CPABC

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SEPTEMBER/OCTOBER 2015



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CPABC INFOCUS

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About

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Notes from the Chair

By Olin Anton, FCPA, FCA

Since the inaugural board was appointed by the Minister of Advanced Education this summer, we've made several key decisions for CPABC. At our first meeting in June, the board elected an executive, ensuring representation from all three legacy organizations. As I mentioned in the last issue of the magazine, I was extremely honoured to be asked to chair this group of exceptional volunteers. I'm also pleased to say that we have individuals on both the executive and board with experience in governance to help establish best-in-class policies for our new organization. CPABC's board members are featured on page 20.

Another of the actions at the board's first meeting was to endorse the recommendations of the Transitional Steering Committee and adopt CPABC's initial bylaws, regulations, and code of conduct. These have been in effect since June 24 when our legislation came into force, so please be sure you are familiar with all the nuances. Speaking of proclamation day—these celebratory events were outstanding, and you'll find photos and a recap on pages 8 and 9. In addition, video highlights from the all-members meeting are online at **bccpa.ca**.

June also saw the release of CPABC's *Regional Check-Up* reports, which examine and compare the economic performance of BC's development regions. This year, CPABC held two economic roundtable events in conjunction with the publication of the reports. These events—one in Kelowna and one in Victoria—gave local-area business leaders, many of them CPA members, a chance to discuss the reports and the current state of their region's economy (page 10). These discussions proved highly informative, and we anticipate holding additional events in other regions next year.

In late July and early August, CPABC moved staff from all three offices into the new Harbour Centre location in downtown Vancouver, and everyone is now settling into their new space. I toured the location in the final frantic days before the move-in and was pleased with what I saw. After almost three years of shuttling between offices, this move is the final stage of integration.

While our team was busy moving, they were also focused on ensuring the delivery of several major initiatives this fall—most significantly, the CPABC Pacific Summit, which is being held in Kelowna from September 23 to 25. There is still time to register, and I encourage anyone who has not yet attended one of these events to consider doing so. More information on the agenda and speakers is provided on page 14.

In addition, several key government relations pieces are slated for release in September and October, including the *BC Check-Up*, the *Business Outlook Survey*, and CPABC's budget submission to the Select Standing Committee on Finance and Government Services. These thought-leadership pieces highlight provincial economic trends, our members' views on the short- and long-term economic outlook, and the profession's public policy recommendations to government. With over 32,000 members, CPABC has a strong voice and needs to contribute positively to the economic well-being of BC. Highlights from each of these initiatives will be included in the next issue of *CPABC in Focus*.

Lastly, at the time of this writing, the executive team is gearing up for our fall Member Engagement Tour. We will be holding meetings across the province to talk to members about trends in the profession and to describe our priorities for the year ahead. I'm looking forward to meeting with as many of you as I can, so be sure to contact your chapter over the coming weeks and watch for further details! ■



Olin Anton, FCPA, FCA
CPABC Chair

"...we have individuals on both the executive and board with experience in governance to help establish best-in-class policies for our new organization."

Sponsorships & Events

In July and August, CPABC sponsored or attended a variety of events on and off campus to promote the profession to post-secondary students. Events included speed networking events with mid-size public practice firms; summer socials and barbeques with UBC, SFU, BCIT, and Fraser Valley students at Kwantlen Polytechnic University's Surrey Campus; and the SFU Accounting Student Association banquet.

Other CPABC-related recruiting events included a lunch & learn session with Ledcor, a diversified construction company, that enabled prospective students to learn more about the CPA designation, program options, and how CPABC works with employers—including employers in industry.

Fall recruit, CPABC's annual program of recruiting events for small-to-mid-size and national public practice firms and CPABC-approved training offices, has been underway since the beginning of September, and events are currently being held throughout the province. Also happening in September is the CPABC Pacific Summit in Kelowna (September 23-25)—see page 14 for details. And coming up on October 10 and November 21 will be the convocation ceremonies for legacy CPA, CMA and CPA, CGA graduates, respectively.

For more information on CPABC's sponsorships and events, visit the News, Events & Publications section of **bccpa.ca**.

Climate Change – Risks and Opportunities

On June 19, CPA Canada and CPABC co-hosted a breakfast session entitled "Risk and Opportunities of a Changing Climate" at the Morris J. Wosk Centre for Dialogue in Vancouver. This session, which examined how a changing climate gives rise to a variety of business issues—including operational, financial, and legal obligations—was part of CPA Canada's sustainability initiative.

Todd Scaletta, FCMA (Manitoba), director of research, guidance, and support at CPA Canada, was on hand to discuss the national body's efforts vis-a-vis climate change.

"CPA Canada has commenced a multi-year climate change initiative supported by Natural Resources Canada," he told participants. "We appreciate CPABC members' interest in supporting these initiatives, and members in BC can look forward to more events in the future."

Also on hand was Susan Todd, CPA, CA, a member of CPA Canada's sustainability advisory board, lead judge of the sustainability category for CPA Canada's 2014 Corporate Reporting Awards, and the principal of Solstice Sustainability Works Inc. With over 20 years of experience in sustainability consulting and stakeholder engagement, she was well-equipped to moderate the panel discussion, which featured panellists Cathy McLay, CPA, CMA, CFO and executive vice-president finance and corporate services at TransLink; Jennifer Ash, CMA (Manitoba), VP finance and operations at Frontiers North Adventures (FNA); and Thomas White, manager of science and adaptation at the Climate Action Secretariat in the BC Ministry of the Environment.

Cathy McLay explained that TransLink's capital review committee, which she chairs, is mandated to ensure that climate change risks are included in the company's capital review process.

"Asset management has to be strategic," she said. "The best time to address environmental risks is up front at the beginning of a project. The most expensive option may be doing nothing."



L to R: Panellists Thomas White, Cathy McLay, CPA, CMA; and Jennifer Ash, CMA (Manitoba), with moderator Susan Todd, CPA, CA.

Jennifer Ash described the importance of sustainability planning to a tourism-focused family business like FNA, which has been operating in northern Canada for over 30 years, providing eco-tourists with outdoor adventures. She explained that her responsibilities at FNA include managing the company's climate change adaptation strategy, which means looking for ways to optimize current operations while exploring opportunities for future growth.

"Developing a sustainability business case is important," said Ash. "After we put together a list of challenges, we develop a strong business case to identify critical points of failure. Then, we tie the business case to profitability."

Thomas White detailed the BC government's efforts to ensure that the province is prepared for and resilient to the impacts of climate change. He described the work of his team, which researches and implements

programs, policies, and legislation relating to climate change adaptation in areas such as coastal zones, agriculture and natural resources, infrastructure, and communities and public health. The team, White explained, works collaboratively across government, with the wider public sector, and with research institutions, non-governmental organizations, and professional and industry associations.

Also at the breakfast session was David Chiang, CPA, CA, CPABC's vice-president of member services, who said there's a strong interest in sustainability-related initiatives among CPABC members—particularly those who participate on CPABC's Young Professionals and Management forums.

"Changes in the environment can affect many business practices and trigger numerous issues," said Chiang when asked why sustainability is such a hot topic among the membership. "Professional accountants hold key roles in finance, operations, and risk management in every sector of the Canadian economy, and we can play an important role in developing strategies that address the impact of climate change."

For more details on how CPABC is working to support the national sustainability initiative or for more information on the CPABC Young Professionals and Management forums, contact David Chiang at **dchiang@bccpa.ca**.

CPA Canada launches initiative to help businesses adapt to climate change

Chartered Professional Accountants of Canada (CPA Canada) has announced a multi-year initiative to help businesses and other organizations better understand and adapt to the implications of climate change. The project is also supported by Natural Resources Canada and is managed by the Network for Business Sustainability.

The growing frequency of extreme weather events, as well as concerns about the availability of water and other natural resources, is affecting organizations in Canada and around the world. These changes have given rise to a variety of operational, financial, reputational, legal, and regulatory issues.

Canada's professional accountants have long been dealing with matters relating to climate change.

"Professional accountants hold key roles in finance, operations, and risk management in every sector of the economy," says Kevin Dancey, FCPA, FCA, president and CEO of CPA Canada. "These knowledgeable and skilled professionals can identify both risks and opportunities, which allows them to develop value-creating strategies. Their skills are more relevant than ever in meeting market expectations and business needs arising from environmental issues."

CPA Canada's initiative will provide resources to enable CPAs to build on their already formidable skills and expertise to help their organizations or clients adapt to a changing climate. Case studies showcase the adaptation strategies of different companies and sectors across Canada, including Vancouver-based TransLink and MEC. Thought pieces on the application of accounting competencies will be developed, as well as other resources, and additional professional development opportunities are planned.

"The Government of Canada is committed to taking strong action on climate change while keeping the Canadian economy strong," says Canada's Natural Resources Minister Greg Rickford. "This initiative will help Canadian businesses and accounting professionals understand how climate change affects their operations and will help equip them with the tools they need to continue to grow and adapt."

For more information, visit **cpacanada.ca/climatechange**.

