, the small business limit will be reduced by \$5. When AII reaches \$150,000, the small business limit will be ground to nil.²

Under the new legislation, AII generally includes, but is not limited to, the regular categories of investment income, such as interest, rent, royalties, and portfolio dividends. It also includes taxable capital gains from the disposition of passive investments. Conversely, the calculation of AII excludes taxable capital gains from the disposition of assets used in carrying on an active business, rent or interest received from an associated corporation that is classified as active business income, and dividends from connected corporations.³ Bottom line: It appears that the government wants to encourage small businesses to reinvest profits into their active businesses, rather than into passive investment holdings.

Businesses that earn passive investment income in a corporation may want to consider the following strategies to minimize the impact of the small business grind:

- Ensure expenses such as interest expense and management fees are properly allocated to reduce AII below the threshold; and
- Increase investment income, such as gains on passive investments, in years where a lower amount of active business income is earned.

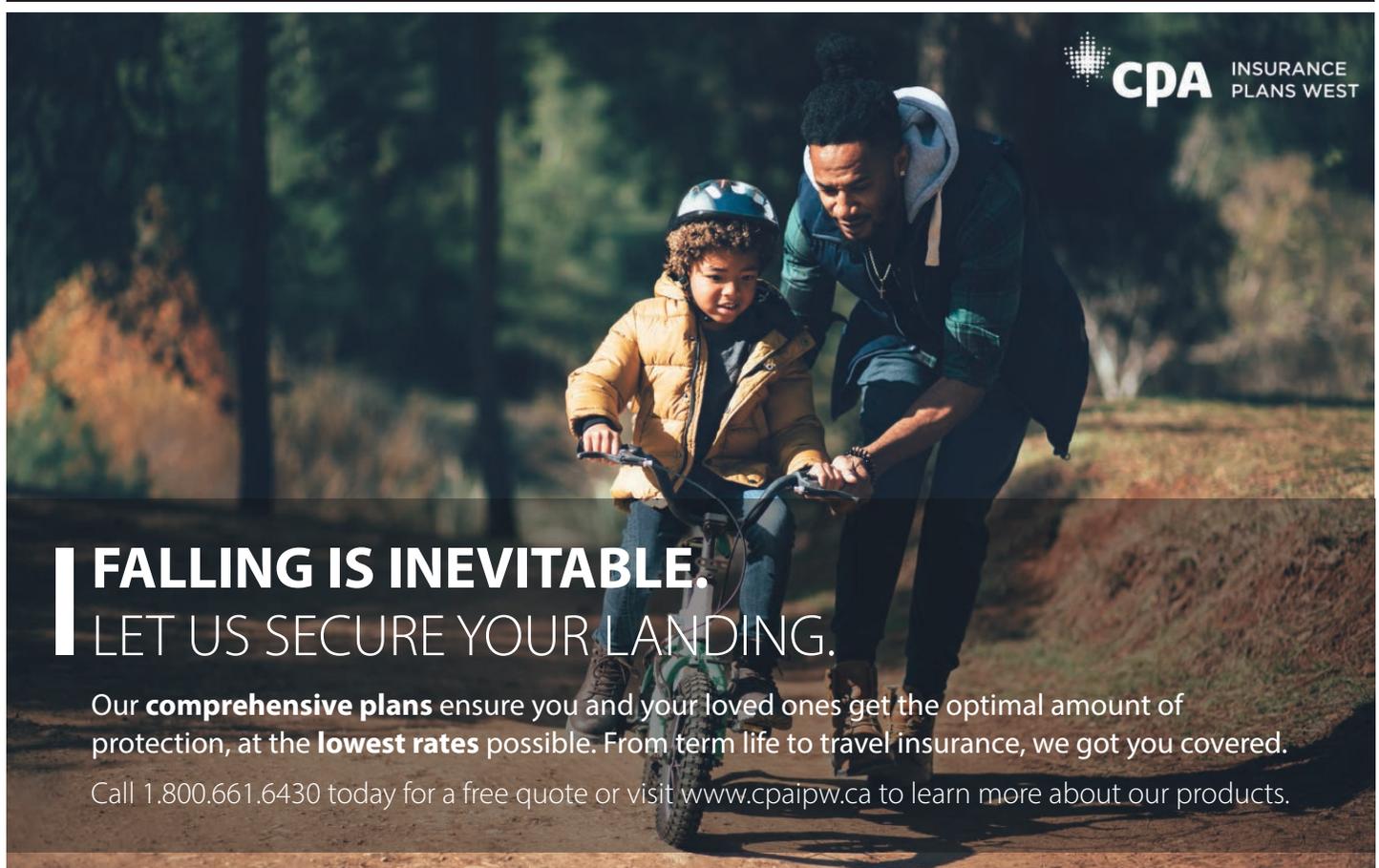
Limiting access to refundable taxes

To understand the policy intention behind this measure, it may be helpful to review the concept of integration in the Canadian income tax system. In our tax system, integration means that the total amount of combined taxes paid by a corporation and its shareholders on income earned through the corporation will be, ideally, equivalent to the taxes paid on the same income earned directly by an individual. The mechanism of how this is achieved varies between different categories of income: active business income subject to the small business

¹ ITA 125(1).

² ITA 125(5.1)(b).

³ ITA 125(7).



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“The new changes reduce the deferral advantages for businesses that use the after-corporate-tax profits realized from earning active business income to earn passive investment income in a private corporation.”

rate, active business income subject to the general rate, and passive investment income in a CCPC.

Active business income earned by a CCPC is subject to either the small business rate of 11% or the general rate of 27% in BC, depending on the circumstances. If the income is subject to the general rate of 27% tax in the corporation, the corporation will accumulate what is known as a general rate income pool (GRIP) account from which eligible dividends can be paid if there is a sufficient balance. In the hands of individual shareholders, eligible dividends are subject to a lower tax rate than non-eligible dividends.

Passive investment income earned by a CCPC is subject to a different taxation mechanism than active business income. In BC, passive investment income is taxed at a high corporate tax rate of 50.67%, which includes a refundable portion of 30.67%. This refundable portion is added to the corporation's refundable dividend tax on hand (RDTOH) account. When the corporation pays taxable dividends to its shareholders, it receives a tax refund from its RDTOH account.

