CPABC

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NOVEMBER/DECEMBER 2021



Work in BC

A look at emerging employment trends across the province

PM 40069584

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Joanne YH Liu, CPA, CGA
Principal of Joanne YH Liu Company Inc.



Photo by Kent Kallberg Studios

CPABC INFOCUS

November/December 2021, Vol. 9., No. 6

CPABC in Focus is the flagship magazine of BC's chartered professional accountants.

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About

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Engaging with Members in a Virtual World



Karen Horcher, FCPA, FCGA, CFA
CPABC Chair

An important part of my role as chair is engaging with members, and even in a largely virtual world, signature events such as the Member Engagement Tour (MET) serve as critical touch points. We held this year's virtual MET in October, offering four sessions for the general membership and one for our volunteers.

Once again, the MET enabled us to connect with members across the province and provide them with updates on important board initiatives, such as CPABC's Indigenous and equity, diversity, and inclusion strategies. We also described how the profession is addressing environmental, social, and governance (ESG) reporting, outlined the new CPA competency map, and discussed the ongoing need for cybersecurity.

This year's MET also included alternating presentations on ESG and anti-money laundering (AML) from two subject matter experts. Rosemary McGuire, CPA, CA, the director of external reporting, research, guidance, and support for CPA Canada, presented two sessions on the demand for enhanced ESG reporting, current challenges, and ongoing efforts to establish global standards. She also explained why the traditional CPA skill set is well suited to meet the growing sustainability needs of organizations and identified resources available to CPAs. Jessica McKeachie, CPABC's senior advisor of public interest, presented two sessions on AML, during which she reviewed FINTRAC's new AML compliance requirements for CPAs, some emerging areas of interest in AML, and red flags to watch for.

These sessions were well received, and I enjoyed having the opportunity to connect with so many of you. A particular highlight for me was discussing the significant contributions CPAs can make through volunteerism. Without volunteers, our profession—including our board and committees—would look very different. To that end, we're currently seeking interest from members who'd like to serve on one of CPABC's five regulatory committees (see page 7).

Organizations in our communities also rely on CPA expertise, and given that November is Financial Literacy Month in Canada, I encourage all of you to consider volunteering with the CPA Financial Literacy Program (see page 10). As volunteer Joanne YH Liu, CPA, CGA, shares in our Snapshot on page 46, the program gives CPAs a meaningful opportunity to help others expand their horizons. ■

Providing Insight on the Economy and Public Policy



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

As part of our ongoing public policy work this fall, we released the *BC Check-Up: Work* report and survey in early October (for more on this topic, see pages 14-22). After a tumultuous year, the report indicates that there has been a widespread hiring spree as organizations have tried to meet growing demand. While this has had a positive impact on BC's employment rate, it also foreshadows potential problems ahead. In fact, many of the members who responded to our survey said they believe labour shortages will be a major challenge to business success going forward.

At the same time, we know the impact of the pandemic was not evenly spread across sectors, which is why we continue to recommend government policies that support skills training, with a particular focus on the industries that are facing the greatest scarcity of labour.

We also recognize that governments have limited fiscal room for new spending, and in our budget submission to the provincial government we recommended that the government focus on modernizing the tax system to boost business productivity and promote long-term economic growth. Our members have told us that regulatory complexity is deterring business investment and hindering productivity, so we've also advised the government that reducing the complexity of tax regulations and increasing access to government programs, such as incentives or grants, would be fiscally responsible ways to improve our economic outlook (a summary of our recommendations is provided on pages 8-9).

As we look ahead, there is still a great degree of uncertainty as the pandemic continues to evolve and new public health requirements such as the vaccine passport system are introduced. We are hopeful that the steps we take now will allow for a return to more normal operations in the near future.

Because of these ever-changing circumstances, our work with the *BC Check-Up* reports and surveys is critical to understanding how BC is faring economically and socially. Coming next are the *BC Check-Up: Invest* report and survey, which will capture expectations for 2022. The invest survey is currently in the market, and I'd like to thank everyone who has provided their feedback to date. ■

INDIGENOUS MATTERS

Increasing Indigenous Representation in the CPA Profession: CPABC Hosts Event to Discuss Pathways in Business

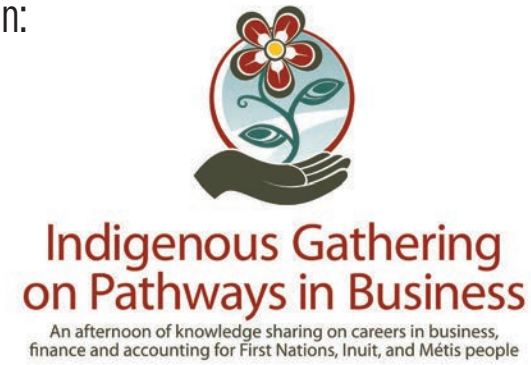
CPABC has made it a priority to increase Indigenous representation in the profession, as discussed in the January/February 2021 issue of this magazine.[1] Not only is this strategy the right thing to do from a public interest perspective, it also aligns with CPABC's core mandate to deliver sufficient and appropriately skilled CPAs to meet growing market demand in BC.

CPABC is focused on enhancing the attractiveness and accessibility of the CPA profession to include and serve all members of society. Believing that Indigenous peoples are underrepresented in today's accounting profession, we introduced a voluntary self-declaration for CPAs who identify as Indigenous in 2020 and subsequently conducted focus groups with these members. The results confirmed our working hypothesis, as well as our belief that there is a need for the CPA skill set in Indigenous communities.

Recognizing this, CPABC has focused on building partnerships with Indigenous leaders and organizations to understand how to attract more Indigenous peoples to the profession. This collaborative work recently led to a three-hour knowledge-sharing event, which CPABC hosted virtually on October 14: the Indigenous Gathering on Pathways in Business.

Representatives from the Aboriginal Financial Officers Association of BC (AFOA BC), the First Nations Financial Management Board, and Métis Nation BC served on the event's planning committee, alongside representatives from Capilano University, Simon Fraser University (the Beedie School of Business), the University of British Columbia (Sauder School of Business), and Vancouver Island University. Representatives from CPA firms D&H, Humanity Financial Management, MNP, and PwC also assisted in planning the event, and a Traditional Council comprised of members of the Lheidli T'enneh Nation, the Semiahmoo Nation, the Tsleil-Waututh Nation, and the Métis Nation provided valuable knowledge and leadership along the way.

The Indigenous Gathering on Pathways in Business enabled participants to explore career pathways and applications of business, finance, and accounting for BC's Indigenous community members, youth, and students. The agenda included plenary and breakout sessions with presenters such as Terry Goodtrack, MPA, CPA, CGA, CAFM, CAPA,[2] C.Dir, the president and CEO of AFOA Canada, who spoke about Indigenous wisdom in business. The event also featured an intergenerational discussion on visualization and learning with moderator Vickie Whitehead, CPA, CGA, CAFM, and panellists Geordie Hungerford, CFA, CAIA,[3] MBA, LLB; Laurie Mercer, BCom; Raylene Whitford, MBA, PhD;[4] and Carter Wilson, CPA.



To make the event a safe sharing space for Indigenous participants, organizers ensured that all moderators, speakers, and panellists were Indigenous and created specific sessions for Indigenous participants only. Additionally, the event featured a free resource centre with virtual booths for organizations that offer educational programs and certifications, funding sources, and/or other services specifically designed for Indigenous communities and/or students.

There were three overarching goals for this event: to generate dialogue, to create excitement for career options that build up a community's financial health, and to appeal to Indigenous leaders looking to bring business or finance services to their communities. We're pleased to say that interest in the event was high among post-secondary representatives, employers, and other guests alike.

We would like to thank the members of the event's planning committee for being so highly engaged in this process. By sharing their diverse perspectives, they were able to create an event that was balanced in terms of cultural components—one that provided opportunities for guests to hear about personal career journeys and network with speakers to learn more. We would also like to thank the Traditional Council members for sharing their wisdom and insight, and the participants who joined us at the event for their enthusiasm. CPABC plans to continue this vital work.

1 Lori Mathison, FCPA, FCGA, LLB, "CPABC's Indigenous Strategy: Building for a Stronger, More Inclusive Future," *CPABC in Focus*, January/February 2021 (28-35).

2 MPA: Master of Public Administration; CAFM: Certified Aboriginal Financial Manager; CAPA: Certified Aboriginal Professional Administrator.

3 CAIA: Chartered Alternative Investment Analyst.

4 Raylene Whitford is also a member of the Institute of Chartered Accountants in England & Wales.

Image by Tom Spetter of Animikii Inc., commissioned by CPABC.

CALL FOR REGULATORY VOLUNTEERS

Calling for Volunteers: 2022-2023 Regulatory Committees

CPABC is looking for expressions of interest from CPAs who want to serve on our regulatory committees for the 2022-2023 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. The CPABC Board of Directors appoints regulatory committee members annually, and committee members are generally expected to serve six consecutive one-year terms.

CPABC has five committees with regulatory mandates ranging from proactive and educational to reactive and adjudicative. 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 as follows:

Membership Committee

The Membership Committee's mandate is to allow only suitably qualified and competent persons of good character to be admitted to membership and ensure that CPAs maintain their membership in accordance with requirements. This committee also advises the CPABC board on policies and establishes processes pertaining to annual dues and CPD requirements.

Public Practice Committee

The Public Practice Committee endeavours to ensure 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 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]

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 of 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.



Pavlo Stavnichuk/iStock/Getty Images

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 the committee determines that disciplinary action is required, it will determine 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

To learn more about CPABC's various regulatory committees, including suitability criteria and time commitments, and complete the volunteer form, visit **bccpa.ca/protecting-the-public** and click on "Volunteer Regulatory Committees" in the right-hand menu. If you're interested in 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 VP of regulation and registrar, at **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.

PUBLIC AFFAIRS

CPABC's Budget Submission: Helping Businesses Recover

With limited fiscal room, BC's next budget should focus on tax modernization to spur growth

CPABC submitted its recommendations to BC's Select Standing Committee on Finance and Government Services on September 30. The budget submission recommends that the provincial government focus on tax and program reform to improve BC's productivity.

At the time of CPABC's budget submission in late September 2021, British Columbians, along with the rest of the world, were continuing to navigate the COVID-19 pandemic. With normal economic and social activity grinding to a halt in 2020, Canadian GDP declined by 5.3% and global GDP fell by 3.6%, the most significant downturn in at least 40 years.[1] While BC fared better than other jurisdictions in Canada, our real GDP declined by 3.8% in 2020.

Since the low point in mid-2020, BC's economy has experienced a strong rebound. In fact, BC's unemployment rate dropped from 13.4% in May 2020 to 6.2% in August 2021. In addition, our province's real GDP is forecasted to exceed pre-pandemic levels by the end of 2021.

This recovery has been strengthened by the historic injection of fiscal stimulus from both the provincial and federal governments. However, that fiscal support has created a significant debt burden for British Columbians. Our provincial net debt-to-GDP is expected to increase from 15.0% in fiscal year (FY) 2019/2020 to 26.9% in FY2023/2024 (Figure 1). While this debt supported displaced workers and businesses, the fiscal and economic situation led Fitch and S&P to downgrade BC's AAA credit rating to AA+.[2]

The credit downgrade will increase debt servicing costs, and sustained deficit spending could further erode our credit rating. For that reason, CPABC strongly supports the BC government's objective to return to balanced budgets in the medium term and recommends that the province also create a strategy to begin reducing its debt as a percentage of GDP once that balance is reached.

Given these challenges, it is important to find cost-effective measures to improve our economic growth trajectory, help businesses recover, bolster the government's fiscal situation, and rebuild the province's credit rating. Reducing the complexity of the provincial tax system—and government programs such as tax incentives, financing, or grants available for businesses—can help achieve this.

Nearly half (47%) of the respondents to this summer's *BC Check-Up: Work* survey (see page 22) identified the regulatory environment as a major challenge to business success in 2021 (Figure 2). Furthermore, nearly two-thirds (60%) of the respondents to CPABC's Budget Submission survey, conducted in August 2021, said they believe most provincial programs are not readily accessible for small and mid-size enterprises without the expertise of professionals such as CPAs.[3]

Echoing our members' feedback, CPABC believes modernizing BC's tax system and government programs would bolster new industries and boost productivity. To help achieve this, the province should look at reform through both a short- and long-term lens:

Short-term recommendations

CPABC recommends reviewing provincial programs to find opportunities for consolidation or simplification and create better access for small and medium-sized businesses.

In addition, conducting an online public consultation process on the provincial tax system would create an opportunity for the government to seek direct feedback from relevant stakeholders, including industry organizations and regulatory bodies such as CPABC. This engagement could help identify areas where changes could be made to reduce complexity, reflect BC's changing economy, and synchronize the province with other jurisdictions. For example, the province could solicit feedback on how to modernize the PST and how to use new technology to streamline processes, as well as asking how income taxes are affecting different sectors given the increase in remote work.

Long-term recommendations

CPABC suggests that the provincial government consider making more structural changes to the tax system. In particular, tax competitiveness in BC has long been hampered by the PST, which places a disincentive on business investment and adds considerable complexity given the myriad of exemptions and rules that are unique to this province. We've suggested that the most effective way to improve our competitiveness is to introduce a broad value-added tax that is aligned with other jurisdictions.

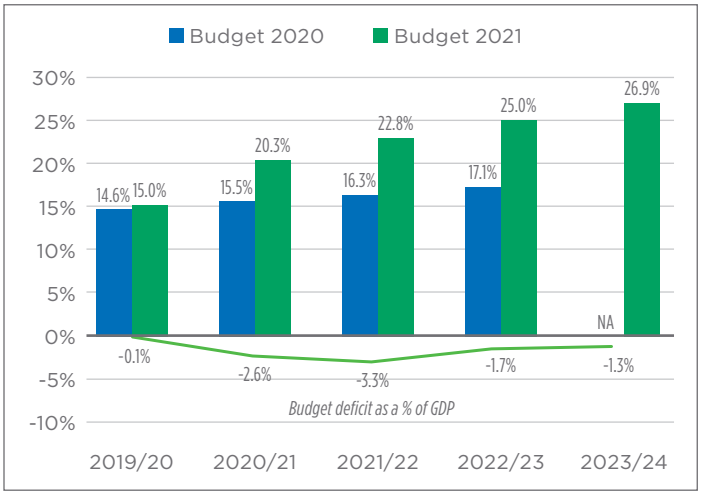
As we continue our economic recovery, CPABC will continue to engage the BC government and share the perspectives of CPAs across the province on these important issues.