Accounting Standards Board Roundtable Consultations

Linda Mezon, FCPA, FCA, chair of the Accounting Standards Board (AcSB), was in Vancouver on July 20 to gather feedback on the AcSB's five-year (2016-2021) strategic plan. Practitioners and users of financial statements attended the roundtable discussions and provided feedback on the board's plans for future international financial reporting standards (IFRS), accounting standards for private enterprises (ASPE), and standards for not-for-profits. In attendance were CPABC members Paul Hargreaves, CPA, CMA, who serves on the AcSB, and David Chiang, CPA, CA, CPABC's vice-president of member services.

"Standards affect many of our practitioners and users," says Chiang. "CPABC appreciates the AcSB's efforts to receive feedback directly from BC members."

To receive invites to future roundtable meetings, please join one of CPABC's member forums for practitioners.



Accounting Standards Board (AcSB) member Paul Hargreaves, CPA, CMA, with AcSB chair Linda Mezon, FCPA, FCA.

CPABC Proclamation Day Celebrations – June 24, 2015

On June 24, 2015, CPABC leaders gathered at the Fairmont Hotel Vancouver to celebrate the enactment of the *Chartered Professional Accountants Act*. In attendance were members of the three legacy governing bodies, the new CPABC board, and the CPABC executive, along with BC's advanced education minister, Andrew Wilkinson.

The history-making day began with an all-members meeting, where the CPABC executive and members of the Transitional Steering Committee addressed an audience of more than 100 CPAs. Their one-hour presentation recounted the journey to the formation of CPABC, provided a summary of the annual report and audited financial statements for the 2014-2015 fiscal year, and introduced the organization's inaugural board of directors.

The all-members meeting was followed by a luncheon event dubbed "United CPA: Why it's good for business," which was co-presented with the Vancouver Board of Trade. CPABC president & CEO Richard Rees, FCPA, FCA, and the advanced education minister each spoke about the positive impact the CPA legislation will have on the profession and the business sector. They then participated in a panel session with Mary Anne Davidson, director of the Vancouver Board of Trade, and Lori Mathison, CPA, CGA, Vancouver managing partner of Dentons Canada LLP, to further discuss the benefits a unified accounting profession will bring to British Columbia. More than 200 CPABC members and business leaders attended the luncheon.

After the luncheon, CPABC's board of directors met briefly with the advanced education minister to thank him for his efforts in the unification process. During the meeting, Olin Anton, FCPA, FCA, chair of the CPABC board, presented Andrew Wilkinson with a plaque acknowledging his contributions to the creation of the CPA profession.















Left (top and bottom): Shots from the CPABC all-members meeting. Above (top to bottom): A presentation to members featured CPABC Chair Olin Anton, FCPA, FCA; Simon Philp, FCPA, FCMA, past CMABC chair and former co-chair of the CPABC Transitional Steering Committee (TSC); Brian Friedrich, FCPA, FCGA, member at large on the CPABC executive committee, past CGA-BC chair, and former co-chair of the TSC; and Dan Little, FCPA, FCA, past ICABC president and former co-chair of the TSC.

















1. CPABC Chair Olin Anton, FCPA, FCA, chats with panel members at the luncheon event. 2. It was a full house for the "United CPA: Why it's good for business" panel discussion, which was moderated by David Crawford, CPA, CMA, VP of the Vancouver Board of Trade, and featured Advanced Education Minister Andrew Wilkinson; CPABC President & CEO Richard Rees, FCPA, FCA; Lori Mathison, CPA, CGA, managing partner of Dentons Canada LLP; and Mary Anne Davidson, director of the Vancouver Board of Trade. 3. Andrew Wilkinson announces the establishment of CPABC. 4. Richard Rees, FCPA, FCA, is all smiles on CPABC's big day. 5. The head table (l to r): Minister Wilkinson; Tyler Chan, an accounting student at the Beedie School of Business and a participant in the Vancouver Board of Trade's Leaders of Tomorrow program; Ryan Lermitte, CPA, CMA, owner of Umbrella Property Services Ltd. and a member of the Company of Young Professionals Advisory Committee for the Vancouver Board of Trade; Olin Anton, FCPA, FCA; Richard Rees, FCPA, FCA; Mary Anne Davidson; Lori Mathison, CPA, CGA; David Crawford, CPA, CMA; and Craig Hemer, a partner of Boyden global executive search and a director of the Vancouver Board of Trade. 6. Luncheon guests. 7. Andrew Wilkinson (front row, centre) poses for a shot with CPABC's inaugural board. 8. Olin Anton (left), presents the minister with a CPA plaque on behalf of the CPABC board.



Photos of the CPABC all-members meeting and CPABC/VBOT luncheon by Tyson Dziedzic for the Vancouver Board of Trade. Photos of the CPABC board with the advanced education minister by Kent Kallberg Studios. For more photos from these events, visit CPABC's Flickr page at **flickr.com/cpabc/sets**.

CPABC Economic Roundtables

This June, CPABC hosted its first-ever *Regional Check-Up* economic roundtables. The events, held in Kelowna (June 4) and Victoria (June 11), coincided with the release of the *Regional Check-Up* reports and enhanced the economic analysis therein by enabling participants living and working in these regions to discuss the results of the reports, provide their thoughts on local economic advantages and challenges, and suggest how the government could better support business growth.

Both roundtable events were attended by local business leaders and prominent CPA members across key industries. The Kelowna discussion, held at Quail's Gate Winery, was moderated by Karen Christiansen, FCPA, FCA, a partner at MNP LLP and CPABC's media representative for the Thompson-Okanagan *Regional Check-Up*. One of the major challenges identified during the engaging two-hour discussion in Kelowna was that of recruiting and retaining skilled labour. Another major talking point was the proper leveraging of the technology industry to support other industries in the region, as this was seen as a potential driver for growth.

These thoughts were echoed at the Victoria event, where participants discussed the challenges of recruiting skilled labour in a region with a relatively high cost of living and comparatively low wages. Regulatory barriers at the municipal level were another hot topic, as participants described how these barriers were hindering business success in the region. The Victoria event was held at the Union Club and moderated by Chuck Chandler, FCPA, FCA, a partner at Hayes Stewart Little & Company and CPABC's media representative for the Vancouver Island/Coast report.

CPABC would like to thank moderators and participants for attending these inaugural events. Discussion from the roundtables and analysis from the CPABC *Regional* and *BC Check-Up* reports will provide context for CPABC's budget submission to the provincial government this fall and will inform the *CPABC Business Outlook Survey*.

Kelowna roundtable participants:

Heather Banham, FCPA, FCGA – Dean, Okanagan College School of Business
Justin Bierwirth, CPA, CA – VP Finance and Accounting, Argus Properties
Amanda Burns, CPA, CA – VP Finance & CFO, Sun-Rype Products
Karen Christiansen, FCPA, FCA – Partner, MNP LLP (moderator)
Meryle Corbett, FCPA, FCMA – Director of Finance & CFO, KF Aerospace
Warren Everton, CPA, CMA – CFO, BC Tree Fruits Cooperative
Caroline Grover – CEO, Kelowna Chamber of Commerce
David McFadden, CPA, CGA – Owner, Okanagan Lavender & Herb Farm
Pilar Portela – CEO, Accelerate Okanagan
Linda Shumay, CPA, CMA – CFO, Bacas Holdings
Trevor Tremblay, CPA, CGA – VP Finance, Interior Savings Credit Union

Victoria roundtable participants:

Lindalee Brougham, FCPA, FCA, CGA – Owner, LL Brougham Inc.
Chuck Chandler, FCPA, FCA – Partner, Hayes Stewart Little & Company (moderator)
Ida Chong, FCPA, FCGA – Former BC Cabinet Minister
Eric Erickson, CPA, CA – CFO, Redlen Technologies
Mia Maki, CPA, FCMA – Principal, Quimper Consulting
Alan Paige, CPA, CMA – CFO & VP Strategic Management, Tourism Victoria
Simon Philp, FCPA, FCMA – Director & Team Leader, CIBC
Cheryl Wenezenki-Yolland, FCPA, FCMA – Associate Deputy Minister, BC Ministry of Finance
John Wilson – CEO, Wilson's Transportation Ltd.





The *Regional Check-Up* reports are available online at **bccheckup.com**.

Red Tape Reduction Roundtable Meeting

National Revenue Minister Kerry-Lynne Findlay held a roundtable discussion in Vancouver on June 19 to give stakeholders a chance to weigh in on the Red Tape Reduction Action Plan. Attending the roundtable on behalf of CPABC were Shane Onufrechuk, CPA, CA, a tax partner with KPMG and chair of the CPABC Taxation Forum, and Stanley Dong, CPA, CGA, a partner with Dong Russell & Company.

Launched in October 2012, the Red Tape Reduction Action Plan sets out the federal government's efforts to cut red tape, limit regulatory creep, and make the system more transparent so that entrepreneurs can focus on doing business. To learn more about this initiative, visit **actionplan.gc.ca/en/initiative/reducing-red-tape**.