This mechanism ensures that investment income earned through a corporation does not result in any tax deferral benefits. The income is taxed up front at a rate of 50.67%, and the corporation can only claim a refund when taxable dividends—on which the shareholders will be subject to income tax—are paid.

Before these changes were introduced in 2018, corporations were entitled to receive a refund from their RDTOH accounts as long as taxable dividends were paid, regardless of whether or not the taxable dividends were eligible. This means that a corporation could, technically, receive a refund from its RDTOH account (generated from earned investment income) by paying eligible dividends from its GRIP account (generated from earned active business income, subject to the general tax rate). If a corporation only earned investment income, the RDTOH could only be refunded by the payment of a non-eligible dividend. Ultimately, this mismatch could result in a deferral of personal taxes of approximately 10.5% in BC for 2019.

The government identified this mismatch, and its new measure eliminates this deferral advantage by introducing two separate RDTOH pools: eligible (ERDTOH) and non-eligible (NERDTOH). Essentially, the ERDTOH pool will accumulate when a corporation earns eligible portfolio dividends or eligible dividends paid by connected corporations, such as wholly owned subsidiaries (to the extent that the payor corporation received a refund from its own ERDTOH

pool). The remainder of the refundable taxes generated from regular investment income, such as interest, rent, royalties, and capital gains, will be added to the NERDTOH pool.⁴ Payment of eligible dividends can only result in a refund from the ERDTOH pool. A payment of non-eligible dividends will result in a refund from the NERDTOH pool first, before a refund can be obtained from the ERDTOH pool, if applicable.⁵

A transitional rule is in place to determine how to allocate the existing RDTOH balance between the two separate accounts. For CCPCs, the balance to be added to the ERDTOH pool will be an amount equal to 38.33% of the GRIP balance, up to the corporation's existing RDTOH balance. The remaining RDTOH balance, if any, will be allocated to the NERDTOH pool. For non-CCPC private corporations, the existing RDTOH balance will be added to the ERDTOH pool.⁶

Private corporations should consider the following strategies to track their ERDTOH and NERDTOH accounts, applicable for tax years starting before January 1, 2019:

- In a stacked corporation structure, ensure that a sufficient GRIP balance coincides with the RDTOH balance in the same corporation so that the transitional rule applies when it comes time to allocate all or a portion of the existing RDTOH balance to the ERDTOH pool; and
- For CCPCs with a high GRIP but low RDTOH balance, consider triggering passive investment income or gains to preserve a higher balance in the ERDTOH pool.