[1] International Monetary Fund, "World Economic Outlook Database," **imf.org**, accessed September 24, 2021. Global GDP growth adjusted for inflation. Data only available from 1980 onwards.

[2] BC Government, "Provincial Credit Ratings," **gov.bc.ca**, accessed September 24, 2021.

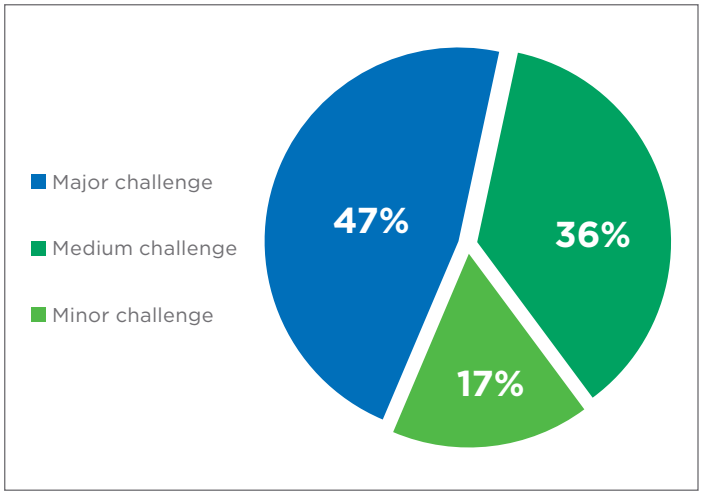
[3] n = 187

Figure 1: Net Debt-to-GDP: Budget 2020 vs Budget 2021



Sources: *BC Budget and Fiscal Plan 2020/2021 – 2022/2023* and *BC Budget and Fiscal Plan 2021/2022 – 2023/2024*.

Figure 2: CPAs Say Regulatory Environment a Challenge for BC Business Success in 2021



Source: CPABC's *BC Check-Up: Work* survey, conducted July-August 2021; n = 889.



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FINANCIAL LITERACY

CPA Financial Literacy Program Expands to Reach New Audiences in BC



With November being Financial Literacy Month in Canada, we wanted to share some news about the CPA Financial Literacy Program. As you know, this program delivers free financial literacy sessions, presented by CPA volunteers, to host organizations and other community groups to help British Columbians make more informed financial decisions. The program offers 48 sessions with topics designed specifically for a variety of target audiences, including students, employees, seniors, and newcomers to Canada. There are also specific sessions for not-for-profit organizations, workplaces, and host organizations for tax clinics.

We're excited to announce that over the past few months, we've expanded the delivery of our sessions to help make them more accessible to different audiences.

New seminar for teens

CPABC has partnered with the Honourable Anne Kang, BC's Minister of Advanced Education and Skills Training and MLA for Burnaby-Deer Lake, to co-host a series of free virtual sessions. The first session, "Money Basics for Teens," took place in late August 2021. Presented by Christine Woodington, CPA, CGA, this session was designed to provide young people aged 15-17 with the information they need to start making good financial decisions while still in high school. Topics included budgeting, managing debt and student loans, and setting financial goals.

INNOVATIVE CAPITAL PROTECTION
UNCOMMON SOLUTIONS

This seminar garnered excellent attendance, and CPABC will be hosting two more sessions for teens on December 2 and December 8. Visit **bccpa.ca/finlit** for details.

Translated sessions

At the time of this writing in October, preparations are underway for our next co-hosted seminar with the Honourable Anne Kang on November 10. This session, "Managing Your Finances in Retirement," is our first seminar to be delivered entirely in Chinese. Joanne YH Liu, CPA, CGA, will be presenting the session in Mandarin, with all materials translated into traditional and simplified Chinese. (Learn more about Joanne in this issue's Snapshot profile on page 46.)

Stay tuned for more translated sessions in the coming months!

Coming soon: More accessible programming in 2022

CPABC is dedicated to providing programs and volunteer opportunities that promote equity, diversity, and inclusion through new community initiatives. To that end, we're excited to announce a new partnership with Dyslexia Canada to deliver financial literacy programming for individuals with learning differences.

The first session is expected to take place in early 2022. Details will be available in January at **bccpa.ca/finlit.**

Want to get involved?

If you're a CPA who's interested in sharing their financial knowledge to help British Columbians make more informed financial decisions, consider becoming a presenter with the CPA Financial Literacy Program. This is a great opportunity to use your expertise to make a difference in your community! Visit **bccpa.ca/finlit** for more information, or email our financial literacy team at **finlit@bccpa.ca**.

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RESOURCES FOR EMPLOYERS

Looking to Hire CPAs? Join CPABC's Employer Network to Find Accounting Talent

In today's competitive labour market, it's important to access all of the tools available to find the talent you need to drive your business forward. The CPABC Employer Network helps hiring managers connect with CPABC's 38,000+ members and the 6,000+ candidates in the CPA Professional Education Program.

By joining the CPABC Employer Network, you can enjoy the following benefits:

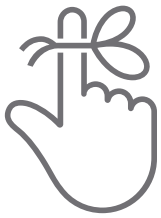
- A 25% discount on all job postings on the CPABC Careers Site;
- Free, unlimited access to the site's database of more than 4,000 resumés; and
- Early invitations to hiring events.

Email CPABC's employer relations team at **careers@bccpa.ca** to learn more, or visit **bccpa.ca/employernetwork** to view the full list of benefits and sign up today!

REMINDER: CPD REPORTING

Members: The 2021 CPD Reporting Deadline Is Jan. 31

The deadline for members to report their 2021 continuing professional development (CPD) is January 31, 2022. To report your CPD activities, sign in to the CPABC website at **services.bccpa.ca**.



For more details about CPD requirements, visit **bccpa.ca/cpd** or email our CPD administrator at **cpd@bccpa.ca**.

VOLUNTEER OPPORTUNITIES

Help Inspire the Next Generation of CPAs

As planning begins for CPABC's 2022 student recruitment activities, we're looking for enthusiastic CPAs to join our volunteer roster. If you're interested in engaging with prospective CPAs and inspiring the next generation of the profession, here are three ways you can volunteer your time with CPABC:

Be a panellist

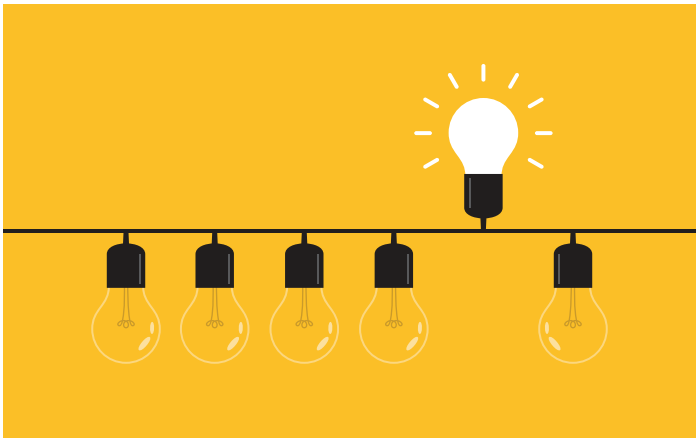
CPABC will be hosting its second annual "Discover CPA" event in early 2022. This event is specifically targeted to post-secondary students with *non*-business academic backgrounds. To showcase CPAs with diverse profiles, CPABC will be hosting a panel discussion that features CPAs with undergraduate degrees outside of business. If you fall into this category and would like to be part of the panel, email Sharon Hummel, CPABC's student recruitment manager, at **shummel@bccpa.ca**.

Share your CPA story in our webinar series

CPABC's monthly webinar series, "Conversation with a CPA," enables passionate CPAs to participate in a moderated discussion about their career journey and answer questions from prospective students.

If you're interested in being one of our guests, email Sharon Hummel, CPABC's student recruitment manager, at **shummel@bccpa.ca** for details. We are currently booking guests for 2022.

Visit **bccpa.ca/become-a-cpa/events** for news on all upcoming career development and recruitment events



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Join the CPABC Ambassador Program

CPABC is seeking proud CPAs to join the CPA Ambassador Program. Volunteer opportunities for member ambassadors include:

- Attending networking events;
- Representing CPABC at career fairs;
- Speaking about your CPA career path at high school information sessions;
- Being a panellist or keynote speaker at gala dinners and other events; and
- Judging CPABC's annual Business Case Competition for post-secondary students.

You can tailor your participation to your schedule, as there's no specific time commitment for the Ambassador Program. For more information, visit **bccpa.ca/become-a-cpa/get-involved**.

CPABC ONLINE

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Twitter.com/cpa_bc

Instagram.com/cpabc

Access Resources on the CPABC Website

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bccpa.ca/newsroom

Anti-Money Laundering



bccpa.ca/aml

Financial Literacy



bccpa.ca/finlit

Public Practice Knowledge Base



bccpa.ca/kbase

Chapters



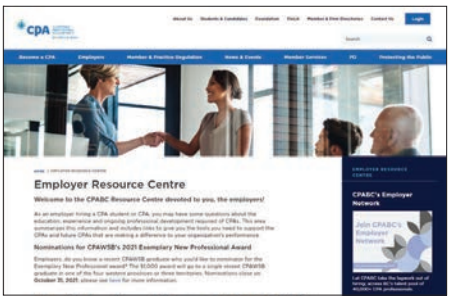
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Protecting the Public



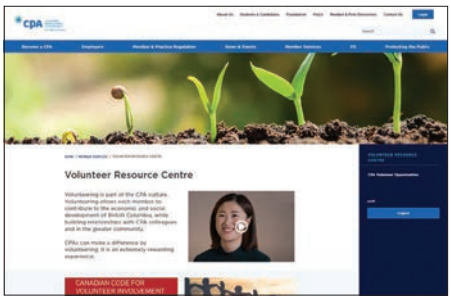
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Employer Resource Centre



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Volunteer Resource Centre



bccpa.ca/volunteer

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Work in British Columbia

BC Check-Up: Work report looks at emerging employment trends across the province

By Aaron Aerts



serts/E+/Getty Images

CPABC recently released *BC Check-Up: Work*, its third economic report of 2021.[1] In this report, we measure the health of BC's labour market a year and a half after the province experienced historic job losses due to the COVID-19 pandemic.

The results are mixed. We found that BC's workforce is now larger than it was before the pandemic due to strong employment gains made over the past year. At the same time, however, our unemployment rate remains relatively high, women are still disproportionately displaced, performance varies across industries, and a labour shortage is looming. So while the resilience of our labour market is encouraging, there are still challenges ahead.

Setting the picture: A positive, albeit uneven, recovery

The COVID-19 pandemic triggered BC's worst recession since 1982,[2] and just weeks after the province entered a state of emergency in March 2020, we went from seeing record high labour shortages to record high employment losses. Over the past year, however, our labour market has experienced a strong recovery, boosted by easing public health restrictions, rising domestic and global demand for goods and services, and historic levels of government fiscal support through measures such as the Canada Emergency Wage Subsidy, which covered a significant portion of eligible worker salaries.

[1] The first and second instalments—*BC Check-Up: Invest* and *BC Check-Up: Live*—were published in the March/April 2021 and July/August 2021 issues of the magazine, respectively.

[2] BC Stats, "BC Economic Accounts & Gross Domestic Product," accessed September 26, 2021. BC's 3.8% decline in real GDP in 2020 was the largest economic contraction in the province since the 1982 recession, when the province saw the GDP drop by 6.4%.

Overall, we're much better off than we were in August 2020. Back then, BC's unemployment rate stood at 10.7%, more than double the rate of August 2019, and 170,000 fewer people were employed, signifying an employment decline of nearly 7%. Moreover, the average hours worked were down 12% from the previous summer.

By August 2021, however, we'd made significant strides, with employment reaching 2.67 million, signifying a net gain of more than 200,000 jobs over the previous year.

Employment up but hours down

Part-time positions led in BC's recovery process, increasing by 8.5% between August 2020 and August 2021 (see Table 1).