Brand X Pictures/Stockbyte/Thinkstock

Monte Carlo Night Brings Young Professionals Together

On July 16, the CPABC Young Professionals Forum held its annual Monte Carlo Night with the Canadian Bar Association of BC Young Lawyers and CFA Society Vancouver. More than 120 professionals came out for a stylish evening of gaming, giving, fun, and networking at the Vancouver Club.

To receive invites to upcoming events, you can join the Young Professionals Forum by emailing David Chiang, CPA, CA, CPABC's VP of member services, at **dchiang@bccpa.ca**.



Young CPAs, lawyers, and CFAs hit the tables and try their luck during Monte Carlo Night.



Regulatory Updates

New CPABC Bylaws, Bylaw Regulations, and Code

With proclamation of the new *CPA Act* comes new bylaws, bylaw regulations, and a code of professional conduct. These documents are available on our website. For highlights of the new CPABC bylaws and regulations, please see page 22.

Member Directory Available to the Public Online

We are pleased to be able to provide a member directory on our website that will enable the public to look up CPABC members by name and/or city. To ensure that your privacy is protected, only basic contact information—your name, designation, and city of employment—will be provided. The directory will not include suspended or former members.

While inclusion in the directory is compulsory for all members, you may request to be excluded for safety or privacy reasons. If you believe you have a valid security reason to be excluded from the public directory, please contact us at **members@bccpa.ca** by September 30, 2015.

Members Only Directory Online

A more detailed online directory for members only will be available in the member secure section of our website, where members will be able to determine, on a self-serve basis, what information they want to share with other members. This new directory will be similar to the directories that were previously available on two of the three legacy websites. In addition to sharing the same basic contact information that's available in the public directory (as described in the section above), members have the option of adding additional information from their profiles, such as employment information.

We anticipate that the Members Only Directory will be available in September 2015.

New CPA Certificates

New CPA certificates will be mailed to all members. First, however, we ask that you go online to confirm or update your personal profile information and ensure that your mailing address and other information is correct and up to date. *Please note that there's a field indicating the name to be displayed on your certificate.*

Once you confirm or update your information, your new CPA certificate will be mailed to you. You can keep your legacy certificate—there's no need to return it to CPABC.

While checking your profile, please take the opportunity to indicate what information you'd like to share with other members in the Members Only Directory described above.

Use of CPA Designation by Members

With the enactment of the *CPA Act*, the legacy organizations cease to exist and all members are now regulated by CPABC. To ensure that the identity of the regulator is clear, the CPA designation must be used by all members who wish to use their designation. Accordingly, members must use CPA, accompanied by their legacy designation. This means your credential must be listed as "CPA, CA"; "CPA, CGA"; or "CPA, CMA" effective June 24, 2015.

Note: Going forward, successful writers of the Common Final Exam (CFE) will be designated as "CPA" only.



Jacob Wackerhausen/iStock/Thinkstock

Use of CPA by Firms

Now that proclamation has occurred, firms must use the CPA designation in their name and/or descriptive style, with no legacy reference, on all audit reports, review engagement reports, compilation engagement reports, and other material and correspondence that relates to the provision of public accounting services (such as engagement letters, invoices, management letters, and responses to requests for proposals).

Note: Only firms (including sole proprietors) are permitted to use the CPA logo. *Individual members are not permitted to use the CPA logo.* Firms seeking to use and/or display the CPA logo are advised to read the guidelines and application information on the CPABC website at **bccpa.ca**.

Transition for Letterhead, Websites, and Signage

In order to avoid wastage and extra printing costs, members and firms are permitted to use up their existing business cards and letterhead for the remainder of 2015. With respect to legacy references on firm websites, firms have until June 30, 2016, to change all legacy references to "CPA." And recognizing that it can be particularly costly to change signage, the profession is giving firms until December 2017 to install CPA signage. Please refer to our website at **bccpa.ca** for additional information and a set of FAQs.

Note: While there is a grace period for the transition, as detailed above, early adoption is strongly encouraged for all of these changes.

CPABC Ethics

Concerned about a fellow member's conduct or wondering about self-reporting a matter to CPABC? Please visit our website at **bccpa.ca** for information on how to file a complaint and for a description of the CPABC ethics process. If you wish to file a complaint with or self-report a matter to CPABC, a standard form is provided on the website to assist you. Please fill out the form and submit it to **ethics@bccpa.ca**.

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COURSE LECTURERS

Heather O'Hagan
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Upcoming Event – Reminder

CPABC Pacific Summit – September 23-25, 2015

Delta Grand Okanagan Resort & Conference Centre, Kelowna

THE COURAGE TO TRANSFORM

CPABC PACIFIC SUMMIT

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Riaz Meghji, co-host of CITY Vancouver's Breakfast Television



John Herdman, head coach of Canada's women's World Cup soccer team



Linda Nazareth, author *Economorphics: The Trends Turning Today into Tomorrow*, economist and broadcaster

CPABC's inaugural Pacific Summit in Kelowna on September 23-25 will deliver a diverse, thought-provoking program of business and leadership seminars designed to appeal to CPAs and other business professionals. The three-day event will be headlined by inspiring keynote speakers who will share their secrets for success and transformative change in three key areas of business:

Communicating

As co-host of *Breakfast Television Vancouver*, **Riaz Meghji** has to be conversant with topics as diverse as today's headlines—all while bringing out the best in his guests first thing in the morning. Every client, employee, and competitor can help improve your business, but do you know how to mine their gems of insight? Listen and learn from the TEDxVancouver host as he explains his secrets for bringing depth to candid conversations and his mantra: "Every conversation counts."

Coaching

Who better than **John Herdman** to inspire you with hard-won lessons on getting the best out of your teams and yourselves? The head coach of the national women's soccer team that made Canadians from every corner of the country cheer at the recent FIFA Women's World Cup of Soccer will share his thoughts on how:

- Managers can develop a high-performance culture;
- True leaders inspire trust, confidence, and sacrifice; and
- Professionals can gain insights from adversity to create future success.

Managing change

There are many disruptors in our economy, and in each industry and every sector, market segments are emerging, disappearing, and morphing right before our eyes. How businesses, consumers, and employees can navigate these waves of change is of special interest to **Linda Nazareth**, a senior fellow for economics and population change at the Macdonald-Laurier Institute for Public Policy and the author of *Economorphics: The Trends Turning Today into Tomorrow*. Come hear Linda share her thoughts on demographic, economic, and societal changes, and discover the opportunities these changes can bring to your long-term strategies for business and your investments.

To register for the CPABC Pacific Summit or for more information, visit **bccpa.ca**.

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Student & Candidate Resources



CPA Prerequisite Education Program (PREP)
2015 Semester Four
Module 5.1: Intermediate Financial Reporting 1
- *Exam – October 3*

2015 Semester Five
Module 5.2: Intermediate Financial Reporting 2;
Module 6: Corporate Finance
- *Registration deadline – October 9*
- *Classes begin – October 18*

Summary schedule at **goCPAbc.ca**.

CPA Professional Education Program (PEP)
Summer 2015 term – key dates:
Performance Management and Assurance elective modules
- *Exams – September 24*

Core Module 2; Finance and Tax elective modules
- *Exams – September 25*

Fall 2015 term – key dates:
Core Module 1
- *Module start – September 12*
- *Exam – November 13*

Core Module 2; Performance Management, Assurance, Finance, and Tax elective modules
- *Module start – October 17*
- *Exams – December 18*

Winter 2016 term – key dates:
Core Modules 1 and 2; Performance Management, Assurance, Finance, and Tax elective modules
- *Registration period – October 17-November 30*

Capstone 1
- *Registration period – October 12-November 23*

Summary schedule at **cpawsb.ca**.

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Building for Success

Our first-ever chair, Olin Anton, FCPA, FCA, is excited to help lay the foundation for CPABC's future

By Patrick Schryburt



Olin Anton was photographed at the new CPABC offices this July, while construction was still underway. Look for shots of the new space in our next issue. Photo by Kent Kallberg Studios Ltd.

What's next?

It's a question that has no doubt been on the minds of many CPAs ever since the Chartered Professional Accountants of British Columbia (CPABC) was officially established through proclamation on June 24, 2015. Unification under the CPA designation was the accounting profession's primary goal over the past two years—now that it has been achieved, what's next on the "to-do" list?

"It may seem simplistic," says Olin Anton, FCPA, FCA, CPA (Illinois), chair of CPABC's inaugural board of directors, "but our job now is to make members happy."

A partner with Deloitte LLP and long-time leader of the firm's audit practice, Olin is accustomed to taking on big projects. He's excited to lead the CPABC board and committed to laying a solid foundation for the future.

"We have an opportunity to establish new protocols for how our board will operate, and the policies and structure we set will stand for a long time," he says. "So it's crucial that we do it the right way."

Olin is equally committed to ensuring that the nascent organization serves the needs of its members.

"We must look at finding new ways to engage members and foster two-way communication to build a stronger CPA community," he says, adding: "Now is the time to begin establishing new traditions."

Member engagement is just the first part of a three-pronged strategy Olin envisions for the coming year. The second is outreach to employers.