Tread carefully

The new changes reduce the deferral advantages for businesses that use the after-corporate-tax profits realized from earning active business income to earn passive investment income in a private corporation. This is due to both the impact of earning passive investment income on the small business limit and the new categorization of refundable dividend tax accounts. However, it is also important to recognize that where excess business profits are earned through a corporation, tax can be deferred simply by maintaining these funds in the corporation.

To preserve a corporation's ability to pay eligible dividends to obtain a refund from its existing RDTOH account, careful planning should be done for a year-end that started prior to 2019. On an ongoing basis, careful planning can also lessen the grind to the small business limit in future years. ■

⁴ ITA 129(4).

⁵ ITA 129(1).

⁶ ITA 129(5).



Left to Right:

Andy Shaw, Rob Mackay, Kiu Ghanavizchian, Andrew Mackenzie, Gary Mynett,
Lucas Terpkosh, Vern Blair, Jeff Matthews, Farida Sukhia

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PD EXPERTS

Driving Value from Data

By Derek Belyea, CPA, CA



Derek Belyea is the director of Analytix Studio, a Vancouver-based consulting services organization specializing in data analytics and data science.

SEE THE AUTHOR IN PERSON

Derek Belyea will be presenting “Driving Value from Data” at PD Nexus: Business & Innovation Insights Vancouver on December 6, 2019. See page 38 for details.

Finance professionals share responsibility for ensuring that all of an organization’s assets, including invisible resources not represented on balance sheets or tracked in financial accounts, are delivering full value. As intangible assets become increasingly critical to organizational success, it is becoming more challenging than ever to measure and manage them.

Intangible assets are not all managed with the same level of attention. Data is a prime example—whereas human capital is overseen by an organization’s human resources department and brand assets are the responsibility of the marketing team, the invisible asset class known as data often has no clear owner or champion. Information technology managers are often more interested in technology than information, and while they take responsibility for data processing, safekeeping, and distribution, they often defer to other departments on issues related to data ownership, quality, privacy, and access. As a result, it can be difficult to determine who owns the data, and this lack of clear ownership can result in inconsistent policies and missed opportunities when it comes to realizing data’s full value.

A constellation of forces has made this a pressing issue. The volume of data that’s being created is exploding, and it’s no longer being stored in one place. Data can now be found across the organization and up and down supply chains; it is stored in data centres *and* also in the cloud, on desktops, and on mobile devices. Moreover, relevant third-party data that can enhance the value of internal data is now readily available for free or to purchase. With so much data accumulating, many organizations have failed or are struggling to keep pace.

Leading organizations recognize the competitive advantages inherent in their data. Many have exploited recent advances in data analytics and data science, applying machine learning and artificial intelligence to define new products and services. Rather than just reporting historical performance data, these organizations are predicting the future—optimizing operations to deal with continuous change and developing innovative offerings based on newfound insights from previously ignored data.

What these organizations understand is that data needs to be managed as rigorously as traditional asset classes like cash, receivables, and fixed assets. This requires assigning responsibility for data governance and custody, and establishing appropriate performance metrics and rewards for data managers. Additionally, new investments in data, including efforts to improve data quality and usability, need to be part of overall investment planning, and all data investment decisions should be based on an analysis of the potential rewards and associated risks.

To enhance yields from data, finance professionals should consider investing in new talent with roles such as data analyst, data architect, data engineer, and data scientist. These new team members will be most productive when equipped with advanced tools—beyond traditional spreadsheets and business intelligence systems—for data exploration, data visualization, and self-service data analytics. They will also need the support of managers who understand this work and can drive meaningful change. Business analysts will also be needed to ensure that teams focus on the most promising opportunities. The key is teamwork.