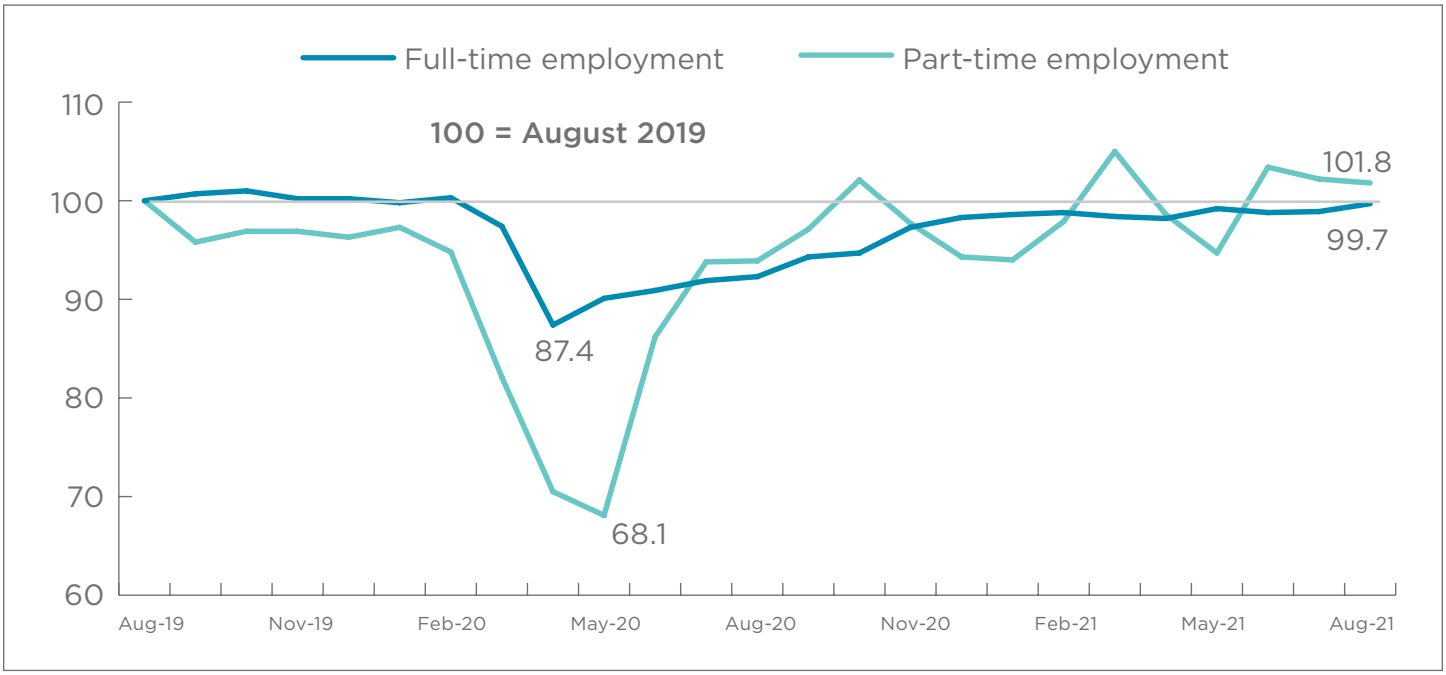
Table 1: Changes in Population and Employment in BC, 2019-2021

	August 2019	August 2020	August 2021	% change since 2019	% change since 2020
Population	4,253,000	4,307,000	4,358,000	2.5%	1.2%
Full-time employment	2,080,000	1,920,000	2,075,000	-0.3%	8.0%
Part-time employment	584,000	548,000	595,000	1.8%	8.5%
Total hours worked	82,789,000	73,029,000	81,801,000	-1.2%	12.0%
Unemployment rate	5.0%	10.7%	6.2%	24.0%	42.1%

Source: Statistics Canada, Tables 14-10-0036-01 and 14-10-0287-01. Rounded to the nearest 1,000.

This is hardly surprising, given that industries with high numbers of part-time employees—such as hospitality—were the ones hardest hit by business restrictions and closures in the early days of the pandemic. In fact, nearly a third of BC's part-time positions were eliminated between March and June 2020 (see Figure 1), so a rebound was to be expected.

Figure 1: Part-Time and Full-Time Employment in BC, 2019-2021



Source: Statistics Canada, Table 14-10-0287-01.

We've also seen a tremendous recovery in part-time positions because of a larger shift away from full-time work in a variety of sectors, which is reflected in the number of full-time positions and the total number of hours worked. Despite consistent growth over the past year, BC had fewer full-time positions and nearly one million fewer work hours in August 2021 (81.8 million) than in August 2019. So while overall employment is up, the average position offers fewer hours of work.

Population growth and other challenges

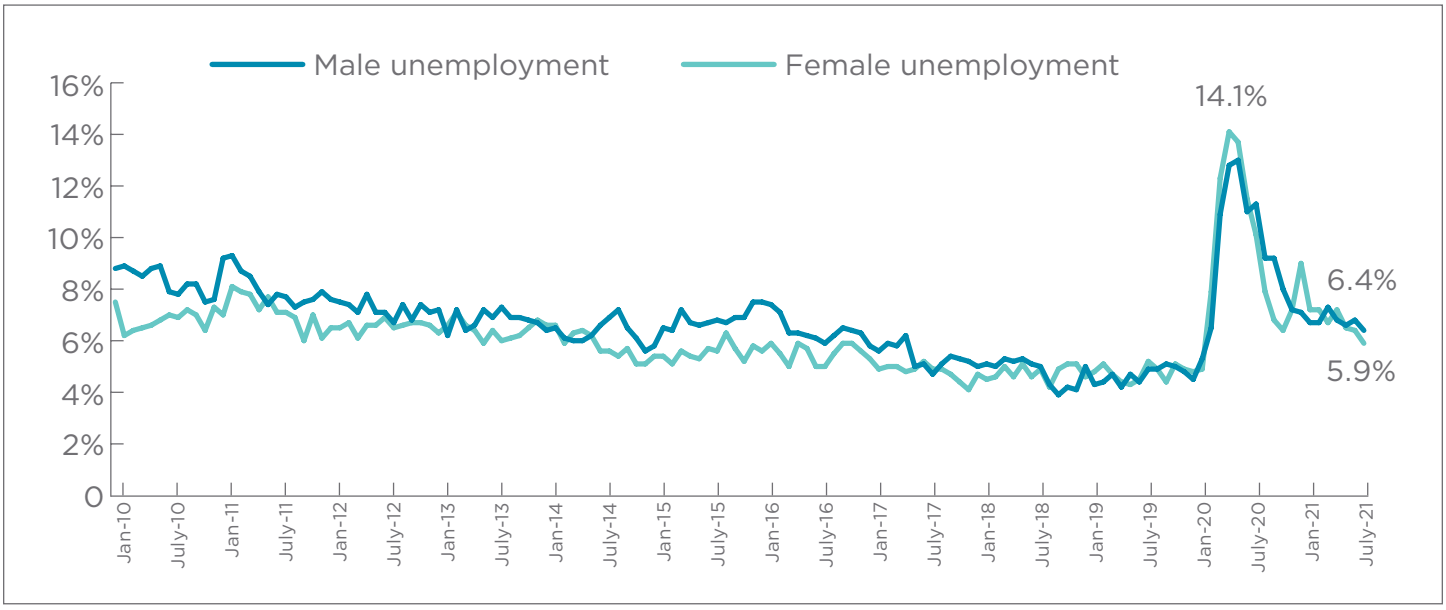
The unevenness of BC's employment recovery is also clear from the significant gap between population growth and employment growth over the past two years.

Despite a slowdown in immigration in 2020, the province's working-age population grew by 105,000 between August 2019 and August 2021 (see Table 1 on previous page). This growth far exceeded the net gain of 5,000 jobs over the same period, which helps explain why a large number of British Columbians remained out of the workforce despite employment gains. In fact, this significant gap is the primary reason why our unemployment rate remained relatively high.

Of course, it's important to put BC's employment rate in context. Prior to the recession in 2020, the province's labour market had been tightening for many years, leading to record lows in unemployment in 2018 and 2019 (see Figure 2). In fact, throughout 2019, BC's average monthly unemployment rate stood at 4.7%, down from an average of 7.6% in 2010. So although BC's unemployment rate of 6.2% in August 2021 was higher than the 5.0% recorded in August 2019, it was actually a marked improvement over the previous year, when unemployment stood at 10.7%.

What kept us from dropping to the record low unemployment rates of 2019 was a 24.3% increase in the number of BC residents (more than 34,000) who were actively seeking employment but unable to find it.

Figure 2: Unemployment Rate by Gender, 2010-2021



Source: Statistics Canada, Table 14-10-0287-01.

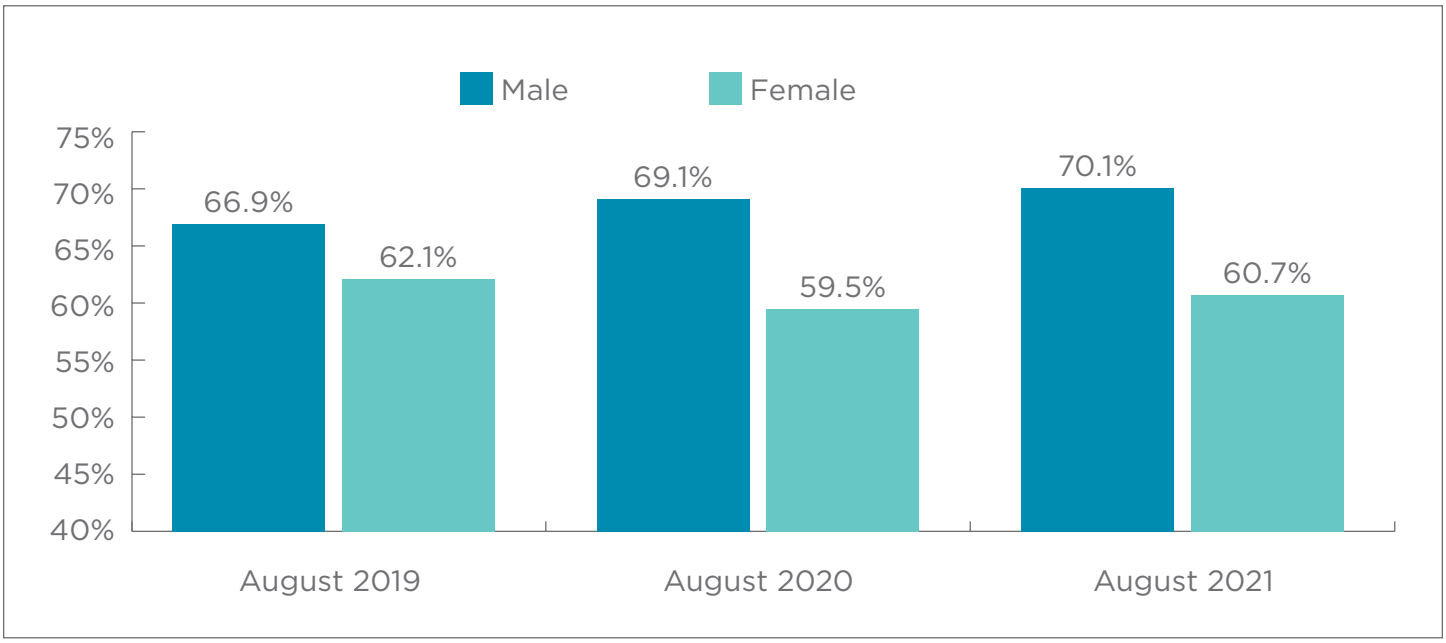
Women in the labour force—what the data reveals

After initially spiking in the early days of the pandemic, the unemployment rate for women in BC dropped to 5.9% in August 2021, below the rate of 6.4% for their male counterparts. While this would seem to suggest that employment was more robust for women than men in BC over the past year, it more accurately reflects a significant increase in the number of women who left the labour force.

Notably, the labour participation rate for women was 1.4 percentage points lower in August 2021 than in August 2019, dropping to 60.7%, meaning that approximately six in every 10 women aged 15 and older were employed or actively seeking employment (see Figure 3). By contrast, the labour participation rate for men in BC was nearly 10 percentage points higher in August 2021, reaching 70.1%, which marked a slight increase from August 2019.

The lower participation rate of women in the labour force has created a smaller pool of potential workers, and it's another reason businesses have struggled to find employees in 2021.

Figure 3: Labour Participation Rate by Gender, 2019-2021



Source: Statistics Canada, Table 14-10-0287-01.

While no one factor alone accounts for the decline in women's labour force participation, household responsibilities, such as childcare, have been a significant factor during the pandemic.[3] In addition, industries that typically employ more women than men—such as hospitality—have struggled more during the pandemic.

Several other employment indicators illustrate the disproportionate impact of the COVID-19 recession on women. For example, women's total number of work hours dropped by 2.5% between August 2019 and August 2021 (see Table 2), whereas men's work hours fell by just 0.2% over the same period.

[3] Kendra Slugoski, "With So Many Women Forced Out of Work During the Pandemic, What Will Bring Them Back?," *Global News*, August 26, 2021.

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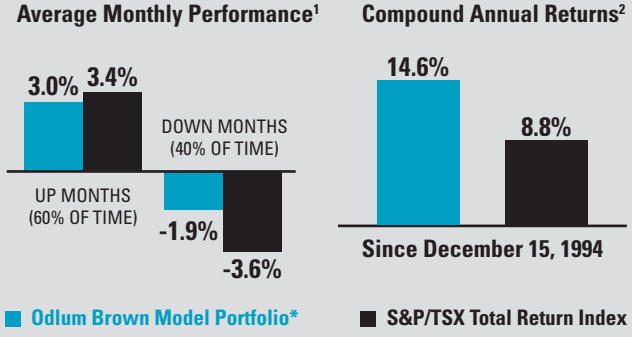
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Odlum Brown Model Portfolio: A Proven Track Record



¹Performance measured mid-month from December 1994 - September 2021. ²As of September 15, 2021. *The Odlum Brown Model Portfolio is an 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.

More **women** transitioned out of the labour force over the past year, and those who remained were more likely to take on part-time work or experience reduced hours.

Similarly, full-time employment for women fell by 2.2% between August 2019 and August 2021, while men's full-time employment actually *increased* by 1.2% over the same period. Additionally, approximately two-thirds of BC's part-time jobs were held by women in August 2021, while men occupied well over half (57.5%) of the province's full-time positions.

Table 2: Changes in BC Employment Data by Gender, August 2019 to August 2021

	August 2019	August 2020	August 2021	% change since 2019	% change since 2020
Total hours worked					
Males	47,919,000	42,738,000	47,805,000	-0.2%	11.9%
Females	34,870,000	30,292,000	33,995,000	-2.5%	12.2%
Full-time employment					
Males	1,179,000	1,101,000	1,193,000	1.2%	8.4%
Females	902,000	819,000	882,000	-2.2%	7.6%
Part-time employment					
Males	211,000	194,000	209,000	-0.7%	7.8%
Females	374,000	354,000	386,000	3.2%	8.9%

Source: Statistics Canada, Table 14-10-0287-01.

The data tells us not only that more women than men transitioned out of the labour force over the past year, but also that women who remained in the workforce took on comparatively more part-time work and/or were more likely to experience reduced work hours.

Big gains—and big variations—in the service sector

As noted earlier, job losses were heaviest in the service sector, particularly early in the pandemic, as physical distancing restrictions forced many businesses to either scale back or shut down. Between January and April of 2020—April being the lowest point—employment in BC's service sector fell by 16.7%, a loss of 357,000 jobs or approximately one in every six positions.

Recovery in the service sector has been equally dramatic. In August 2021, the service sector employed 2.18 million people across the province, signifying a 10.4% increase from August 2020 numbers. Overall employment in this sector also surpassed pre-pandemic levels, increasing by 1.1% (or 23,500 jobs) between August 2019 and August 2021 (see Table 3).