"We have to focus our energies on building and enhancing our relationships with the employers of our members," he says. "The CPA certification program was developed to meet the needs of employers, and it's important to get that message out to the people who need and hire CPAs."

The third part of Olin's strategy focuses on the next generation of CPAs.

"If you look at projections, we need to produce 1,290 new CPAs annually," he says, referring to research commissioned by CPABC in 2014. "As CPAs, we have a responsibility to society, to serve its needs, and supplying qualified professional accountants is the number one issue facing our profession."

* The research was conducted by Roslyn Kunin and Associates, Inc. in April/May 2014, and results were summarized in the November/December 2014 issue of *CPABC in Focus* under the title "CPA Labour Market Outlook in British Columbia and Alberta – Findings from *Occupational Demand Analysis for Chartered Professional Accountants*." According to the research, the biggest challenge for the profession over the next 10 years will be meeting the expected demand for accounting professionals.



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The new chair also believes it's incumbent on CPABC to play a more substantial role when it comes to influencing economic and business policy in BC.

"We're bigger now—we're the province's second-largest professional body—and, therefore, our voice carries even more weight," he points out. "For example, we can do more research and offer more recommendations concerning tax policy."

Olin also believes that CPAs can benefit society by helping to improve financial literacy, an undertaking that seems increasingly pressing given the rising levels of consumer debt across the country and the corresponding risk this poses for the economy.

"There are people who are carrying high levels of credit card debt, paying too much in bank fees, or simply mismanaging their financial affairs," he says. "We can help educate people so they can make better decisions when it comes to their personal finances."

This notion of contributing to society is very much aligned with Olin's personal beliefs. He has an extensive record of volunteering, not just in the accounting profession but also with many not-for-profit organizations and charities, including the Vancouver Enterprise Forum, the Vancouver Academy of Music, the Canadian Home Builders' Association of BC, and the United Way of the Lower Mainland.

"Now is the time to begin establishing new traditions."

"Volunteerism can be invaluable in helping CPAs develop the qualities required to lead organizations," he says. "My personal experiences with community organizations certainly helped shape my leadership philosophy."

So what is his leadership philosophy?

"Leadership is about listening, gathering information, and being responsive to needs," Olin says. "And it's also about recognizing when it's time to make decisions."

British Columbia's CPAs can take comfort in knowing that CPABC's 2015-2016 chair is both excited and well prepared to help guide the new organization as it builds for the future. ■

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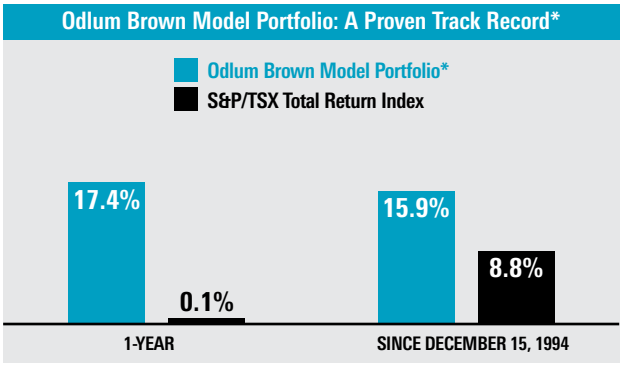
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*Compound annual returns are from inception December 15, 1994 to July 15, 2015. The Odlum Brown Model Portfolio was established by the Research Department in December 1994, with a hypothetical investment of $250,000. Trades are made using the closing price on the day a change is announced. These are gross figures before fees. Past performance is not indicative of future performance. Member-Canadian Investor Protection Fund.

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CPABC at a glance

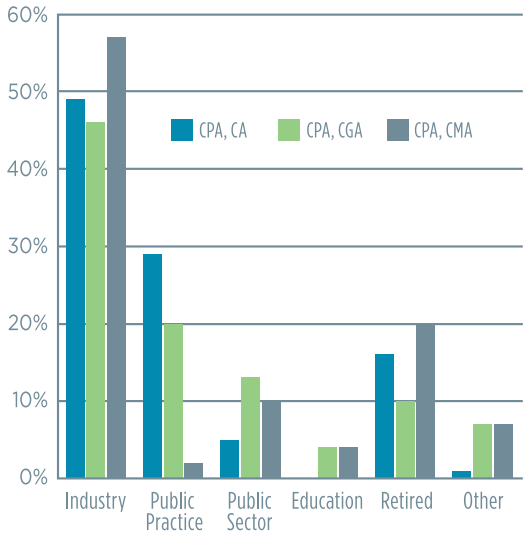
CPABC MEMBERSHIP as of March 31, 2015

29,980 members

Approx. **6,500** candidates and students



WHERE CPAs WORK 2014/2015



CPABC STAFF as of July 20, 2015 (excluding CPAWSB* Staff)

128 staff members (full-and part-time)

38 with a CPA designation

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five key departments

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- Certification & Operations
- Marketing & Business Development
- Member Engagement & IT
- Regulation & Registrar



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Highlights of the CPABC Bylaws and Bylaw Regulations

From the Regulatory Affairs Team

In the last issue of *CPABC in Focus*, we provided an overview of the *CPABC Act*. We are now pleased to present a summary of two more components of our regulatory framework: the bylaws and bylaw regulations.

The bylaws

The bylaws represent the high-level powers of CPABC and enable the board to make regulations relating to the implementation of that authority. These bylaws were approved by the legacy boards, submitted to the government of BC, and then approved by the CPABC board, as authorized under the *CPABC Act*.

Any future changes to the bylaws can only be made with the approval of the membership, and can only come into force after submission to the government, which has up to 45 days to disallow them.

Key areas covered:

Membership and CPD

The bylaws require that members must now use the CPA designation, together with their legacy designation—for example: James Joyce, CPA, CA.

A change for members is that they are now permitted to display foreign accounting designations, provided that: a) the foreign designation is displayed after the tagged Canadian CPA designation and b) the jurisdiction of the foreign designation (the country or US state) is noted—for example: Jane Doe, CPA, CGA (NZ) and John Doe, CPA, CMA, CPA (Illinois).

In addition, the bylaws confirm the requirement for compliance with a continuing professional development (CPD) program, and give CPABC the authority to suspend or cancel non-compliant members.

Public practice

It is now required that individuals engaged in public practice be licensed and firms be registered. This represents a change for all legacy members, as none of the legacy bodies required that *both* individuals *and* firms be registered.

Note that the definition of "public practice" is included in the definitions section of the bylaws and includes "public accounting" and "other regulated services" (such as tax and forensic accounting). The bylaws establish different licence categories that correspond to the services being offered to the public. This too represents a change for some legacy practitioners.

Investigation and discipline

This part of the bylaws details the process that must take place when complaints arise concerning the conduct of a member/former member, student, professional accounting corporation/former professional accounting corporation, or registered firm/former registered firm. It ensures that a rigorous and fair process is undertaken—one that respects the rights of the individual whose conduct is in question while also ensuring the protection of the public. These processes represent some level of change for members of all three legacy bodies.

General

The general section of the bylaws covers matters such as: the incorporation of the rules of professional conduct into the bylaws; the authority to suspend and cancel membership or licensure for non-payment of fees; and the authority to disclose information to the public about a member's membership status, public practice licence, and business contact information.

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The bylaw regulations

The bylaw regulations provide the detail required to support the administration of the bylaws. These regulations include provisions for CPABC governance, such as setting the number of elected board members at 15, and establishing four electoral regions (Vancouver Island, Lower Mainland, Interior, and the North), with the requirement that at least one board member be elected from each region.

The bylaw regulations also confirm that delivery of the education program is delegated to the CPA Western School of Business, and set out the CPD requirements (see page 24 for more on CPD).

Several of the bylaw regulations relate to public practice, including the requirement for sole practitioners to appoint an assisting accountant to be responsible for returning client records in the event of the sole practitioner's death or incapacity—this requirement was in place for some legacy practitioners but is new for others. The regulations also provide details regarding which public practice services can be provided under each licence category—important information for all practising members. ■

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Details provided online

The complete bylaws and bylaw regulations can be found on the CPABC website under Members/Regulatory or Protecting the Public. These documents have been written in a plain language style. We encourage all members to read them and get an understanding of what it means to be a member of CPABC.

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ACCOUNTING FOR INCOME TAXES
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FOR ALL TAX PROGRAMS AND TO REGISTER, VISIT:
cpacanada.ca/2015programs

CPD Reporting Requirements for CPABC Members

Minimum Continuing Professional Development (CPD) Requirements		
	Verifiable Hours	**Total Hours**
Annual	10	20
3-Year Rolling Cycle, including 4 hours of verifiable business ethics	60	120

Verifiable CPD includes learning activities relevant to your professional role, for which there is third-party evidence to verify your participation.

Unverifiable CPD includes personal reading, on-the-job learning, and other "self-study" activities relevant to your professional role, for which there is no evidence to verify your participation.

Verifiable Business Ethics includes learning activities that specifically address business ethics matters. This is similar to the previous requirement for CPA, CGAs; however, members can now accumulate hours earned in various separate activities. This new updated version of the business ethics requirement is currently in place for CPA, CGAs and will continue. It is a new requirement for CPA, CAs and CPA, CMAs, and is effective for the 2015-2017 rolling cycle.