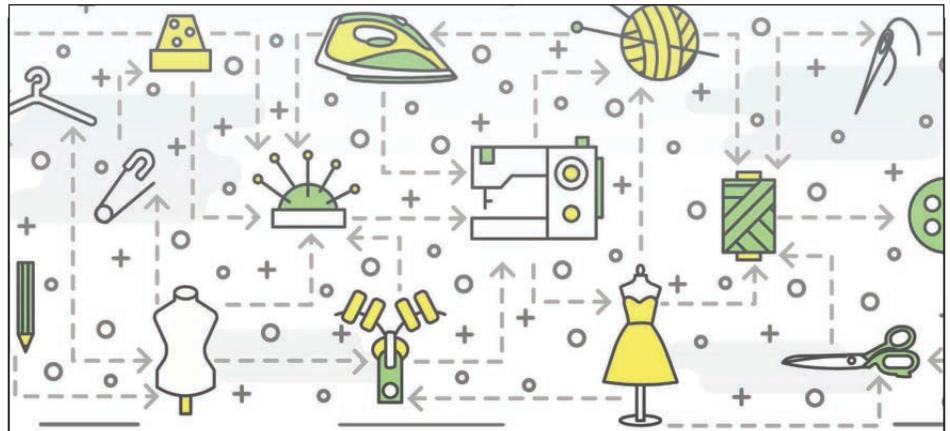
The stakes are even higher for smaller organizations, as they have less leeway for failed experiments. Smaller businesses are also more vulnerable to the larger players in their industry and to outside disruptors. The path forward, therefore, demands increased management education and discipline, along with support from experienced outside advisors. As with all initiatives, however, there are many pitfalls and no silver bullets, particularly when it comes to translating insights into action.

As professional accountants, we share a bias toward cost containment and reduction. While this is familiar ground and a good starting point, realizing significant value from data more often comes from product and service innovations. This means finance professionals must have a clear understanding of customer needs so that data insights can be used to shape and enhance customer experiences.

Where to start? There are some obvious first steps:

1. Tackle your data governance challenges first to establish data custodianship, define data quality standards, and update privacy policies.
2. Take a full inventory of your data assets. Learn where data analytics currently plays a meaningful role in your organization and find its champions. In many organizations, the marketing department is a good place to start, but these champions can be anywhere.
3. Research your industry to understand how data is shaping the competitive landscape and driving innovation.
4. Finally, educate yourself on the fundamentals of managing data for value.

With this preparation, you'll be ready to mobilize your organization to drive value from data. ■



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Did you know that CPABC offers in-house presentations tailored to fit your needs? These presentations deliver specialized training to firms and organizations that are seeking high-quality education to increase staff productivity and expertise in a cost-effective and flexible manner. By using your own meeting facilities and arranging your own delivery times, you can access PD in a way that meets the specific needs of your audience.

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- **Flexibility and customization** – You can adjust presentations to suit your schedule, your location, and your audience. We'll discuss your requirements with you in detail and work with the instructor(s) to adapt presentations to meet your needs.
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- **Cost-effectiveness** – You can eliminate travel time and reduce expenses. (Cost savings vary depending on class size.)
- **Ease of delivery** – We draw from an exceptional pool of instructors to find the right ones for you, and we also supply the relevant seminar materials.
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PD PROGRAM HIGHLIGHTS



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Business & Innovation Insights Vancouver | December 6

Keep up with new developments and innovations in today’s dynamic business environment. Gain valuable insights from a highly anticipated economic update and get up to speed on new tax rules and appropriate responses to money laundering. Add strategies to your leadership toolbox that will help you create an innovative culture and navigate change and uncertainty. Learn how to embrace technological innovations in data analytics and digital transformation to give your organization a competitive advantage.



Local Government Accounting & Auditing Workshop | November 21-22

Get up to date on best practices in accounting and auditing at this workshop for auditors and other public practitioners co-hosted by CPABC and the Government Finance Officers Association of British Columbia. Take advantage of this unique opportunity to discuss current issues and exchange ideas with some of the experts involved in setting accounting standards.



Maximizing Diversity & Inclusion | November 19

Maximal diversity and inclusion: How do you get there? Come hear inspiring speakers who will challenge you to embrace diversity and inclusion in your workplace and beyond. Get tools that will help you communicate effectively to foster inclusion. Learn a variety of strategies that you can implement right away—from leveraging healthy conflicts to managing mental health issues in the workplace. Uncover and examine your own unconscious biases and discover how to help others overcome hidden barriers.