However, the recovery varied greatly by subsector over this period, with some service industries experiencing significant gains as others continued to struggle.

Gains were strongest in the public sector, and particularly in the health care and social assistance subsector, where jobs increased by 12.9% between August 2019 and August 2021. Public administration (+10.6%); professional, scientific, and technical services (+10.4%); and finance, insurance, real estate, and leasing (+3.4%) were the only other subsectors to make job gains over this same period. By contrast, subsectors that required regular in-person interaction—such as education; information, culture, and recreation; and accommodation and food services (hospitality)—saw the biggest losses between August 2019 and August 2021.

Over the past year, however, every service industry saw positive employment growth, with the exception of hospitality. The information, culture, and recreation subsector was the biggest winner between August 2020 and August 2021, with its workforce expanding by nearly 29.9%. These gains were driven by a growing demand for labour in the film and television production industry.

Table 3: Service Sector Employment by Subsector, August 2021*

	Total employment (in 1,000s)	% Change from August 2019	% Change from August 2020
Services-producing sector	2,182.7	1.1%	10.4%
Health care and social assistance	376.2	12.9%	16.3%
Public administration	132.5	10.6%	12.3%
Professional, scientific, and technical services	258.2	10.4%	14.5%
Finance, insurance, real estate, rental and leasing	169.9	3.4%	5.7%
Wholesale and retail trade	403.6	-0.1%	8.3%
Transportation and warehousing	139.7	-0.4%	3.9%
Accommodation and food services	184.9	-5.3%	-0.1%
Business, building, and other support services	105.4	-6.9%	18.4%
Educational services	177.0	-7.8%	7.1%
Information, culture, and recreation	126.4	-8.4%	29.9%
Other services (except public administration)	108.8	-13.1%	3.2%

Source: Statistics Canada, Table 14-10-0355-01. *Subsectors have been sorted from best to worst, per percentage change since 2019.

Challenges in the goods sector

As the service sector improved over the past year, the goods sector saw its workforce erode. In August 2021, the goods sector employed 486,900 individuals, marking a 0.9% decline from August 2020. This decline was primarily due to a decrease in agriculture and construction employment.

Challenges in the construction industry (the largest employer in BC's goods sector) have had a particularly significant impact over the past two years. Since August 2019, more than one in every 10 construction workers has lost work, equivalent to a loss of 27,100 construction jobs. These losses were driven by a decline in real estate investment in the wake of the pandemic,[4] and they're the primary reason employment in the goods sector dropped by 3.6% between August 2019 and August 2021.

There were some bright spots for the goods sector, however, as strength in commodity prices helped bolster employment in both the natural resources and manufacturing industries. In fact, in August 2021, employment in these industries exceeded August 2019 levels by 6.6% and 6.3%, respectively (see Table 4).

[4] For example, housing starts in 2020 were 21.1% lower than in 2019, and private non-residential investment was down by 7.9%. See "BC Check-Up: Invest," *CPABC in Focus*, March/April 2021 (14-23).

Table 4: Goods Sector Employment by Subsector, August 2021*

	Total employment (in 1,000s)	% Change from August 2019	% Change from August 2020
Goods-producing sector	486.9	-3.6%	-0.9%
Utilities	18.1	36.1%	-18.5%
Forestry, fishing, mining, quarrying, oil and gas [natural resources]	50.2	6.6%	10.6%
Manufacturing	180.3	6.3%	8.9%
Construction	219.5	-11.0%	-2.0%
Agriculture	18.9	-34.1%	-45.4%

Source: Statistics Canada, Table 14-10-0355-01. *Subsectors have been sorted from best to worst, per percentage change since 2019.

Nearly **78%** of the CPAs who responded to CPABC's latest survey said the ability to attract and retain labour was a major challenge to business success in this province.

Concerns increase as labour market tightens

To better assess BC's labour market and economic outlook, we surveyed CPABC members in July and August 2021 (see page 22 for more survey highlights).[5] When asked about the overall state of the provincial economy, 77% said it was in "average" or "good" shape in 2021, an increase of 21 percentage points from our 2020 survey results. At the same time, however, nearly 78% said the ability to attract and retain labour was a major challenge to the success of business in BC.

The labour challenge was also identified in a recent study conducted by the Business Development Bank of Canada (BDC). In its ensuing report, *How to Adapt to the Labour Shortage Situation*,[6] the BDC notes that the labour shortage BC was facing prior to the pandemic has only intensified as employment has surpassed pre-pandemic levels. In fact, 64% of entrepreneurs who responded to the BDC study indicated that labour shortages were limiting their growth, and they identified a lack of job candidates (45%) and a lack of suitable skills (44%) as their biggest hiring constraints.

The growing challenge of finding right-skilled workers is also reflected in the rising number of job vacancies in BC. Already on the rise prior to the pandemic, job vacancies only continued to increase between the fourth quarter of 2020 and the second quarter of 2021. Notably, the job vacancy rate of 5.4% in the second quarter of 2021, which represents more than 122,000 jobs, is significantly higher than the job vacancy rate in the second quarter of 2019 of 4.6%.

[5] CPABC, *BC Check-Up: Work* survey, conducted in July-August 2021, n = 889.

[6] Business Development Bank of Canada, *How to Adapt to the Labour Shortage Situation*, September 2021.

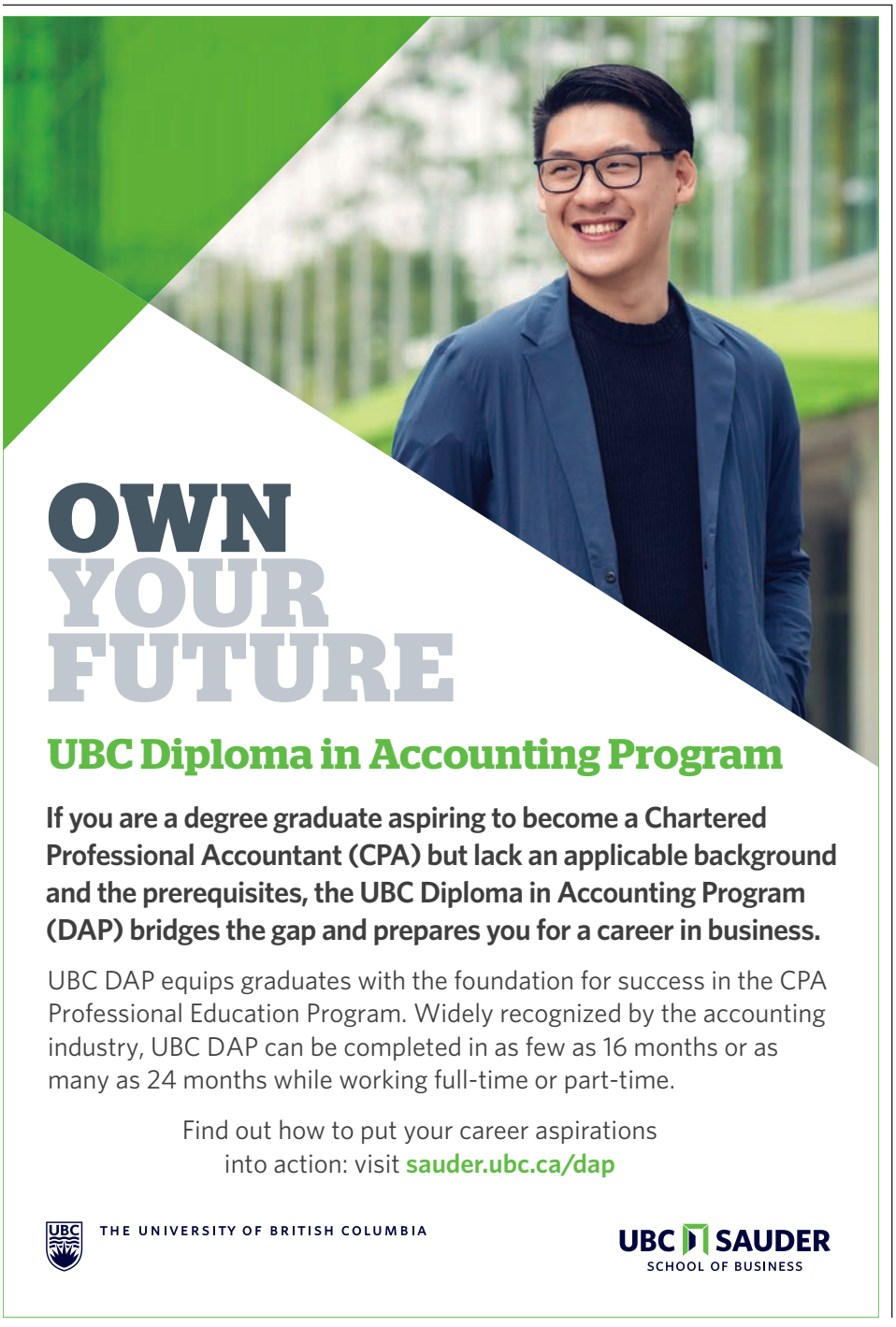
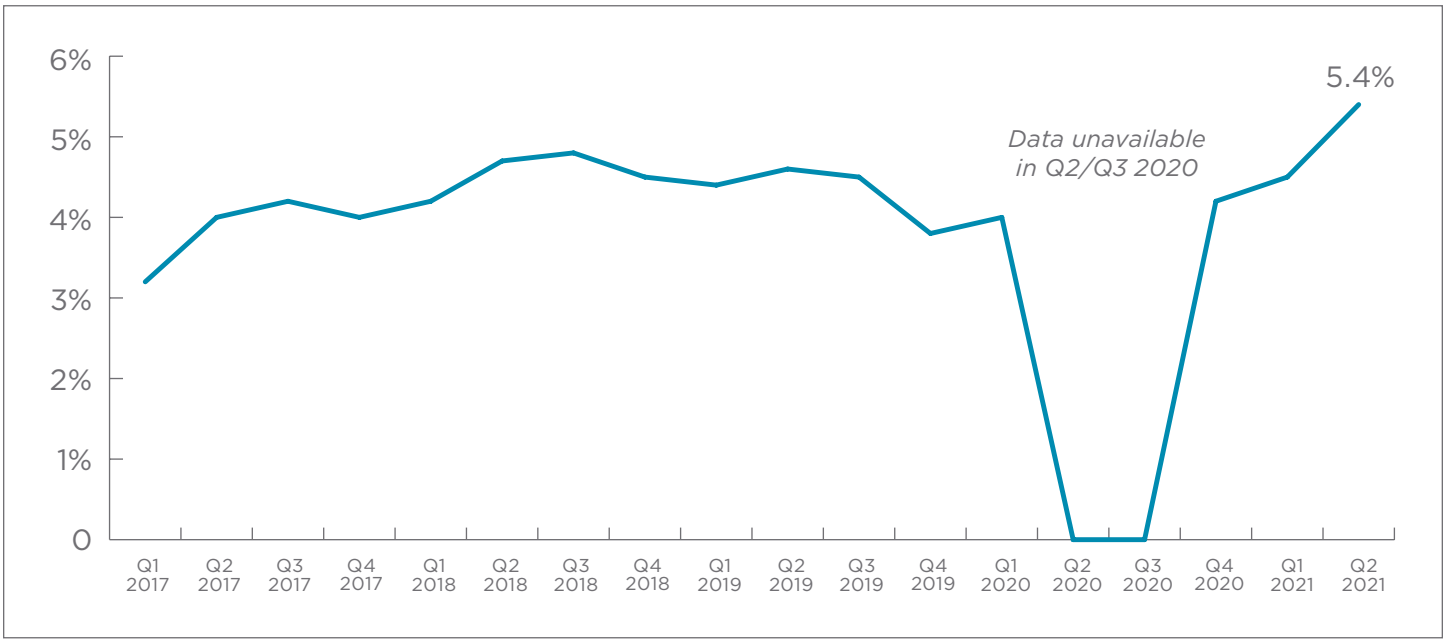


Figure 4: BC Job Vacancy Rate, 2017-2021



Source: Statistics Canada, Table 14-10-0325-01.

A bright but cloudy outlook

British Columbia's workforce has shown tremendous resilience in its ability to rebound from the early days of the economic downturn in 2020. The fact that employment levels now exceed pre-pandemic levels is a clear sign that the economic downturn did not fundamentally alter our employment outlook. In fact, most private forecasters anticipate that BC's unemployment rate will return to pre-pandemic levels over the next few years.[7]

However, the headline data masks some underlying challenges, including a prolonged decline in women's labour participation and wide variations in industry performance. Further, the growing labour shortage is expected to put downward pressure on the province's economic outlook.

As we continue on the road to economic recovery, it is critical that we approach these labour challenges thoughtfully. For instance, we need to implement policies such as skills training to help British Columbians who remain unable to find work, with a particular focus on those industries facing the greatest scarcity of labour. We also need to carefully consider barriers to joining the labour force, such as the lack of accessible and/or affordable childcare.

While the worst of the economic consequences from the pandemic may be behind us, it is now time to take meaningful action to ensure that we set businesses and workers up for renewed success. ■

Aaron Aerts is CPABC's economist.

[7] For example, TD Economics forecasts BC's unemployment rate will lower to 5.0% in 2022 and 4.5% in 2023. See TD Economics, "Provincial Economic Forecast," **economics.td.com**, September 22, 2021.

CPABC makes recommendations to spur growth

See pages 8-9 for a summary of recommendations from CPABC's latest provincial budget submission.



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Highlights from CPABC's BC Check-Up: Work Survey

CPABC's *BC Check-Up* survey is conducted three times a year to measure members' perceptions of BC as a place in which to work, invest, and live. Nearly 900 CPABC members responded to the most recent survey, *BC Check-Up: Work*, which was conducted in July and August 2021. We asked them for their thoughts on the economy and the labour market, and here's what they told us:

ON BC'S ECONOMIC OUTLOOK



- **78%** of respondents said they expect BC's economic performance to be "average" or "good" in 2021. This is an increase of 21 percentage points over the results of the *BC Check-Up: Work* survey conducted in July 2020.
- Respondents also expressed confidence in the economic outlook for Canada as a whole, with **71%** saying they think the Canadian economy will be "average" or "good" in 2021, compared to just 42% of respondents in July 2020.
- **36%** of respondents said they expect their organization's prospects to improve in 2021, up from just 6% of respondents in July 2020. Additionally, only **10%** said they expect their organization's prospects to worsen in 2021, compared to 45% in July 2020.