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Example: How the 3-Year Rolling Cycle Works

2015	2016	2017	2018	2019	2020	2021	2022
Ⓔ 40hrs	40hrs	40hrs					
			50hrs Ⓔ				
			Ⓔ	30hrs			
			Ⓔ		40hrs		
						50hrs Ⓔ	
						Ⓔ	30hrs

Ⓔ denotes verifiable business ethics

1. In the first three-year cycle, the member completed 40 hours of CPD each year, including four hours of ethics.
2. In the third year of the second cycle, the member completed 50 hours of CPD, including four hours of ethics, for a total of 130 CPD hours.
3. To reach the requisite 120 hours for the third cycle, the member need only earn 30 CPD hours in 2019.
4. For the fourth cycle, the member would need at least 40 hours in 2020.

Note that CPA, CGAs and CPA, CMAs are already on a three-year rolling cycle and will continue on a rolling cycle. For CPA, CAs, 2014-2016 will be the last three-year fixed cycle, and 2015-2017 will be the first three-year *rolling* cycle.



CPD Reporting

CPD reports are due by January 31 for the previous calendar year. You can log your CPD activities online throughout the year as you undertake them. Failure to complete and report CPD requirements will result in a $200 late reporting administration fee and, ultimately, in suspension and cancellation of membership.

CPD Audit

It is important for you to keep supporting records of your CPD activities for five years after the end of the annual reporting cycle, as CPABC audits a random sample of members each year for the preceding three-year cycle. You do not need to submit the supporting records unless requested.

Verifiable CPD Sources

CPD does not have to be taken through CPABC; it does not even have to be taken in Canada. CPD may be completed through any learning institution, organization, and/or employer.

Nor does CPD have to be accounting related. You choose the area of learning. Verifiable CPD only has to be relevant to your particular employment or professional role, business situation, or career aspirations.

CPD Reductions and Exemptions

Please refer to our website at bccpa.ca for information about CPD reductions and exemptions. You may qualify if you are retired, caring for a dependant, on medical leave, or have special circumstances. ■

Additional Information

For further information, please refer to our website at **bccpa.ca** or contact us at **cpd@bccpa.ca**. You can also reach us by phone at 604 872.7222 or toll-free in BC at 1 800 663.2677—just ask to speak with a CPD administrator.



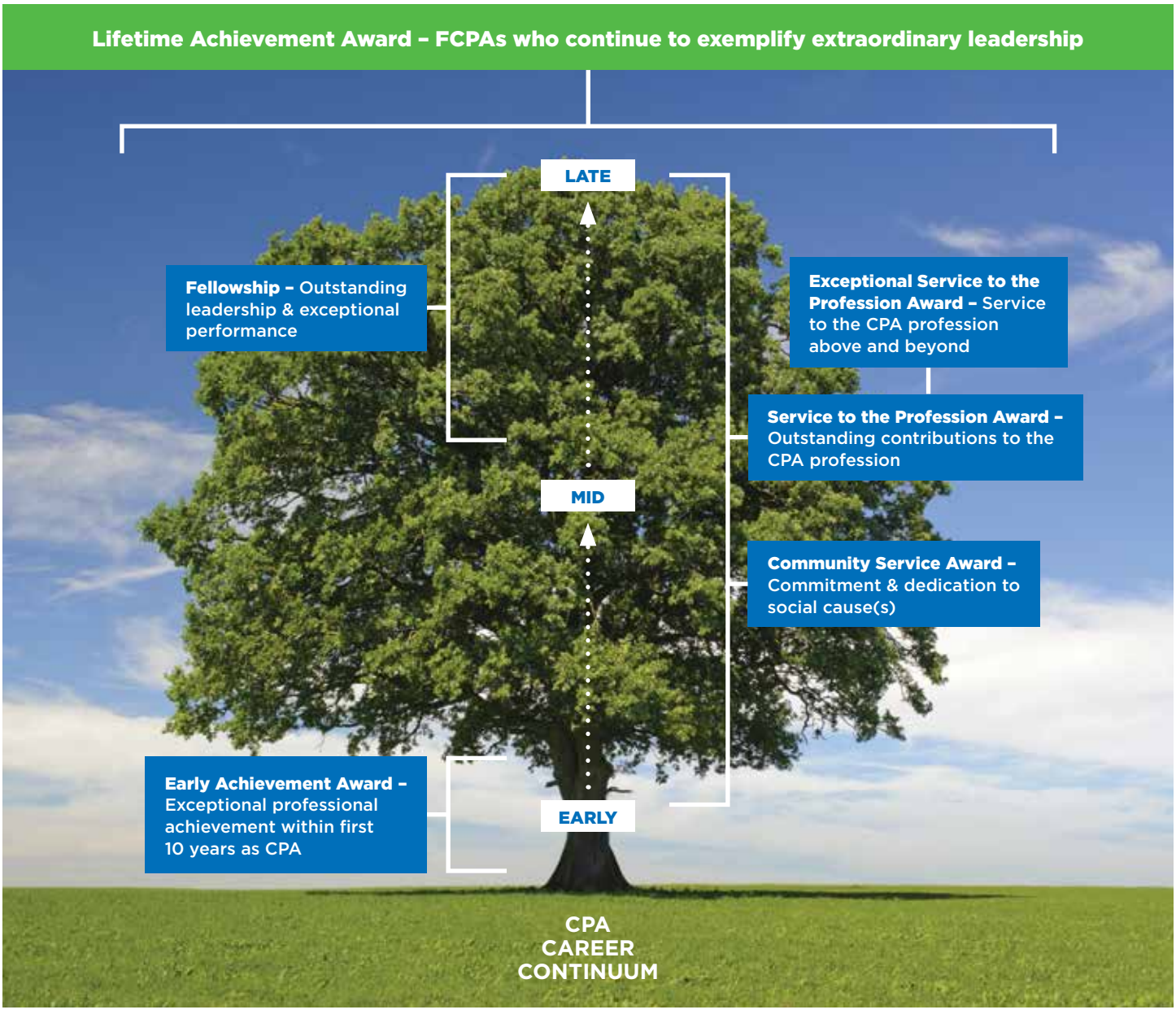
CPABC Launches Member Recognition Program

At the June 24 proclamation luncheon, Andrew Wilkinson, BC's minister of advanced education, issued a call to action to all CPAs: Use your expertise as a business and accounting professional to serve your province, and consider becoming a director for charitable, not-for-profit, or public boards. At the same time, the minister acknowledged the high number of CPAs already active in their communities and the outstanding value their involvement adds with respect to good governance and fiscal accountability. This exceptional volunteerism and career achievement—both in the community and within the profession—is something all three legacy bodies recognized and celebrated.

Building on these traditions, we are proud to launch the CPABC Member Recognition Program, which will recognize excellence and achievement by objectively assessing career success, volunteerism in the community, and contributions to the profession. The different awards will reflect the full spectrum of a CPA's career—from early accomplishments to a lifetime of achievement, and everything in between.

CPABC award winners will exemplify the best attributes of chartered professional accountants: leadership, expertise, innovative thinking, integrity, and commitment to the highest standards and best practices.

The following framework outlines the award categories as they correspond to a member's career continuum:



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The Early Achievement Award will celebrate members who've joined the profession within the last 10 years and have already distinguished themselves in their careers through professional achievement and volunteer service, with an emphasis on professional achievement.

The Community Service Award will highlight the remarkable commitment and dedication of members to a social cause or their recent/present support of one or more not-for-profit or charitable organizations. The award is designed for those who have played a key role in implementing new initiatives and/or improving an organization's model and practice, thereby making a strong, positive impact.

The Service to the Profession Award will recognize members' dedication, commitment, and outstanding contributions to the CPA profession. The award is designed for those who have been actively involved as unpaid volunteers (e.g., on committees, chapters, and/or task forces), and who have demonstrated outstanding leadership and dedication. From the Service to the Profession Award winners, a member recognition committee will choose one CPA to receive the Exceptional Service to the Profession Award. Designed to recognize an individual who exemplifies what it means to be a CPA, this award has been created in honour of several legacy volunteers who gave tremendously to the accounting profession, and in recognition of the values they exhibited: Harold Clarke, FCPA, FCGA, Ritchie McCloy, FCPA, FCA, and J.M. MacBeth, FCPA, FCGA.

Fellowship in the profession will recognize members who have demonstrated outstanding leadership and exceptional performance in at least two of the following three categories: 1) volunteer services to the profession, 2) their careers, and 3) volunteer contributions to professional, community, or charitable organizations.

Finally, the highest accolade CPABC will bestow is the Lifetime Achievement Award, which will recognize FCPAs who, after receiving their fellowship, have continued to exemplify extraordinary leadership and accomplishments in a broad range of areas. This award will only be given out when suitable candidates are nominated, as determined by the CPABC board.