Public Practice Insights* | November 26

Focus on practice performance and profitability at this popular PD Nexus Day for CPAs in public practice. Gain access to a wealth of information from our inspiring speakers and share ideas and experiences with your peers at the revamped “Ideas Exchange” session. Leave with practical takeaways that will help you add value to your firm and your clients.

New this year: We’ve added a networking reception and trade show to the roster of events.

**Live stream option available.*



Web-Based Learning

CPABC offers a diverse range of web-based products—all of which are PD Passport eligible—that allow you to learn remotely and at your convenience. Whether you prefer audio or video learning, you’ll find a multitude of topics to choose from. There are two options available for web-based learning: Online Virtual and Online On-Demand.

Online Virtual

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Fall 2019 PD Weeks

Last chance to register—don’t miss out!

Kelowna | Coast Capri Hotel

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November 12-15

November 25-30

Vancouver special: 103 seminars in one location over two weeks!

Vancouver | Vancouver Convention Centre

November 25-30

December 2-7

DID YOU KNOW?

CPABC offers more than 1,000 PD seminars each year.

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- Coquitlam
- Courtenay
- Fort St. John
- Kamloops
- Kelowna
- Nanaimo
- Parksville
- Prince George
- Richmond
- Surrey
- Terrace
- Vancouver
- Victoria

Since 2015, CPABC has offered 81 **FREE PD** in-person seminars to a total of more than 13,000 registrants.

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EVENTS

Ingenuity Was Everywhere at CPABC's 2019 Fall Pacific Summit

Hundreds of CPAs, including a number of first-time delegates, gathered in Whistler in late September (25-27) to attend CPABC's Fall Pacific Summit at the Fairmont Chateau Whistler. Themed "Ingenuity Is Everywhere," the conference featured forward-thinking seminars on technology, leadership (including a complimentary session on fundamentals), workplace practices, and economic issues, along with dynamic networking events and a popular trade show.

In his opening remarks, CPABC Board Chair Ben Sander, FCPA, FCA, described the important role CPAs play in helping their clients find innovative strategies to improve efficiency and growth. He noted: "In today's technology-driven environment, organizations everywhere turn to CPAs for their ingenuity and business expertise. Your skills provide your clients and your business with a competitive advantage."

Innovation and ingenuity were also the focus of the summit's two keynote presentations. On September 26, leadership strategist Dan Pontefract, CEO of The Pontefract Group, explained how to create an engaged, collaborative, and open-thinking workplace culture that inspires and motivates employees. The next day, innovation specialist Lee-Anne McAlear, a program director of the Centre of Excellence in Applied Innovation Leadership at the Schulich Executive Education Centre, described how to shape organizational culture to deliver transformative results.

Delegates also had the opportunity to learn about the impact of money laundering on the BC economy at the plenary session "Reality of Fraud and Money Laundering in BC" on September 26. The session was presented by Corporal Robin Critchley, a financial crimes investigator with the BC RCMP's Federal Serious and Organized Crime division.

At the next day's plenary session "Checking Up with BC's Economy" delegates got the latest information on BC's economic performance and learned what their peers had to say about the province's economic outlook. The session was presented by CPABC President and CEO Lori Mathison, FCPA, FCGA, LLB.

As always, networking was a highlight for many attendees. In addition to attending the ever-popular exhibitors' reception, delegates had the chance to attend a social event at the Squamish Lil'wat Cultural Centre, which featured cultural and artistic exhibits from the Squamish and Lil'wat First Nations. Both events gave delegates an opportunity to build connections with CPAs from different industries and different parts of the province.



Photos by Coast Mountain Photography.
For more event photos, visit CPABC's Flickr page at [flickr.com/cpabc/sets](https://www.flickr.com/photos/cpabc/sets/).



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CPABC PACIFIC SUMMIT: Face the Future

Save the date for our single marquee event in 2020!

CPABC is excited to be hosting a spectacular Pacific Summit event in 2020! The conference will take place in Vancouver from May 20 to 22, with “Face the Future” as its theme. You can expect a program full of leading-edge content that will help you understand the challenges and opportunities facing today’s businesses, and the skills you need to perform at your best—now and in the future.

With enhanced networking opportunities, the 2020 Pacific Summit will give you even more chances to forge new connections in BC’s business community while also catching up with your peers.