ON EMPLOYMENT TRENDS IN BC



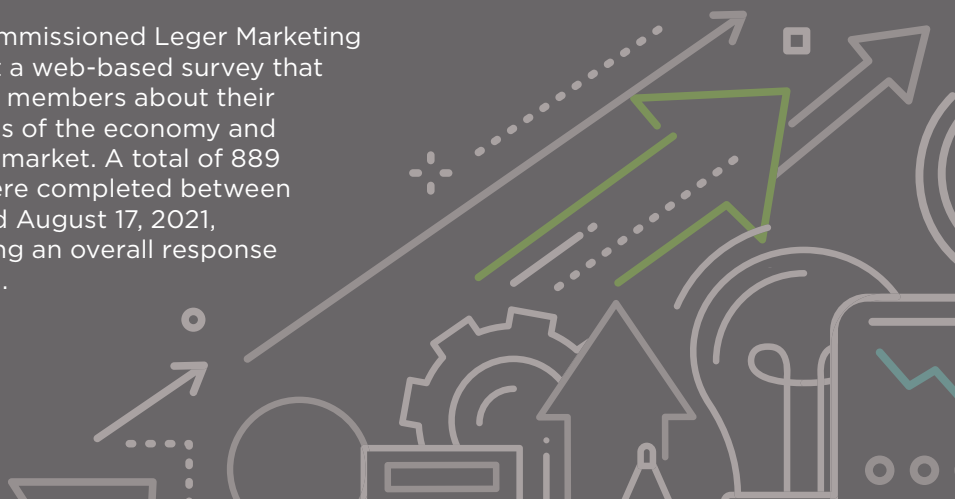
- With BC's employment on the rise, a shortage of labour is once again becoming a challenge. **78%** of respondents identified the ability to attract and retain skilled labour as a major constraint for business success in 2021, up 23 percentage points from the July 2020 survey.
- **52%** of senior CPAs said they expect their organization's workforce to grow over the next year, while just **6%** said they expect it to contract.
- Of those respondents whose organizations intend to hire over the next year, **40%** said they plan to hire employees living outside the region in which their office is located.

SURVEY DEMOGRAPHICS

Who are they?
889 CPABC members

Where are they from?
Mainland/Southwest BC: 69%
Vancouver Island/Coast: 18%
Thompson-Okanagan: 9%
Rest of BC/outside BC: 4%

CPABC commissioned Leger Marketing to conduct a web-based survey that asked CPA members about their impressions of the economy and the labour market. A total of 889 surveys were completed between July 27 and August 17, 2021, representing an overall response rate of 16%.



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Digital Transformation: The National Picture

By Lori Mathison, FCPA, FCGA, LLB

Canada's CPA profession has always sought to collaborate on issues of national importance, and always in the public interest. One area of collective focus has been digital transformation, with an emphasis on member-facing initiatives.

In the fall and winter of 2020, the CPA profession conducted outreach across Canada to gauge the impact of COVID-19 on members' digital transformation efforts. We also wanted to gain insight on how the profession could better support members overall. I'm pleased to say there was a high level of member participation across the country.

Our outreach included a national survey in which respondents were asked to categorize what stage they and their company were at in terms of digital transformation: the beginning stage (*explorers*), the advanced stage (*navigators*), or leading the profession (*innovation leaders*). On average, members rated both their own and their organization's level of technological maturity at around seven out of 10, meaning that a not-insignificant investment of time and money had already been made. Unsurprisingly, perhaps, younger members and members working for larger organizations said they felt better positioned to manage the impacts of technology. The survey also revealed that overall investment in technology increased after the pandemic began.

We also reached out to members by hosting roundtable sessions and conducting interviews. In these conversations, members across the innovation spectrum shared similar experiences and challenges with regard to the impact of COVID-19 on the profession. From their feedback, we learned that COVID-19 has been a significant catalyst for internal and external change and that many of the changes made during the pandemic have created efficiencies and increased productivity.

Additionally, we learned that the onset of the pandemic led many organizations to fast-track technology projects that were already being planned. Many members also told us that their organizations had to invest in technology to allow for remote work and paperless processes. In general, members' feedback indicated that larger organizations, which typically were more innovative to begin with, were in a better position to make additional investments in technology.

Notably, most members said they felt overwhelmed by the speed and scope of change.



Understanding explorers, navigators, and innovation leaders

To better understand members' concerns and needs, we drilled down into the three innovation categories. Here's what we found:

Explorers

Overall, explorers tended to focus on present and near-future needs—specifically the digitization of documentation and what it can enable. They recognized that CPAs should know how to drive organizational efficiency and productivity with technology, and expressed a need to increase their knowledge in this area. They said they believed the benefits of digital transformation include greater efficiency and the opportunity to collaborate with clients more deeply, as well as the ability to collect greater volumes and new kinds of data and more advanced analytics to drive business value.

In terms of obstacles, explorers said the general lack of regulation around IT limited the tools and vendors they were comfortable using. Other barriers to technology adoption included implementation, change management, and infrastructure challenges.

Navigators

Navigators tended to have more experience implementing complex digital transformation initiatives and said they were already moving in this direction when the pandemic began. They told us they were focused on digital transformation that reduced risk, improved operations, and facilitated data-driven decision-making for leaders.

Navigators said they believe CPAs need to change their mindsets around digital transformation—that we need to embrace change, be open to learning new skills related to IT, and realize that technology is inherently embedded in everything that we do. They voiced concern about what they saw as a general lack of digital literacy and said many organizations lacked a basic understanding of data security and governance. Noting that a lack of digital literacy reduces the pace at which change can occur, navigators said there is a need to "upskill" the profession so CPAs can, in turn, upskill clients and non-CPA employers.

Innovation leaders (innovators)

Innovators tended to see digital transformation as more than technology adoption, describing it as a combination of technology with process and organizational innovation. They noted that organizations must constantly re-conceptualize how things are done to get the right benefits from technology, and control and governance was top of mind. They said digital transformation should drive value creation, and that some degree of experimentation and failure must be expected and accepted.

All images: claudenakagawa/iStock/Getty Images

According to innovators, the biggest challenges of digital transformation include change management, ensuring clear project scope for technology, identifying and focusing on technology "needs" rather than "desires," and overcoming resistance to adoption. Regulation was also cited as a potential barrier, particularly when projects span multiple jurisdictions.

Innovators also identified many benefits of digital transformation, including gaining the capacity to provide real-time analytics and insights, analyze complete data sets, increase efficiency, scale up, and create profoundly new business models. Additionally, innovators in public practice saw digital transformation as an opportunity to remain relevant and competitive, and said firms would benefit from a younger, more mobile, and digitally literate workforce.

How the CPA profession can help

Explorers, navigators, and innovators all agreed that CPAs are well suited to play a significant role in the digital transformation of their respective organizations due to their training and commitment to continuous education. They also saw the importance of digital transformation and recognized that it will be an ongoing process. Many said they were already the "go-to" IT person for their organization and believed they were well-positioned to connect digital transformation to finances.

Members also said the CPA profession could support them along their digital transformation journey. The following were among the general needs identified:

- Basic digital literacy;
- A basic understanding of security, information governance (with respect to privacy and regulation), systems architecture, and applications;
- A basic understanding of data science, including business intelligence; and
- A go-to source for information on technologies and vendors. Some members said they're not sure where to begin and would appreciate a "neutral cross-comparison" of the tools and vendors available.



Among the specific needs identified, members said the profession could assist with digital transformation by:

- Mandating digital literacy and training as part of CPD hours (similar to ethics), and integrating technology into courses (as an enabler), rather than teaching it separately;
- Facilitating a networking and discussion platform for CPA peer-to-peer communication (e.g., with members providing examples of what worked and what didn't work) or creating a database of CPAs with IT expertise who would be open to answering questions and/or providing advice;
- Increasing training opportunities, including making sure that offerings are adapted/redeveloped for the online context; and
- Gauging member needs (e.g., via short questionnaires) and providing information on reasonably priced, relevant PD programs.

We appreciated the strong member input that we received during this outreach process. We were impressed with the level of focus members have been placing on digital transformation thus far, and we look forward to continuing to support you on this journey. ■

Lori Mathison, FCPA, FCGA, LLB, is the president & CEO of CPABC and the chair of the CPA Profession's Digital Transformation Task Force.

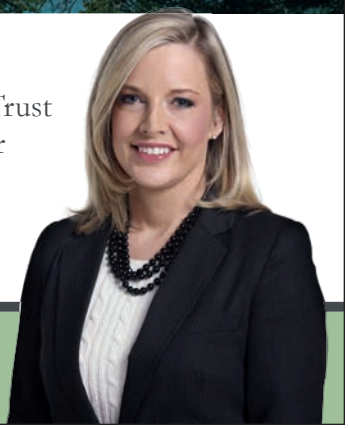
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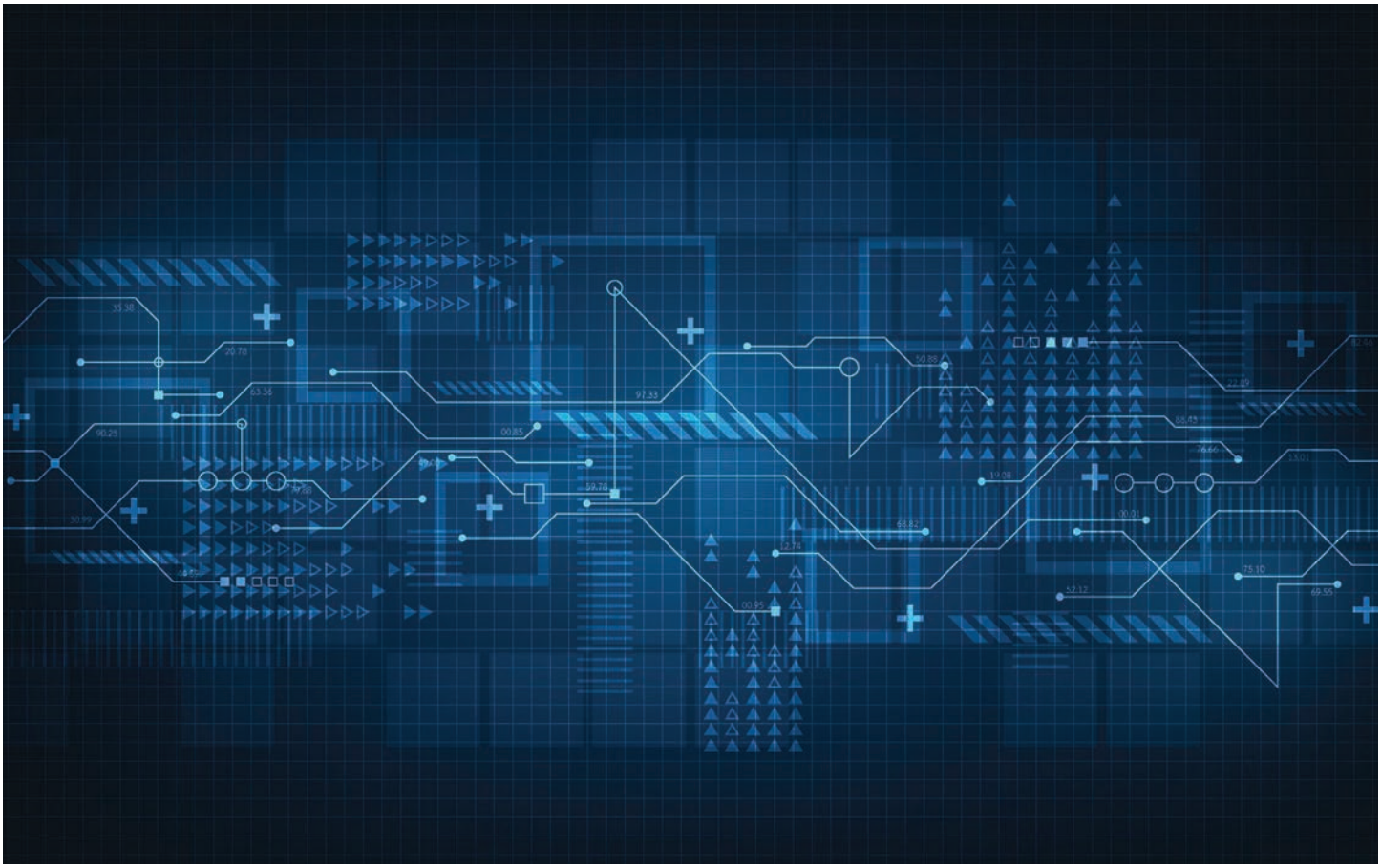
778.742.5005
nicole@heritagetrustcompany.ca

220 – 545 Clyde Avenue, West Vancouver, BC V7T 1C5
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Tap Into the Data Pipeline

How to improve business operations by integrating the IoT, APIs, and data analytics