The board has formed two member recognition committees to administer the recognition process. After carefully reviewing and evaluating the nominations received, these committees will make recommendations to the board. One committee will consider fellowships and awards for lifetime achievement, and the second will review the nominations for early achievement, community service, and service to the profession. The board has appointed Dan Little, FCPA, FCA; Simon Philp, FCPA, FCMA; and David Sale, FCPA, FCGA, to jointly chair these two committees. As past president/chairs of the legacy boards, Dan, Simon, and David have met hundreds of members across the province. They are keenly aware of the remarkable contributions made by BC's CPAs, and of the thousands of hours of personal time these individuals invest in their communities and in the profession.

It's important to note that CPABC's potential award winners can only become candidates for recognition if they are nominated. So we urge each of you to think about exceptional colleagues, review the detailed criteria and nomination files at **bccpa.ca**, and submit a nomination.*

More information on each award is available at **bccpa.ca**, along with nomination forms. ■

**Please note: To be eligible for a CPABC award, an individual cannot have already received a similar award from one of the legacy bodies.*



CPAB's Role and the Future of Auditing in Canada

By Brian Hunt, FCPA, FCA, ICD.D

Note to readers: The following is based on a speech Brian Hunt presented at the Accounting Educators' Symposium in May 2015.

The audit industry and the professionals in it will experience more change in the next five to 10 years than they have in the last 50. We are on the verge of a transformation in the way audits are performed, and in the skills required to perform them.

We must ask ourselves if we're ready for that future. Then the follow-up question is: What role will academics and educators have in helping with this transformation? And are we identifying the right competencies that will mould our next leaders right now?

Established as Canada's audit regulator in 2003, the Canadian Public Accountability Board (CPAB) is here to protect the investing public and help enhance confidence and stability in Canada's capital markets. We work to ensure that quality audits are delivered on a consistent basis.

We've already come a long way. Audit quality in Canada has improved over the past 12 years, and we believe CPAB has been instrumental in this advancement. However, the audit industry is changing and will continue to do so, and we predict that there will be a shift in how audit work is delivered and in the skills and training that will be required to adapt to these changes. Many of the changes will improve audit quality; others, if not managed properly, could have a negative impact.



The accounting and auditing profession is not known to evolve rapidly—in many ways, we operate in 2015 just like we did in 1965—but there are some transformative changes on the way that could have a huge impact on the industry. Among them: the increasing mentality that the audit process is a "commodity," where price is the biggest factor in determining the hiring of one firm over another; the potential to use more technology and data analysis to provide greater value to clients; and a change in team structure that has resulted in larger numbers of less-experienced audit staff being supervised by a smaller number of managers. Those in the profession, along with the academics and educators who will train the audit professionals of the future, need to prepare themselves accordingly.

The first trend I would note is that firms are reporting a downward pressure on audit fees, with users questioning the value of the audit and rival firms underbidding. As a result, assurance-related revenue accounted for 43% of Big Four global network revenue in 2013, compared to 46% in 2011.

What is making up a larger proportion of overall revenue is the money coming from consulting services. A number of firms have acquired consulting firms, and some have gone as far as acquiring law practices. The culture of advisory services can often be quite different than the traditional audit service for several reasons, including the cyclical nature of the consulting business, the competitive environment, and the revenue model, which often is based on a one-time service for clients.

The growth of consulting services could create potential conflict between professionalism—or protecting the public interest—and commercialism and striving for the highest profits.

While the audit practice still remains a significant part of overall Canadian revenue for the Big Four, continued decreased growth in this area, compared to the growth in advisory



Brian Hunt, FCPA, FCA, ICD.D, the CEO of the Canadian Public Accountability Board, shares his thoughts on the future of auditing at the Accounting Educators' Symposium on May 21, 2015.

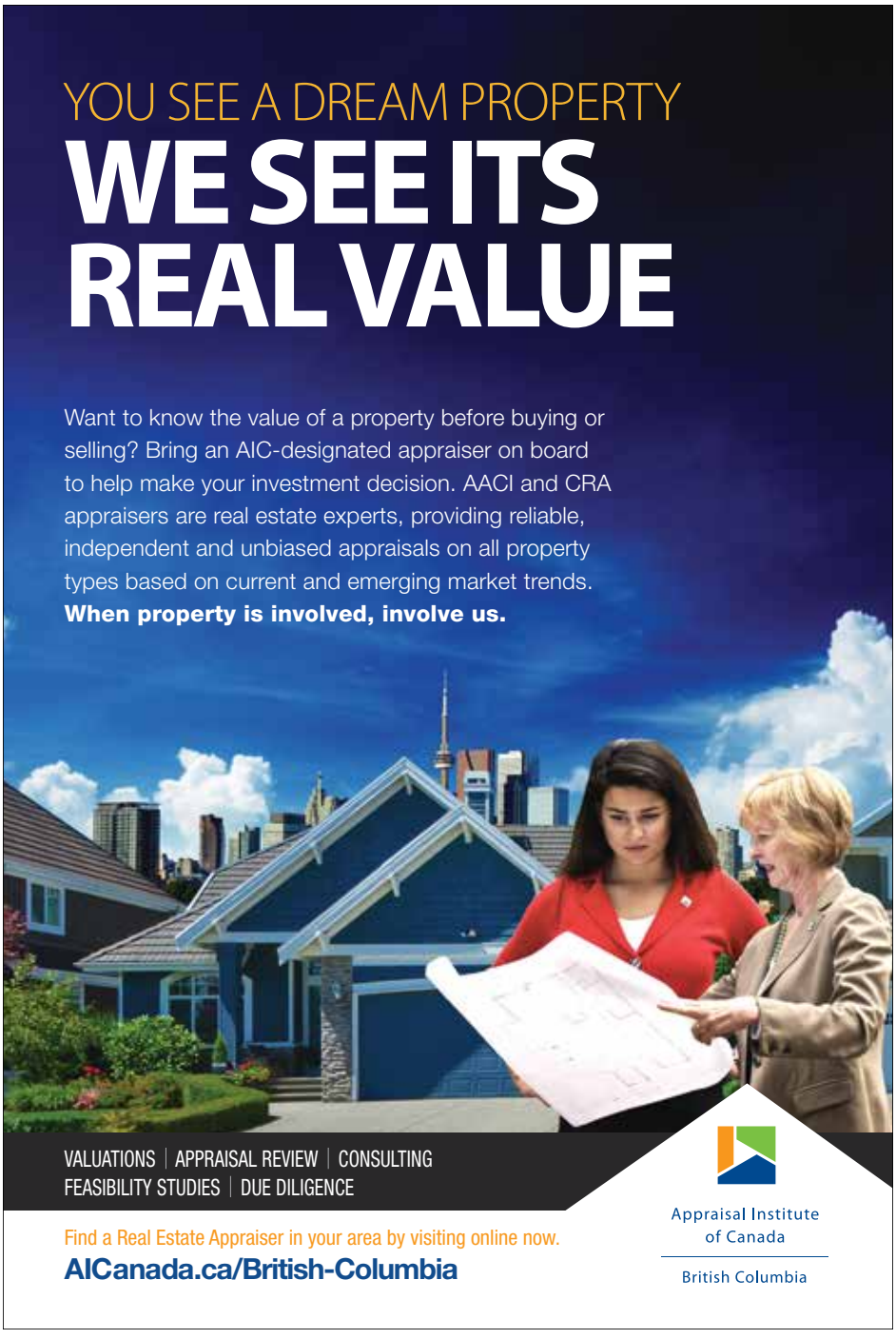
services, could prompt a firm to decide that continuing to deliver public company audits, with decreasing margins and regulation, is not worth the risk.

This trend should be considered in the broader context of how the audit function in general is being perceived from a relevance and value perspective. What is the relevance of the audit? Boards of directors, audit committees, and investors likely value audits from an assurance perspective, but is there additional value audits can create for investors and other stakeholders? Is the value keeping pace with our global, technology-driven, real-time capital markets?

There is also the risk of audits falling into what I call the "Commodity Trap." Currently, it's difficult for audit committees to differentiate between audit firms based on quality, and there is little transparency to the audit committee regarding quality audit work. Audit committees—which often perceive the main value of the audit process as a "reliance on an expert" defence should an issue arise—often assume that all audit firms comply with general standards of competence and deliver good work. The unfortunate economic reality of this thinking is that when customers can't differentiate between suppliers on the basis of quality, price usually drives purchasing decisions. In my view, the Commodity Trap is one of the biggest obstacles to advancing the relevance and economic value of the audit.

One way to move beyond the Commodity Trap is to foster enhancements and developments not included in generally accepted accounting standards, with the aim of providing better, faster, and more efficient audits. To do that, we must look to innovation.

Many of us in the profession believe the use of emerging technologies and practices—for example, mining large amounts of data and developing sophisticated data analytics techniques—may increase the audit's value to stakeholders. These technologies and practices could provide deeper insights into—and foresight on—the organization's operations. They also



may increase audit efficiency. All of these innovations could enhance the perceived value of an audit and take this function out of the Commodity Trap.

For example, the use of technology may enable auditors to examine 100% of a client's transactions, and to sort entire populations of transactions to identify anomalies. This would make it easier to focus on areas of potential concern and drill down on those items that may have the highest risks.