Please note: As we mentioned in the September/October issue of the magazine, we’ve consolidated our fall and spring Pacific Summit events into one marquee event in 2020. So if you’ve traditionally attended the Pacific Summit in the fall, make sure to join us in spring instead!

1. CPABC Board Chair Ben Sander, FCPA, FCA (left) with keynote speaker Dan Pontefract. 2. L to R: CPABC board members Josie Lim, CPA, CA, and Martha Thomas, CPA, CA, catch up during the social event at the Squamish Lil’wat Cultural Centre. 3-5. Delegates enjoyed the summit’s topical seminars, networking opportunities, and social events. 6. Delegates check out new products and services at the summit trade show. 7. CPABC President & CEO Lori Mathison, FCPA, FCGA, LLB, welcomes keynote speaker Lee-Anne McAlear to the stage. 8. Lee-Anne McAlear describes how organizational change can drive innovation.

MEMBERS IN FOCUS

ANNOUNCEMENTS AND ACCOLADES

Kudos!



Carey Dillen, CPA, CA, president of YYOGA in Vancouver, has signed on as an advisor for Victory Square Technologies in Vancouver. Carey has held advisory and board roles with a number of organizations, including Sport BC and the International Olympic Committee Transfer of Knowledge Program.



Craig Elliott, CPA, CGA, an incorporated partner with Crowe MacKay LLP's Surrey office, recently completed the Institute of Corporate Directors' Directors Education Program, earning the ICD.D designation. Craig also recently completed a 2018-2019 term as chair of the CPABC Investigation Committee.



Connie Fair, CPA, CMA, president and CEO of the Land Title and Survey Authority of British Columbia, has been recognized by *Business in Vancouver* with a 2019 BC CEO Award in the public service category. Earlier this year, Connie received a Women of Distinction Award from YWCA Metro Vancouver.



Juanita Lohmeyer, CPA, CMA, has been appointed president of J.T. Insurance Services (Canada) Inc. in Vancouver, leading a high-performance team focused on customer-centric growth. Juanita has held senior roles at BCAA, ICBC, and TELUS, and was named to *Business in Vancouver's* Forty Under 40 list in 2012.



Barry Macdonald, FCPA, FCA, immediate past chair of the CPABC Board of Directors, has been appointed to the board of directors of Iplayco Corporation Ltd. in Langley. Barry also serves on Iplayco's Compensation and Corporate Governance committees and is the chair of the Audit Committee.



Rudy Paxian, CPA, CA, has joined Manning Elliott LLP as a private company and assurance partner, working in the firm's Abbotsford office. Rudy has more than 35 years of experience advising private companies in the Fraser Valley, including 18 years as a partner with a national accounting firm.



Rodger So, CPA, CA, a tax partner at EY's Vancouver office, has been appointed to Capilano University's Board of Governors. Rodger also serves on the board's Finance and Audit Committee.



Aaron Wong, CPA, CA, has been appointed chief financial officer of Harvest One Cannabis Inc. in Vancouver. Aaron first joined Harvest One in 2017 as the corporate controller. He brings more than 15 years of financial leadership experience to his new role.



Valerie Eberherr



Greg Sale



Cindy Thomson



Lorna Wendling

MNP LLP has acquired Deloitte LLP's Prince George practice, and would like to announce that **Valerie Eberherr, CPA, CA**; **Greg Sale, CPA, CA**; **Cindy Thomson, CPA, CA**; and **Lorna Wendling, CPA, CA**, have been named to its partnership.

ANNOUNCEMENTS AND ACCOLADES

The Raber Mattuck Group in Vancouver has joined Grant Thornton LLP, and Grant Thornton would like to announce that **Nathalie Abramovich, CPA, CGA**, and **Meyer Mattuck, CPA, CA**, have been named to the partnership.



Nathalie Abramovich



Meyer Mattuck

North Island College Foundation

Donna Cloutier, CPA, CA, a partner with Cloutier Matthews Chartered Professional Accountants in Courtenay, has been appointed to the board of directors of the North Island College Foundation. Donna joins **Mary Lovely, CPA, CA**, a part owner of Task Engineering Ltd. in Campbell River, who was re-elected as board treasurer. Mary has served on the board for three years, including one year as treasurer.