By John Hetherington



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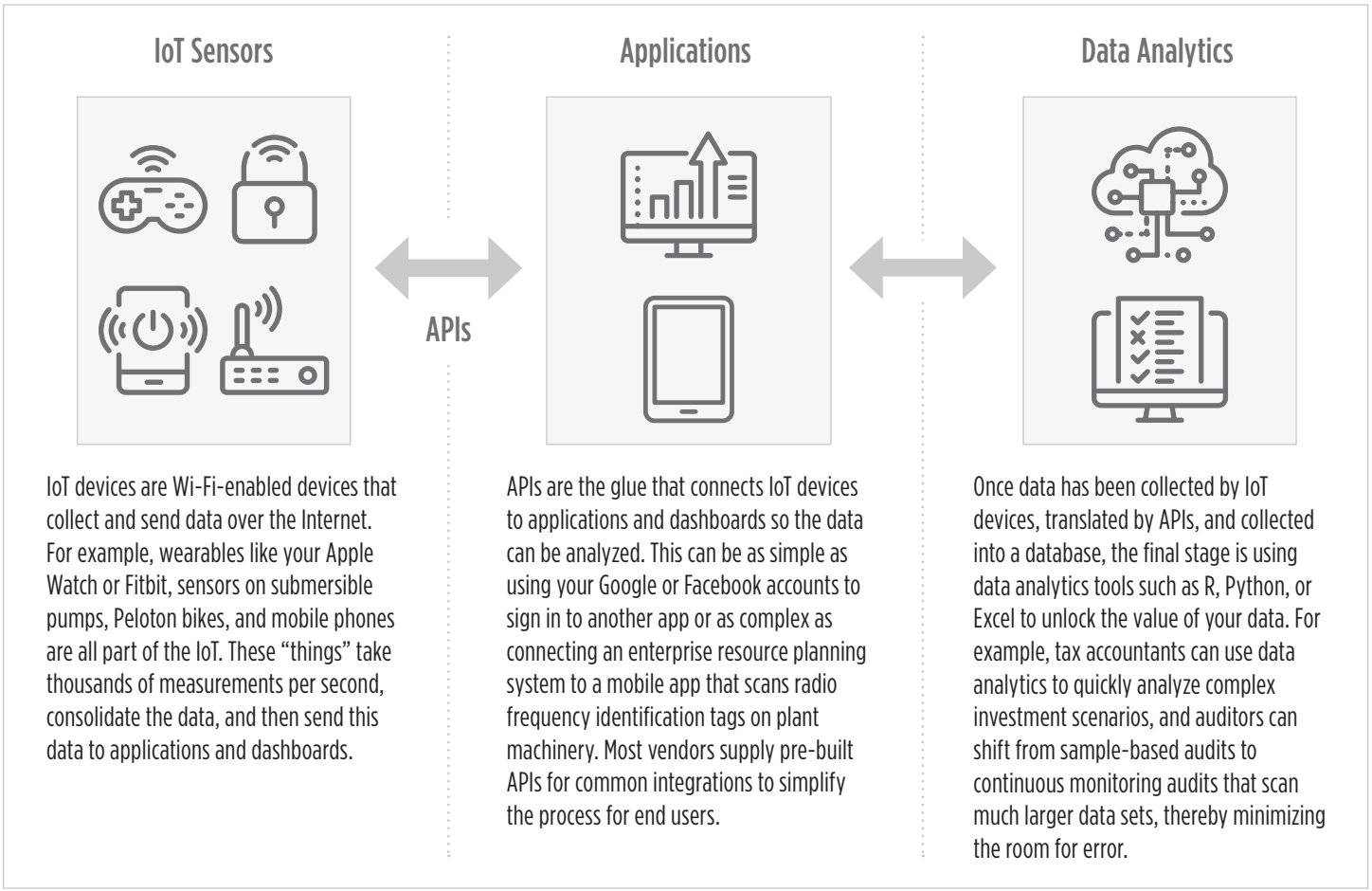
Imagine a future where audits can be done easily and quickly—where all your ledgers, journal entries, donations, and other transactions can be connected, sorted, and verified on the spot. Imagine being able to track inventory automatically, with all details transmitted to a central database from which invoices can be approved and paid without any human interaction. How would this change your work experience?

While this vision of the future may seem farfetched—particularly if you're currently dealing with complex spreadsheets and trying to locate missing data—three technologies are already combining to make it a reality: the Internet of Things (IoT), application programming interfaces (APIs), and data analytics. And although this new reality won't materialize overnight, it *is* rapidly approaching, with the COVID-19 pandemic serving as an added catalyst.

No matter what sector you're working in, as an accounting professional, you need to stay abreast of these changes and understand how to use new technologies to improve the way you do business.

How these technologies work

Before reviewing how IoT devices, APIs, and data analytics can be used to improve accounting and other business processes, let's review what these terms mean.



Bringing these three technologies together creates a data pipeline: IoT devices collect your data, APIs act as the translation layer, and data analytics unlocks the value of the data so you can gain the insight needed to make better decisions.



A good real-life example of this data pipeline is the "IntelligentEngine" developed by Rolls-Royce to create the "smartest jet engines yet."[1] These engines use IoT sensors to gather data that monitors and tracks engine performance. Along with APIs and data analytics used to schedule preventative maintenance, Rolls-Royce is able to keep the engines healthy by servicing them proactively, reducing unexpected plane downtime.

But what about *you*?

You don't have to be the designer of cutting-edge engineering to benefit from the data pipeline.

The benefits of harnessing the data pipeline can be as simple (and significant) as better and faster decision-making. With IoT data being sent to cloud storage, you can use artificial intelligence to analyze data on company financials and cross-reference this information with business patterns and market research. For example, you can consolidate audit information with inventory data and receive automatic notifications of applicable tax laws or the latest changes to accounting standards. This will help you create more informed strategies to ensure that your business or your client's business is running well, meeting goals, and maintaining or improving performance.

Consider, also, the opportunity to streamline accounting processes. With the IoT, APIs, and data analytics working together, financial transactions from any department can be automatically recorded in your enterprise resource planning (ERP) system. This would eliminate the need to chase down data from other teams and fix errors from inconsistent data entry. As a result, collaborating with team members and collecting financial information from different departments would be simpler and more efficient.

The data pipeline can also help you reduce manual effort. Let's revisit that vision of the future audit—with the IoT and APIs, all transactions can be tracked and sent to your ERP system in real time and monitored continuously, thereby minimizing the need to dig through financial records when audits are approaching. Thus, the effort required for data-driven, population-level audits would be significantly reduced and data-entry errors would be, effectively, eliminated.

Are there downsides?

Accounting professionals generally trust ERP systems because these systems have internal controls in place to manage risk. Also reassuring is the fact that numbers come from known data sources. But if the data is delivered through APIs from thousands of IoT devices, what happens if one of these devices is hacked or the API sends corrupted data to your ERP sytem?

Since IoT devices are connected to the Internet, there is always a risk that they can be hacked. Each IoT device is an entry point to your company's network, so the more devices connected, the greater the chances of your network being infiltrated. For example, in 2016, a cybersecurity researcher hacked into the light switch controls of his London (UK) hotel room.[2] From there, he was able to gain access to the hotel's entire lighting control system and observe which hotel rooms were dark and therefore more vulnerable to theft (the presumption being that guests were out).

Similarly, since APIs manipulate and transmit corporate data, if a hacker gains access to your API, they can also access its data. And not only can they *read* this data—they can also *modify* it. To reduce this risk, most APIs are secured using strict controls that limit access to specific admin users. API access can be further secured by using tokens that are set to expire; then, even if an API *is* compromised, access will be revoked when the token expires.

CPAs need to be aware of the cybersecurity risks that come with using IoT and APIs and be prepared to mitigate and manage these risks. A first step would be to implement a cybersecurity policy that ensures the use of strong passwords and IT controls that keep software updated.

How soon is now?

Even if the implementation of the IoT, APIs, and data analytics is a distant goal for your organization, it's important to be aware of the pros and cons of using these technologies and look for opportunities to harness them in the future. Tapping into this pipeline, with the necessary security measures in place, will enable you to uncover valuable information within your financials. These insights, in turn, will help your organization work smarter. ■

John Hetherington helps visionary business leaders use technology to bring their ideas to life and grow their businesses. He has led technology projects for over 25 years and is an expert in digital change. John has 10 years of strategy consulting experience with Deloitte and EY and has worked in the technology industry both in the United Kingdom and North America.

1 Rolls-Royce, "How AI Scales Up IoT Capability in Turbofan Jet Engines," **rolls-royce.com**. Accessed September 28, 2021.

2 Ben Rossi, "How to Hack a Hotel: Security Researcher Takes Control of All Light Switches, TVs and Curtains in London Hotel," **information-age.com**, March 18, 2016.

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Maintaining Confidentiality and Public Confidence

From CPABC's Professional Conduct Team

CPAs in Canada are bound by a strict requirement of confidentiality that applies to all aspects of their professional work. In BC, the *CPABC Code of Professional Conduct* (CPA Code) outlines the requirements and provides registrants[1] with extensive guidance on this topic. In this article, we cover the major confidentiality rules in the CPA Code, describe situations that are prone to potential breaches of confidentiality, and provide some cautionary examples.

Confidentiality and the CPA Code

The preamble to the CPA Code emphasizes that maintaining confidentiality is one of the fundamental principles governing a registrant's conduct. These fundamental principles are integral to ensuring public confidence in our profession. The preamble states that registrants must "… protect confidential information acquired as a result of professional, employment and business relationships and [must] not disclose it without proper and specific authority [or] exploit such information for their personal advantage or the advantage of a third party."

Rule 208 of the CPA Code (Confidentiality of information) consists of three sections, each of which is described here:

- **208.1 – Disclosure of confidential information**;
- **208.2 – Use of confidential information**; and
- **208.3 – Measures to maintain and protect confidential information**.



Disclosure of confidential information

Simply put, registrants must respect the confidentiality of information acquired through professional or business relationships and, more importantly, must not disclose this information without proper and specific authority. This rule applies to the information of past and current clients and employers.

Registrants can disclose confidential information to a third party only if:

- They are properly carrying out their professional duties;
- They are lawfully required or allowed to do so;
- They are a defendant in a legal proceeding, are the plaintiff in a proceeding to recover unpaid professional fees, or are defending themselves against professional misconduct complaints that have been made to CPABC[2]; or
- Their past or current client or employer has given consent.

While Rule 208 restricts the disclosure of confidential information to third parties, it does not restrain its disclosure within a registrant's organization. However, paragraph 1 of Guidance – Rule 208 recommends that organizations should consider implementing policies that formally restrict access to confidential information within an organization. In addition to protecting the public, these kinds of policies may help protect registrants from inadvertent disclosures and conflicts of interest.

[1] "Registrants," as used in the *CPABC Code of Professional Conduct*, refers to members, students (candidates in the CPA Professional Education Program), and registered firms. The CPA Code does not apply to students enrolled in the CPA preparatory courses.

[2] This permission also applies to associates and employees of the registrant.



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Use (and misuse) of confidential information

Rule 208.2 prohibits the use of confidential information of any current or former client or employer without their consent, whether for:

- The advantage of the registrant;
- The advantage of a third party; or
- The disadvantage of the client or employer.

Inappropriate use can easily land a registrant in court, given the various pieces of legislation that touch on this area. For example, under the *Securities Act*, individuals in a special relationship with a public company (such as an employee or service provider) must not trade securities of the company when they are privy to material, confidential information.

Maintaining confidential information

Rule 208.3 requires that registrants take appropriate measures to protect the confidential information of present and former clients and employers. This includes protecting confidential information within their organizations so that it is only accessible to those with legitimate purposes.

The shift to storing information in the cloud has presented new risks and responsibilities for maintaining the confidentiality of information. When using third-party services, including Software as a Service vendors, registrants should ensure that the security and privacy practices of these service providers satisfy confidentiality requirements set out by the CPA Code and privacy legislation outside of the profession.

Registrants may also wish to disclose their vendor's practices to their clients in cases where it is appropriate to do so.

Other legislative requirements

As noted in the July/August 2019 issue of *CPABC in Focus*,[3] registrants should be aware of the privacy and related confidentiality requirements set out in the following legislative acts:

- BC's *Personal Information Protection Act* (PIPA) applies to provincially regulated private sector organizations in BC that collect, use, or disclose personal information. PIPA describes how these private sector organizations must handle the personal information of the public and their employees, and establishes rules regarding the collection and disclosure of this information. An organization that contravenes PIPA can be sued by affected individuals for "damages for any actual harm suffered."[4]
- BC's *Freedom of Information and Protection of Privacy Act* (FOIPPA) applies to BC public bodies and organizations that provide services to these public bodies. FOIPPA creates rules for the collection, use, disclosure, and storage of personal information in a public body's custody or control. It also stipulates that certain violations are finable offences.[5]
- Canada's *Personal Information Protection and Electronic Documents Act* (PIPEDA) creates rules for the collection, use, and disclosure of personal information by federally regulated private sector organizations in BC or by BC private sector organizations that have clients in other Canadian jurisdictions.[6]

[3] See "How Secure Are Your Business Records?" *CPABC in Focus*, July/August 2019 (32).

[4] PIPA, Part 12, Section 57(1).

[5] FOIPPA, Part 6, Section 74.1. Maximum fines are $2,000 for individuals, $25,000 for partnerships or individuals who are service providers, and $500,000 for corporations.

[6] PIPEDA, Part 1, Division 2, Section 11 (2). In 2020, the federal government introduced Bill C-11 to reform federal privacy legislation. However, since the bill, entitled *An Act to Enact the Consumer Privacy Protection Act and the Personal Information and Data Protection Tribunal Act and to Make Consequential and Related Amendments to Other Acts*, did not pass before the 2021 election, it will need to be reintroduced.

Disclosing information—too much, too quickly, or just enough?

Based on complaints made to CPABC concerning alleged breaches of confidentiality, CPAs appear to be at greatest risk when they're asked to make rushed decisions—for example, during unexpected conversations or as a deadline approaches. In such cases, confidential information may be divulged without proper consideration being given first. For example, one CPABC member discussed a client's account status during an impromptu conversation with the client's banker without first obtaining the client's consent. As a result of this conversation, the client had difficulty obtaining bank financing. The client subsequently complained to CPABC, and an investigation was launched. Ultimately, CPABC's Investigation Committee issued a Determination and Recommendation, to which the member agreed.

It can get especially complicated when registrants are asked by law enforcement agencies to provide confidential information concerning their clients, or when a registrant wants to report suspected illegal activities in the absence of a legislated whistleblower regime. In such cases, before sharing confidential information, it may be appropriate to seek legal counsel to determine how best to satisfy the legal requirements of law enforcement agencies while adhering to the confidentiality provisions of the CPA Code.

In addition, under applicable federal legislation, an accountant must report certain financial transactions to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) when they engage in "triggering activities," as specified under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. These activities generally involve client assets and include:

- Receiving or paying funds, except payments received for professional accounting services;
- Purchasing or selling securities, real property, business assets, or business entities;
- Transferring funds or securities by any means; or
- Giving instructions on behalf of anyone regarding these activities.

Need guidance on confidentiality matters?