So, we need to ask how we can hasten and improve the use of big data and data analytics in the audit process. And we also need to ask ourselves what the auditor of the future will look like. Will they have a computer science or engineering degree rather than a more traditional business and accounting background? At the very least, I believe they'll need a strong foundation in data analytics, problem-solving, and strategic thinking, along with more traditional skills such as business acumen, communications and relationship skills, global savvy, and leadership ability.

The changing structure of how audit work is done will also have an impact on the profession. Consider that the Big Four firms employ more than 700,000 people globally. And in Canada, the number of CPAs is more than 190,000. We don't know how many are being hired into the audit practice rather than into advisory services, but we know that a significant portion of audit work today is being done by those with fewer than five years of audit experience.

The traditional team structure within an audit firm is the pyramid—a large number of audit staff with less than five years of experience being supervised by a smaller number of practitioners at the senior manager or partner level. But offshoring and outsourcing trends are changing this structure to more of a diamond model, with junior staff taking on more of the non-complex, routine tasks, and senior auditors focusing on more complex processes and providing supervisory review. The question then becomes: How do you get a 22-year-old, entry-level auditor to behave with the level of experience and professional skepticism of a 28-year-old, to be effective at performing the more complex tasks?

This combination of factors will exert a great deal of pressure on labour resources in the accounting profession and, by extension, auditing. Collectively, we should be asking what can be done to encourage individuals with the necessary knowledge, skills, and abilities to embark on and remain in a career in auditing. ■

Brian Hunt is the CEO of CPAB.



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Richard Brown has worked in the disability insurance business since 2002, providing absence and disability management advice to businesses, health and welfare trusts, and government agencies.

Navigating the Risks of Long-Term Disability Costs

By Richard Brown and Dan Eisner, CPA, CA

It's estimated that one in three employees in Canada will make a long-term disability (LTD) claim in their working life. Yet most people don't talk about LTD claims on a regular basis, so when an employee experiences an illness or injury, there is often confusion about how the process works and what the risks are to the organization.

Employers are facing increasing external pressures to develop more effective disability management systems—pressures such as the duty to accommodate[1] employees with disabilities under human rights codes; the health and safety requirements instituted by the provincial Workers' Compensation Boards; higher disability benefit insurance rates; legal challenges; and the national standard for psychological health and safety in the workplace.[2]

There are also increasing internal pressures, including the difficulty of recruiting and retaining skilled workers, and the need to improve productivity to stay competitive.

The good news is that by implementing a structured and integrated approach to disability management in the workplace, employers can either prevent or reduce the length of an extended absence due to disability.



Dan Eisner is an employee benefits adviser with ZLC Financial, working with human resource and finance professionals on employee benefits and broader human capital strategies.

Identifying risks to absenteeism

A good first step is to assess the organization's health benefit costs and absence and disability costs. In particular, it's important to know the absence rate—the number of days per year that are missed due to sickness and health-related issues. In addition, employers should review drug and employee assistance program usage and disability claims experience data, which outline diagnoses, durations, and outcomes, and can be useful in pointing out areas that require attention. As well, they should access any available tools, such as surveys and libraries, offered by their insurance providers, in order to better understand the general health of their employees.

[1] The duty to accommodate employees with disabilities is part of the *Canadian Human Rights Act* and provincial human rights codes. These laws are designed to protect individuals from discrimination on the basis of race, religion, sexual orientation, or disability.

[2] *Psychological Health and Safety in the Workplace* is a voluntary standard that was introduced in 2013 by the Mental Health Commission of Canada (MHCC), the Canadian Standards Association, and the Bureau de normalisation du Québec. More information, including a free guide, is available on the MHCC website at **mentalhealthcommission.ca**.

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Note that mental illness is a significant contributor to absence in the workplace. In fact, according to the Mental Health Commission of Canada, 30% of disability claims and 70% of disability costs are attributable to mental illness.[3] However, the symptoms of mental illness tend to be less overt and may only show a gradual onset, so organizations often only see this revealed through a high use of antidepressant drugs and employee assistance programs, in addition to a high rate of disability claims related to mental health.

Initiating accommodations

Those of us working in the insurance sector know it's important to initiate the accommodation process early, as we've seen that employees are more likely to return from disability leave if their employer provides early intervention and accommodation. Conversely, the longer someone is off work, the more difficult it tends to be for them to return.

Therefore, if employers don't take a proactive approach, they automatically expose themselves to unnecessary financial hardship. In addition to incurring both short-term sick leave costs and a long-term liability related to disability claims (through higher insurance premiums), the employer often faces additional costs related to the loss of productivity, overtime paid to other employees, recruiting costs for a temporary and/or permanent replacement, and a loss of engagement/morale among the rest of their team.

Supervisors and managers are typically the first people who learn of a physical ailment that's preventing one of their team members from working. It is equally important that they recognize emotional and behavioural changes in employees who may be suffering from psychological distress. While leaders don't need to be trained mental health workers, those who can recognize when an employee is struggling and figure out how to help can have a huge impact. To do so, however, they must be given the proper training, tools, and resources by their employers.

[3] Mental Health Commission of Canada, "Navigating the transition between disability supports and employment, *MHCC Newsletter*, June 2013.

An accommodation can be as simple as limiting an employee to light lifting, less time standing, or less detailed work. Or it can mean providing a modified work schedule, a change in desk location, or additional help and support for a period of time. Whatever the course of action, the duties assigned must be within the employee's capabilities and must not put their health or the safety of other workers at risk.

There's no cookie-cutter solution, so it's best to take a flexible approach to each situation. With that said, a collaborative approach is always best. It's also important for the employer to try to focus on the employee's abilities rather than on their disabilities throughout the accommodation process.

Providing a solid return to work process

When absence is unavoidable, the goal is to bring the employee back as soon and as safely as possible. The return-to-work process can only start when the employee has reached a level of functioning that will enable them to reintegrate into the workplace. To ease the process of reintegration, the first, and arguably most important, step is to establish regular contact with the employee during their absence to keep them informed about what's happening at work, keep them engaged with the workplace, and reassure them that their contributions are missed and that their employer is looking forward to having them return.

A graduated return-to-work schedule is commonly used to help the employee build up their stamina. This can start by having the employee work a couple of days per week, with duties and responsibilities slowly building up to a full-time return. We all need to feel valued at work, so it's important that the employee is assigned meaningful work during this time and is not just considered an "extra body." It may be necessary to modify tasks as well, depending on the nature of the illness and the duties of the job.

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Did you know?

- The definition of disability is primarily job-specific, and assessment of eligibility is not only dependent on the existence of an illness or injury, but also on how that illness or injury affects an employee's ability to work.
- Human and civil rights laws in Canada and the US mandate that employers accommodate employees who are experiencing a disability, including mental health conditions.
- LTD benefit plans are typically designed to replace 70-85% of an employee's after-tax pre-disability income rather than 100%—this recognizes that employees are no longer paying their work-related expenses while off and that there should be some incentive to return to work.



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Again, there is no cookie-cutter solution, but a process of collaboration is always advisable. Additionally, because some aspects of the job and/or the environment will likely change following the employee's return to work, it's important for the employer to be flexible and ensure that everyone is on the same page.

Having the right benefits plan

In addition to the actual disability benefit that supports employees with income replacement when needed, employee assistance programs (EAPs) and extended health benefits are important parts of the benefits package with regard to absences. Most EAPs offer supportive counselling and other resources to assist employees during times of need. Paramedical benefits, such as psychological treatment and physiotherapy, are also helpful for employees who need more intensive help in dealing with an illness or injury, and may help prevent or reduce absences.

However, there are times when an absence from work is necessary, including, for example, to provide recovery time after surgery or to enable someone to undergo treatment. Therefore, income replacement plans, such as short- and long-term disability plans, are an important part of any benefits package. And it is vital that these plans be reviewed with a qualified adviser on a regular basis, as the plans will complement efforts to accommodate employees and help them return to work.

Establishing effective disability management systems

Ultimately, it just makes good sense for an employer to build and implement a proactive disability management program—one that addresses both the external and internal risks to the business, and provides a win-win scenario for both the employer and their most important asset: the employee. When employers, employees, and insurers all get involved early in the process and understand their mutual responsibilities, there is a greater chance of creating solutions that are beneficial to all parties. ■

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Michael Blatchford is a lawyer with Vancouver-based law firm Bull Housser, working in the firm's charities and tax-exempt organizations group.



Bryan Millman practises within the wealth preservation group at Bull Housser, with a primary focus in the areas of charities and tax-exempt organizations.

BC Not-for-Profit Alert: New *Societies Act* Coming!

By Michael Blatchford and Bryan Millman

The provincial legislation that governs the majority of not-for-profits in British Columbia is receiving an overhaul. The current *Society Act* dates from 1977, and while outdated in some respects, it remains the legislation of choice for the incorporation of not-for-profit corporations in BC. The creation of the new *Societies Act* ("the new Act") was driven by a growing need to modernize the regulatory scheme governing societies in BC. The new Act received royal assent at the BC legislature on May 14, 2015, but will likely not come into force until sometime in 2016.