Donna Cloutier



Mary Lovely

North Vancouver Chamber of Commerce
Two CPABC members have been re-elected to the board of directors of the North Vancouver Chamber of Commerce. **Brian Szabo, CPA, CA**, an assurance partner with BDO Canada's Vancouver office, has been re-elected as chair, and **David Dunbar, CPA, CGA**, CFO and corporate secretary for Western Stevedoring in North Vancouver, has been re-elected as treasurer. Brian has served on the board since 2015, and David has served on the board since 2013.



Brian Szabo



David Dunbar

Forty Under 40

Four CPABC members have been named to *Business in Vancouver's* 2019 Forty Under 40 list. Congratulations to **Paulina Cameron, CPA, CA**, CEO of the Forum for Women Entrepreneurs in Vancouver; **Robert Coard, CPA, CA**, an assurance partner with PwC Canada's Vancouver office; **Derrick Li, CPA, CA**, executive director of finance and corporate services for Coast Mountain Bus Company in Surrey; and **Ryan Uy, CPA, CA**, director of finance and administration for DP World (Canada) Inc. in Vancouver.



Paulina Cameron



Robert Coard



Derrick Li



Ryan Uy



Do you have an announcement you'd like to share in the magazine?



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MEMBERS IN FOCUS

CPAS IN THE COMMUNITY

Giving Back: CPAs Making a Difference

CPABC members, candidates, and students participated in a number of recent charitable events to support causes in their communities:

- **Lake2Lake Ride for Rwanda** – On September 14 and 15, several CPABC members participated in the Lake2Lake Ride for Rwanda, a two-day cycling event in Vernon organized by the Wellspring Foundation for Education. The event raised more than \$120,000 to support 120 public schools in Rwanda. Members of the CPABC Okanagan Chapter were on hand to cheer on the CPA riders.
- **The Door Is Open** – On September 21, members of the CPABC Vancouver Chapter supported The Door Is Open by making healthy sandwiches for residents of Vancouver's Downtown Eastside (DTES) community. The Door Is Open operates a drop-in centre in the heart of the DTES that provides food, clothing, counselling, and shelter services.
- **Richmond Hospital Foundation** – On October 19, members of the CPABC Richmond/South Delta Chapter volunteered as greeters, silent auction scrutineers, and cashiers at the Richmond Hospital Foundation Starlight Gala, held at the River Rock Casino Resort. Since its inception in 1998, the gala has raised more than \$6 million for patient care at Richmond Hospital.

Want to get involved in upcoming events?

If you'd like to participate in upcoming CPABC events, be sure to check your local chapter website (bccpa.ca/members/chapters) for community engagement opportunities. And if you have a community event you think CPABC members, candidates, and students may be interested in supporting, contact your local chapter leader online or email David Chiang, CPA, CA, CPABC's vice-president of member advice and programs, at dchiang@bccpa.ca.



Above: Members of the CPABC Vancouver Chapter volunteer with The Door Is Open to make sandwiches for residents of Vancouver's Downtown Eastside community. Right: CPABC members (l to r) Edgar Luck, CPA, CMA; Tom Senft, CPA, CGA; and Stanley Chang, CPA, CGA, get ready to join their fellow riders at the Lake2Lake Ride for Rwanda, a two-day event in Vernon.



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SNAPSHOT:
Karen Miller,
CPA, CGA

The job: Corporate controller for Inventys, a BC-based cleantech company that specializes in CO₂ capture technology.

Making an impact: “I’m proud to work for a company that’s focused not only on shareholder returns, but also on developing a game-changing technology—one with the potential to significantly reduce greenhouse gas emissions. Carbon capture and management is one of the greatest challenges of our times.”

Strategizing: “Understanding exactly where we are in the development life cycle has enabled us to partner with the right type of investor at each stage over the past decade.”

Pioneering: “I’ve been in the STEM field for most of my career and have been the sole woman on executive teams for a good part of that time. My advice for women aspiring to join a leadership team in this field is to believe in themselves and to let their voices be heard.”

Mentoring: “I approach leadership with an authentic and transparent style, based on trust. I’ve always believed that people can achieve their best by having accountability and autonomy, while at the same time feeling supported.”

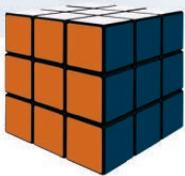
Read more about Karen and Inventys in our CPA Disruptors series at [IndustryUpdate.ca](https://www.industryupdate.ca).



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