The guidance in the CPA Code is designed to help you understand how the rules should be applied. CPABC's professional standards advisors are also here to help. You can consult them for confidential guidance to ensure that you stay compliant with the CPA Code when navigating difficult situations. Contact our advisors:

- By email: **professionaladvisory@bccpa.ca**.
- By telephone: **1-800-663-2677** (toll-free).

Mishandling and misusing information

Some confidentiality complaints made to CPABC have alleged the mishandling of information and documentation, while others have alleged the intentional misuse of proprietary information. The following examples are based on real-life situations, although some details have been altered to preserve confidentiality:[7]

- In two cases, practitioners left their former firms with the intention of setting up their own practices. In each case, the practitioner misused the client list of their former firm to solicit new business for themselves.
- A CPA candidate used a former employer's Excel and Word templates and sample employee policy manuals to develop new, nearly identical versions for their new employer.
- A member working as a chief financial officer shared confidential corporate information with a prospective investor without the authorization of the company's board of directors.
- A firm transferred physical client files between its head office and its branch offices elsewhere in BC. Although transported in a locked truck, the files were visible to passersby and, on several occasions, left unattended overnight.
- A firm placed confidential documents in a communal bin destined for shredding. Before the bin was picked up, every tenant in the same building had access to its contents.

Penalties assessed through CPABC's investigation and disciplinary process vary depending on the unique circumstances of each case, and may include fines and the costs of the investigation (which often exceed the fines). In serious cases, the Investigation Committee may refer the matter to CPABC's Disciplinary Committee, which may find that suspension or cancellation of membership is appropriate under the circumstances.

Maintaining confidential information—practical considerations

In our July/August 2019 article, we outlined some ways to help secure your business records. Many of these tips apply for maintaining confidentiality, and the following list identifies control measures that organizations should implement to protect physical and electronic data:

- **Setting the tone at the top:** Employees often adopt similar attitudes to those displayed by management. Therefore, the "tone at the top" must be one that emphasizes the importance of maintaining and promoting strong business and confidentiality controls.
- **Controlling access:** For electronic files, it is important that access be controlled using passwords, firewalls, and/or encryption. This is especially true if the information is saved on physical storage devices such as USB drives, or is being shared using smartphones or other devices. Of course, effective protection of electronic files must be supported by an effective approach to cybersecurity overall. For physical files, access should be controlled using physical locks and other similar security measures.

[7] Some of these examples appeared in the July/August 2019 issue of *CPABC in Focus*.

Make sure all staff and any subcontractors know your data security policies and are adequately trained to uphold your security procedures. Don't let ignorance put you at risk.

- **Delivering and disposing of documents confidentially:** Even during the pandemic, many businesses are dealing with physical paperwork on a regular basis. If physical documents must be delivered, you should use a trusted courier or delivery service with its own security and confidentiality policies. The same goes for disposal—if you're using a subcontractor for this service rather than shredding paperwork on-site, you must be judicious in the hiring process.[8] For digital documents, use encryption and password protection when sharing files with external recipients, and implement a file retention policy to ensure that you dispose of digital files correctly and in a timely manner.
- **Implementing protocols for remote work:** As the pandemic has shown us, special care needs to be taken when employees work remotely. Be sure to set up a security policy that covers file access, sharing, and disposal for those working off-site.
- **Ensuring adequate training for staff:** An employee or subcontractor's ignorance can pose a significant risk to your organization's data security. Employees and subcontractors should be trained on and kept up to speed about your organization's policies, procedures, and technology.
- **Communicating with clients:** If you're a practitioner, make sure that your clients are made aware of any third-party software you use to process or store their data. For example, if your software providers track keystrokes or store data outside of Canada, you should inform your clients, as each client has their own privacy concerns and risk tolerance. ■

[8] See pages 32-34 of the July/August 2019 issue for more on this topic.

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Tina Huang is a senior tax manager with BDO Canada LLP in Vancouver, where she specializes in personal and corporate tax planning for privately held businesses and high-net-worth individuals. She also focuses on corporate reorganizations, business purchases and sales, and estate planning.

Bill C-208 Opens the Door to New Tax-Planning Opportunities for Family Businesses

By Tina Huang, CPA, CA, TEP

Succession planning is an important consideration for the founders and owners of family businesses, and the tax strategies available for selling shares to and purchasing shares from a third party versus a related party can vary significantly. In particular, there are various provisions in the *Income Tax Act* (ITA) that limit the tax advantages for an intergenerational transfer of shares within a family.

Bill C-208[1] is intended to give families more flexibility to access certain tax advantages to facilitate intergenerational transfers of shares of small family businesses. Although it received royal assent on June 29, 2021, the Department of Finance issued a press release the following day indicating its intention to delay the bill's effective date to January 1, 2022. On July 19, however, the department issued another announcement—this time confirming that Bill C-208 did, in fact, become law on June 29. Further, it announced it would soon be issuing a proposal to amend the existing bill, with the proposed changes only becoming effective on November 1, 2021, or on the date the final draft legislation is released—whichever is later.

This article reviews the general tax implications of intergenerational transfers before and after the passage of Bill C-208. It also addresses concerns and uncertainties about the changes the Department of Finance is expected to propose on or after November 1, 2021, and explains how these proposed changes could affect your succession planning.

Before and after Bill C-208

When individual purchasers and sellers of a small business, family farm, or fishing corporation are unrelated or operating at arm's length, they generally have two tax advantages available to them:

- ***For the vendor:*** Each individual vendor has a lifetime capital gains exemption of up to $892,218[2] (or $1 million for qualified farm or fishing property) available to shelter the gains realized on the sale of the shares, provided the shares meet specific criteria in the ITA.[3]
- ***For the purchaser:*** Purchasers can buy the shares using a corporation, which means they can use corporate funds to pay for the shares.

This creates a win-win situation in which both vendors and purchasers can realize some tax benefit from the transaction.

This type of arrangement does not produce the same tax results when the purchasers and sellers are not operating at arm's length. A common scenario is when an adult child uses a corporation to purchase the shares of a business from their parents with cash or a promissory note. Before the introduction of Bill C-208, this type of transaction would result in significant negative tax implications, with the parents unable to use their lifetime capital gains exemption to shelter any capital gains—instead, they would be deemed to have received a dividend, which is subject to higher tax rates than capital gains. Accordingly, tax professionals generally did not recommend this type of strategy in an intergenerational transfer transaction.

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1 *Bill C-208, An Act to amend the Income Tax Act (transfer of small business or family farm or fishing corporation)*, RSC 2021, c 21. See: **parl.ca/DocumentViewer/en/43-2/bill/C-208/royal-assent**.

2 Per ITA subsections 110.6(2), (2.1), and (2.3).

3 See "qualified small business corporation share" or "share of the capital stock of a family farm or fishing corporation," as defined in subsection 110.6(1) of the ITA.

Under Bill C-208, however, parents are now able to claim the capital gains exemption in the scenario described above, because the purchaser and the seller of the shares are deemed to be at arm's length, provided all of the following criteria are met:[4]

- The shares sold are qualified small business corporation shares or shares of a family farm or fishing corporation;
- The purchaser corporation is controlled by one or more children or grandchildren, aged 18 or older;
- The purchaser corporation cannot dispose of the purchased shares within 60 months of the purchase; and
- The taxable capital employed in Canada cannot exceed $10 million without a reduction to the lifetime capital gains exemption available (the ability to claim any exemption is eliminated when taxable capital exceeds $15 million).

Another advantage introduced by Bill C-208 is that it allows for additional flexibility for a corporate group to undergo certain reorganizations to split the family business or certain assets among siblings on a tax-deferred basis.[5]

[4] parl.ca/DocumentViewer/en/43-2/bill/C-208/royal-assent

[5] Per amendments to subparagraph 55(5)(e)(i) of the ITA.



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Concerns raised by the Department of Finance

The new amendments in Bill C-208 allow a child, through their own corporation, to purchase a portion or all of the shares of a private corporation from their parents and have this transaction deemed to be at arm's length. The purchase of the shares does not need to result in the passing of control of the business to the child; instead, only the purchaser corporation needs to be controlled by the child. Moreover, the parents can claim the lifetime capital gains exemption on the sale of the shares and do not have to pay any personal taxes from the capital gains realized to the extent that they have an available exemption limit (and assuming alternative minimum tax is not payable). The parents can then receive the proceeds from the sale through existing or future corporate surpluses generated.



Generally, when a shareholder needs to extract cash from their private corporation, the corporation will declare a dividend to the shareholder; for BC residents, this dividend may be subject to a tax rate of 48.89%.[6] Using the strategy described above, however, which is commonly known as a type of "surplus strip," parents can effectively extract corporate cash without paying any personal taxes and without there being any real intent to transfer all or part of the ownership of the business to their child. In fact, the child does not even need to be actively involved in the business. Because this type of situation does not align with the *intent* of Bill C-208, the Department of Finance indicated in its July 19 news release[7] that it intends to introduce amendments to address the following issues:

- The requirement to transfer legal and factual control of the corporation carrying on the business from the parent to their child or grandchild;
- The level of ownership in the corporation carrying on the business that the parent can maintain for a reasonable time after the transfer;
- The requirements and timeline for the parent to transition their involvement in the business to the next generation; and
- The level of involvement of the child or grandchild in the business after the transfer.

Uncertainty about the proposed changes

As mentioned previously, the Department of Finance has assured the public that its amendments to Bill C-208 will not come into effect before November 1, 2021, at the earliest. But does this mean taxpayers have a "safe window" in the meantime to take advantage of surplus strip planning?

The short answer is no. There are still other provisions in the ITA on which the Canada Revenue Agency (CRA) can rely to reassess a taxpayer when it believes a transaction invites higher scrutiny or does not align with the intent of Bill C-208. For example, the ITA contains general anti-avoidance rules (GAAR)[8] that can be applied if transactions abuse the object, spirit, or purposes of a provision in the ITA, even if all other provisions, such as the legislation in Bill C-208, are met. We have seen the courts uphold this concept repeatedly; for example, in *Canada v. Deans Knight Income Corporation*,[9] the Federal Court of Appeal allowed the appeal on the basis of GAAR, even though the transaction in that particular case met a well-established interpretation of the application of a specific provision in the ITA.

Explore opportunities, but carefully

Since the Department of Finance has already articulated its concerns with Bill C-208—specifically, that the bill as it currently stands may not meet the Government of Canada's commitment to facilitating genuine intergenerational share transfers while also protecting the integrity of the tax system—any planning or transaction that does not involve a genuine intergenerational transfer of the family business may be challenged by the CRA. With that said, if there are elements of a true succession plan within a family, Bill C-208 opens a wide door of tax planning opportunities that taxpayers should take into consideration. ■

[6] For illustrative purposes, this example assumes the highest personal combined federal and BC marginal tax rate on non-eligible dividends.

[7] Department of Finance Canada, "Government of Canada Clarifies Taxation for Intergenerational Transfers of Small Business Shares," news release, July 19, 2021.

[8] See section 245 of the ITA.

[9] *Canada v. Deans Knight Income Corporation*, 2021 FCA 160. See: **https://decisions.fca-caf.gc.ca/fca-caf/decisions/en/item/501203/index.do**.

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Managing Cash Difficulties

By Stephen Priddle, CPA, CA, CMA



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In this article, author Stephen Priddle shares some tips from his e-learning course "Managing Through Cash Difficulties," which is offered through CPABC's PD program at pd.bccpa.ca. He notes that the advice provided here must be implemented carefully—legal and other professional advice should be sought where advisable, and all relevant legislation must be followed.

COVID-19 impacts have put financial pressure on many businesses and not-for-profit organizations, especially in certain sectors, resulting in reduced revenues and cash pressures. And while the government has provided substantial funding assistance since the pandemic started, this support is now in sunset mode, which means more CPAs will likely have to help their employers or clients manage through cash difficulties.

Numerous other factors, including market change, competition, and bad management, can also lead to cash difficulties, and most veteran CPAs have encountered and learned from these difficulties at one time or another. If you haven't yet had to deal with such situations, it would serve you well to be prepared, as you'll need to act quickly if or when the time comes.

Here are some tips and strategies from a veteran CPA who has been there and done that, both as a controller and as a CFO.

Be close to the business

In a cash crisis, finance's role—getting cash in faster, managing payables and bank debt, and finding emergency financing—becomes even more important. Finally, we are appreciated! Being close to the business, looking for warning signs, and finding cash troughs in forecasts is vital, because the earlier you spot trouble, the better you can mitigate it.

Having a deep understanding of the business will also help you make informed decisions when it comes to temporary or permanent cost-cutting, which will likely be necessary. Do you cut gingerly, only to realize that bigger cuts are needed? Do you cut aggressively, only to find that you've seriously damaged the organization? You must weigh the short- and long-term benefits for your organization while factoring in its context.

Be accurate in your cash-flow forecasting

Once you're into real cash difficulties, accurate cash-flow forecasting becomes imperative for meeting payroll needs and, indeed, for survival. There are no tools (software or otherwise) that can do this for you—you have to do it yourself on your own spreadsheet, starting with opening A/R and A/P from the accounting system data and a thorough understanding of the business variables. You may also need to do some scenario modelling. I recommend doing crisis cash-flow forecasting around payrolls, not around calendar periods like weeks or months.

Manage payables and suppliers

Managing payables is an extremely important and, frankly, underrated factor when it comes to managing cash difficulties. Payments must be managed in view of business criticality—primarily, you need to determine which payments can drive new cash inflows and which must be paid to keep the business out of serious trouble. Key suppliers must be contacted, and these relationships must be managed very carefully.

Communicate with employees

Amid cash difficulties, it's important for employees to understand that tough decisions will have to be made if costs exceed revenues (which are being maximized as much as possible) and that payroll is a significant portion of said costs. Difficult steps will be easier to take if senior management and/or the business owner have previously established a good and trusting relationship with employees.

If you have to make payroll cuts, start with those that will be least painful for the workforce. Low performers will have to go—keeping them will only demoralize your better performers. End the contracts of redundant term employees and contractors that can be ended without penalty. Minimize the hours of employees with flexible hours to the greatest extent possible. Accept voluntary leaves of absence for school, family, or other reasons. Share or ease employees' pain by accessing the federal Work-Sharing Program.

Next, "buy" pay cuts from employees with future conditional bonuses, shares, or stock options. Make sure everybody knows that the senior executives are volunteering for the biggest cuts. You may need to volunteer for a major cut as well—perhaps to zero! If still more cuts are needed, you will then be left with permanent and temporary layoffs (where permitted). At this point, you'll need to determine who is *really* needed and make wise decisions with other senior managers.

Don't forget the board

Members of your board of directors are on the hook for items like source deductions, unpaid GST, and wages, so be sure to keep them apprised of their risks with a periodic schedule of such items.

Manage financing sources

If banks and existing financing sources are available, these relationships must be managed carefully. For example, you should forecast and pre-empt covenants violations by discussing them in advance with your bank and negotiating wisely. Don't just approach your bank with problems—come with potential solutions as well.

Accessing earlier and more money from customers is even better than obtaining financing from the bank or other sources. Don't be afraid to negotiate the restructuring of existing agreements and contracts for these purposes.

If you find that you need to seek emergency financing sources, only borrow if doing so makes sense—if there is hope for bridging or another specific purpose—because these options tend to have a high-financing cost due to the risk involved. Look first to existing shareholders—will they, for example, put in new money or guarantee loans? In addition, sale and leaseback financing is a way of accessing hidden equity in a business, and a strategic investor may be able to provide an infusion of cash.

Uphold ethical standards

CPA ethical standards must be upheld throughout, even though there may be pressure to bend the rules to save the organization. Ultimately, if it looks like the organization isn't going to survive, you should consider talking to a licensed insolvency trustee and/or finding a new employer. ■

Stephen Priddle, CPA, CA, CMA, is the CFO and director of the SureWx group of companies, a global aviation systems business. He is also the president of Practical PD, Seminars for Accountants, and the creator of nine PD courses, some of which are offered by CPABC.

PD PROGRAM HIGHLIGHTS

SAVE THE DATE: Virtual PD Nexus Day

Business and Innovation Insights – December 7

Special discounted pricing: $380

In our current climate of rapid change, where economic and social realities are constantly evolving, innovation is key to business and organizational success. Join us for a fast-paced day of fresh ideas and content that will motivate you to build an innovative culture within your organization and help you manage change and new demands successfully.

Special feature: Nexus Exchange

Take advantage of this opportunity to explore what's happening in the profession and speak with representatives from CPABC. Bring your questions or simply enjoy networking virtually with CPABC staff and other attendees.

Plenary sessions:

Into the Unknown: Technological Change and the Post-Pandemic World Economy
Learning from the unique perspective of a foreign exchange trader, identify the risks and opportunities that are likely to emerge as the world recovers from the pandemic. Along the way, you'll gain the knowledge needed to confidently step into the unknown.

Innovating to Thrive
Gain a glimpse into the future as this presentation examines the impact of exponential technologies on business functions and the future of customer experience for both business and government.

Breakout sessions:

1A - Humanizing Tech: The New Way for Accountants to Add Value
1B - Adaptive Leadership: A Practice of Collaboration and Hope
1C - Responding to Microaggressions
2A - Do Innovative Companies Have a Secret? How Anyone Can Be Innovative With Human-Centred Design
2B - ESG: Fireside Chat Moderated Panel (*Note:* The content in this breakout session is eligible for up to one hour of ethics CPD.)
2C - Starting a Dialogue Around Unconscious Bias
3A - Developing Your Strategic Leadership Role in Benefits Realization
3B - Demystifying AI for CPAs
3C - Navigating the Legal Requirements of Ethical Diversity and Inclusion in the Workplace (*Note:* The content in this breakout session is eligible for up to one hour of ethics CPD.)

PD PASSPORTS

As the end of the current CPD reporting cycle approaches, we understand that it can be challenging to fit PD into a busy schedule—especially on a budget. Our unique passports are available to help you plan and save on your professional development while meeting all of your CPD learning goals. Visit our PD Passport page for full details or contact us at **pdreg@bccpa.ca** if you have any questions.

New On-Demand Partners

CPABC's professional development team aims to provide the highest quality learning opportunities to meet members' needs. To that end, we focus our efforts on broadening not only course titles but also learning formats. In addition to providing live online and in-person learning opportunities, we continue to expand our on-demand course titles by collaborating with new partners. We'd like to introduce two of our new partners here:

Garrett Wasny, MA, CMC, CITP/FIBP

Discover with Garrett Wasny how financial professionals can leverage upcoming cloud, mobile, and social technologies to build trust, solve problems, and generate new value. Choose from a variety of titles that will explain how you can expand your core expertise while also developing new digital skills as a strategic advisor, cross-domain thinker, and integrated reporter.

Sheriff Consulting

Sheriff Consulting takes an engaging approach to professional development by providing online content that incorporates the newest innovations in adult learning pedagogy and current research in technical, professional, and leadership skills to ensure optimum participation.



Unable to attend the **Public Practice Insights** Nexus Day on November 9?

Not to worry! This virtual conference will be available to purchase on demand through our website at **pd.bccpa.ca**. With our on-demand products, you can catch all of the exciting highlights—anytime, anywhere.

New and Upcoming 2021 Seminars



Looking to gain a new skill or get a tax update? Don't miss out on the newest seminars in our fall/winter program, with topics ranging from emerging technology to assurance to branding.

Accounting & Assurance

ASNFPO – Update 2021
This seminar will give you an update on recent revisions to the *CPA Canada Handbook Part III – Accounting Standards for Not-for-Profit Organizations* and discuss major projects and their impact on NPOs.

Audit Engagements – Overview of CAS 315 Revised Standard
Review the key changes and experience what's involved when planning an audit based on the revisions to the CAS 315 standard. Through interactive discussions and practical examples of documentation, you'll learn how to improve the quality of your engagements.

Implementation of Internal Controls in the Small to Mid-Size Enterprise (SME) Context
Explore and discuss the implementation of internal controls in the SME context. You'll work through two key cycles—the purchase-to-pay process and the order-to-cash process—with the goal of understanding the conditions needed to successfully implement internal controls for SMEs.

Management

Leading Professional Teams – Successfully Transitioning from Professional Expert to Team Leader
Transitioning from a technical accounting expert to a team leader is one of the most significant milestones in a person's career. For some, this transition comes naturally, but for many, it's a gradual learning process. This seminar will show you what it takes to lead teams effectively and discuss the hurdles that trip up many aspiring team leaders.

Building Your Leadership Brand
This workshop will help you influence how others perceive you and align your strengths and values with your behaviour to create a more consistent, authentic, and value-adding leadership brand.

Public Practice

Branding & Marketing for Small Business
As a small business owner, it can be easy to leave branding and marketing off your daily to-do list. This course will explore branding and marketing for small accounting firms with the goal of helping you elevate your business.

Taxation

GST/HST – Update 2021
This course will provide an overview of GST/HST-related legislative and case law updates between 2020 and mid-2021, with an emphasis on the new simplified registration rules for non-residents and on the collection obligations for platform operators.

Income Tax – Salary vs. Dividends
This course will focus on the difference between using salary and dividends as compensation for tax purposes, from both a shareholder and a corporate perspective. You'll work through case studies to understand and calculate the different tax effects of using either, or both, types of compensation.

Technology, Innovation, & Strategy

Three Ways Digital Transformation is Reinventing Accounting
Digital transformation is shaping the future of accounting and the pace of digital change is increasing. Learn how technology is changing accounting practices and what you can do to "future proof" your finance career.

ERP Selection and Implementation
Learn how to select and implement a new enterprise resource planning (ERP) system and determine its potential impact on your business and reporting practices.

Next Generation Excel Reporting
New Excel features offer tremendous opportunities to improve both financial and operational reporting. Discover the importance of using Power Query to link data into Excel data models, and learn how you can manage these data models to facilitate better and more efficient reporting.

Mergers and Acquisitions – Aligning Your Financial Systems, Processes, and People
Mergers and acquisitions have become a regular part of business for many companies, and these opportunities often arise when least expected. This seminar will walk you through the steps required to align your financial systems, business practices, and individuals in a new organization.

Visit us online at **pd.bccpa.ca** for more course details, including dates and times, and to register.

ANNOUNCEMENTS AND ACCOLADES

Kudos!



Donald Brouwer, CPA, a manager with Grant Thornton LLP in Kelowna, has been appointed treasurer of the board of directors of the Downtown Kelowna Association. Donald joined the board in July 2021.



Archie Campbell, CPA, CA, chief financial officer of Coast Appliances in Vancouver, has been appointed as a board director for First West Credit Union and First West Foundation, both in Langley. Archie holds an ICD.D designation from the Institute of Corporate Directors.



Catherine Dahl, CPA, CMA, CEO of Beanworks Solutions Inc. in Vancouver, has received a 2021 EY Entrepreneur of the Year Award (Pacific Region). Catherine has been the CEO of Beanworks since 2012.



Noreen Kassam, CPA, CGA, has been promoted to deputy chief administrative officer and chief financial officer for the City of Burnaby. Noreen joined the City of Burnaby in 2014 as the assistant director of financial planning and capital equity. She was promoted to director of finance in 2017.



Linda Lucas, CPA, CMA, principal of Lead Vantage LLP in Vancouver, has been appointed to the board of directors of Ronald McDonald House BC & Yukon. Linda also works with CPABC's Professional Development Program as one of the facilitators of the Controller's Management Executive Program.



Sheilah Marcelino, CPA, CMA, has been promoted to director of finance of the Insurance Council of British Columbia in Vancouver. Prior to this appointment, Sheilah served as the company's financial controller for two years.



David Redekop, CPA, CA, a partner with RWT Growth in Kelowna, has been recognized by BDO LLP and the Kelowna Chamber of Commerce as one of Central Okanagan's Top 40 Over 40 honourees for 2021.



Sinéad Scanlon, CPA, CA, an audit partner with BDO in Kelowna, has been appointed secretary/treasurer for United Way British Columbia, which was amalgamated from six regional offices in June 2021. Sinéad previously chaired United Way Southern Interior BC and led the office's transition to amalgamation.

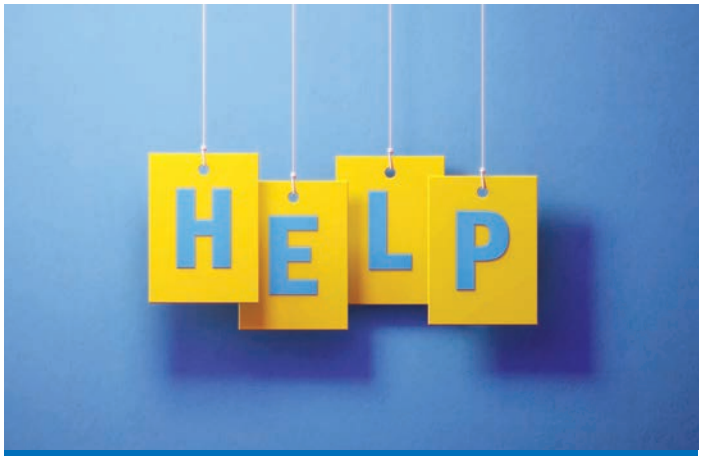


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Rose Zanic, CPA, CA, president of RCF Advisors Ltd. in Vancouver, has been appointed to the board of directors of Sanatana Resources Ltd. in Vancouver. Rose will also serve as chair of the board's audit committee.

If you have an announcement you'd like to share or you know of a fellow CPABC member, candidate, or student who's making moves or giving back, we would love to hear from you! Email us at infocusmag@bccpa.ca.



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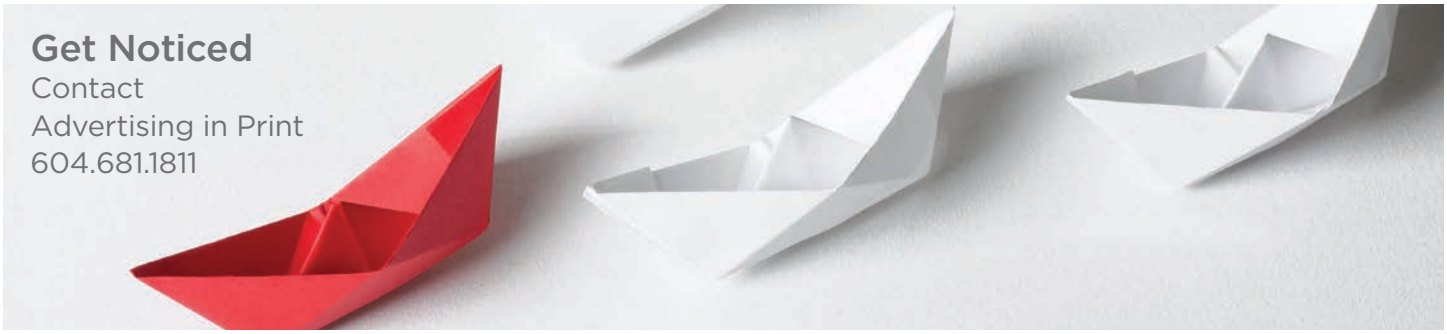
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SNAPSHOT:

Joanne YH Liu, CPA, CGA

The job: Principal of Joanne YH Liu Company Inc. in Richmond.

Passion project: Providing immigrants with free financial literacy education through the CPA Financial Literacy Program. “My family immigrated to Canada many years ago, so I can relate to the challenges newcomers face. It’s very rewarding to know that I’m sharing information that can make their lives easier.”

Creating connections: On November 10, Joanne will be presenting CPABC’s first FinLit session in Chinese. “I think many Chinese people may be reluctant to seek help in this area because they’re not confident about their English. By offering FinLit sessions in Chinese, CPABC is increasing accessibility, and I'm humbled, honoured, and very excited to play a role in this process.”

Stepping out of her comfort zone: “I’m not comfortable speaking in front of large groups, especially in English, but I find that being well prepared is the key to building up my confidence.”

Paying it forward: “My late mother taught me to live in pursuit of happiness for myself and others. Everything we say or do can have a positive impact on someone’s life. To me, that’s very powerful.”

Read more about Joanne at **bccpa.ca/newsroom.**



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