What follows is a brief summary of some of the most significant features of the new Act. *Note:* A not-for-profit operating in BC that is not incorporated under the current *Society Act* will not be affected by these changes.

Qualifications of directors

The new Act will establish minimum qualifications for all directors of societies. Directors must:

- Be at least 18 years old (with the possibility of exception by regulation);
- Not be declared incapable of a court;
- Not be an undischarged bankrupt; and
- Have no unpardoned convictions for fraud or certain other prescribed offences in the past five years.

A society is free to set out additional qualifications in its bylaws. A person who does not meet all criteria cannot be elected or appointed as a director of a society, and a director who ceases to meet these qualifications must resign. The new Act will also allow for "ex officio" directors—that is, directors who become directors because of a particular attribute/position they have/hold, and not as a result of an election.

Unalterable provisions and special resolutions

Most societies are well aware that the current threshold to pass a special resolution at a meeting is three-quarters of the votes cast. The new Act will reduce this threshold to two-thirds. The new Act will also allow a society to set a higher threshold for special resolutions—up to unanimous approval!

This flexibility may help offset the fact that the new Act will prohibit societies from having unalterable provisions in their constitutions. When a society transitions to the new Act, it will have to move any unalterable provisions from its constitution to its bylaws, where the provisions will become alterable. Under the new Act, the only recourse for a society that wishes to make certain provisions more resistant to change will be to expressly set a higher-than-normal threshold to amend these provisions.

Member proposals

Members of a society have always been able to requisition a special meeting for a specific purpose, provided that at least 10% sign the requisition. The new Act will add to this ability by giving members the right to add specific issues to the agenda of an existing members' meeting via a "member proposal." This member proposal must be added to the agenda if it is signed by at least 5% of the society's voting members. A society's board of directors will only have the discretion to reject the proposal if it is substantially similar to an issue that was already proposed at an annual general meeting in the previous two years. However, the new Act will provide that the Society is not held liable as a result of publishing a proposal if required.



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Member-funded societies

The new Act will establish a new category of society that did not exist under the former legislation by differentiating between publicly funded societies and "member-funded" societies. A member-funded society is one that is funded primarily by its own members to carry on activities for the benefit of same. The new Act will outline slightly relaxed standards regarding corporate governance, financial disclosure, and the distribution of assets on dissolution for member-funded societies, given the private nature of the funding.

While private clubs and member associations are the most likely types of organizations to fit into this new category, others may also meet the criteria. Organizations that will *not* meet the criteria include societies that receive a prescribed amount of funding from public donations or government sources, registered charities, student societies, and hospital societies.

Senior managers

The new Act will introduce the concept of a "senior manager," defined as any individual who has been appointed by the directors to manage the activities or affairs of the society, either as a whole or in respect of a principal unit of the society. A senior manager may be an employee, contractor or volunteer. For example, the CEO or executive director of a society will almost always be a senior manager, and other senior staff or volunteers may also be so, if they are appointed by the society's board.

The new Act will impose certain duties on all senior managers (including the duty to disclose a conflict of interest), but also provides rules on indemnification, insurance, and the limitation of liability for such persons. The purpose of regulating senior managers is to decrease the potential for abuse by a society's management.

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The new Act will provide greater flexibility by permitting societies to keep their records in any format that enables the records to be inspected and copied. It will also allow for different people to have different inspection rights.

Public disclosure of remuneration

The new Act will require societies to disclose the remuneration, if any, paid to its directors and to its 10 highest-paid employees and contractors earning over a prescribed amount. This disclosure will have to be made in a note to the society's annual financial statements, which will be accessible to both the society's members and the general public. To counterbalance any privacy concerns, the names of the directors, employees, and contractors will not have to be included in the financial statements. *Note:* The requirements to disclose remuneration information and make financial statements accessible to the public are *not* applicable to member-funded societies.



Inspection of records

The new Act will clearly set out the record-keeping obligations of a society by outlining the records that must be maintained and identifying the individuals who may inspect them. A society will not be obligated to keep a record if 10 years have passed since it was last altered or created and if the record is no longer "relevant."

Aligning with British Columbia's current corporate legislation, the new Act will provide greater flexibility by permitting a society to keep its records in any format that enables them to be inspected and copied. The new Act will also allow for different people to have different inspection rights; for example, directors may inspect all records without restriction, but a society's bylaws may restrict members from inspecting certain records.

Director's conflicts of interest

Under the current *Society Act*, a director must disclose any interest in a proposed contract to the other directors; otherwise they could become liable to account for any profits made under the contract. The new Act, however, will clarify that the disclosure obligation applies to any actual or proposed contracts or transactions in which a director has a "material" interest (including a non-pecuniary interest). Under the new Act, the requisite disclosure of a director will have to be documented in the minutes of a directors' meeting, in a written consent resolution, or in any other written document addressed and mailed to the society's directors.

Finally, the new Act will also prescribe that a director-in-conflict must: abstain from voting on (or consenting to, in the case of a consent resolution) a resolution of directors in respect of the matter; physically leave the directors' meeting while the matter is being voted on or discussed (unless asked by the other directors to be present to provide information); and refrain from any other action intended to influence the other directors' discussion or vote.

The transition period

Once it comes into force, the new Act will contemplate a two-year transition period during which existing societies will be expected to take steps to move to the new Act. ■



Left to Right:
Vern Blair, Cheryl Shearer, Robert D. Mackay, Kiu Ghanavizchian, Andrew L. Mackenzie, Gary M. W. Mynett, Chris Halsey-Brandt, Andy Shaw, Jeff P. Matthews, Farida Sukhia

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Andy Shaw:	604.697.5212				



Faizal Valli is a senior manager in tax services with Ernst & Young LLP in Vancouver, specializing in tax and estate planning for private clients.



Brendan L'Heureux is a tax senior at Ernst & Young LLP in Vancouver.

Bill C-43 Brings Changes for Spousal and Joint Partner Trusts: Expiring Clients, Expiring Tax Opportunities

By Faizal Valli, CPA, CA, and Brendan L'Heureux, LLB, CPA, CA

The November/December 2014 issue of *CPABC in Focus* included a tax article entitled "Spousal and Joint Partner Trusts – A Case Study Highlighting Benefits and Important Tax Considerations," which reviewed the benefits and tax considerations of spousal and joint partner (JP) trusts. On December 16, just a few weeks after that issue was published, Bill C-43, the *Economic Action Plan 2014 Act, No. 2*, received royal assent. The tax changes Bill C-43 has introduced are significant enough to warrant a second look at spousal and JP trust planning. These changes may herald unanticipated tax consequences for established trusts, and practitioners need to consider how to mitigate the coming impacts.

Changes and additions

As discussed in the November/December 2014 article, a settlor of any age may create a spousal trust for the benefit of their spouse,[1] while a settlor aged 65 or older may create a JP trust for the benefit of either partner. Any number and types of residual beneficiaries are permitted under either trust vehicle, although they do not become entitled to trust income or capital until the (last surviving) spousal beneficiary has died.

The 2014 article presented a case study in which spousal or JP trusts were considered for a John and Jane Doe. Some of the tax considerations reviewed in that article have changed materially as a result of Bill C-43's passing—notably:

- Deemed dispositions on the death of the (last surviving) spousal beneficiary;
- Charitable donations made on death; and
- Capital gains deduction claims by a spousal trust.

In addition, the following *new* tax concepts warrant special attention:

- The introduction of graduated rate estates (GREs) and
- The mismatching of tax liability between trust and estate.

The spousal and JP trust benefits of probate savings and the avoidance of wills variation still apply notwithstanding the changes introduced by Bill C-43. However, for taxpayers who are in a position to alter their current or proposed trust arrangements, careful reflection is required.

Graduated rate estates introduced

Bill C-43 has restricted the availability of marginal tax rates to testamentary trusts by introducing the concept of GREs. As mentioned in the July/August 2015 issue of *CPABC in Focus*,[2] a GRE is a testamentary trust arising on, or as a consequence of, an individual's death, and this testamentary trust must be designated as a GRE on its first tax return.

All testamentary trusts are currently subject to marginal (graduated) tax rates. Beginning in 2016, however, only GREs will be subject to these rates. The benefits afforded to GREs will include:

- Taxation at marginal tax rates on income earned within the GRE for its first 36 months;
- New charitable donation rules (discussed below) for donations made by will or in the GRE; and
- A capital gains exemption on share donations.

[1] Throughout this article, the term "spouse" refers to a spouse or common-law partner, and includes same-sex partners.

[2] Stephanie Yu, CPA, CA, "Post-Mortem Donations – Legislative Changes and Their Impact," *CPABC in Focus*, July/August 2015 (26-28).

While the challenges created by the new GRE rules are complex and numerous, it is particularly important to reiterate that only one testamentary trust will be afforded GRE status under the new rules.[3] Under the existing rules, clever will-planning can cause multiple estates to arise on a testator's death as long as the terms are sufficiently varied to avoid duplication, and each of these separate testamentary trusts will be subject to graduated tax rates. Under Bill C-43, however, since only one GRE will be subject to graduated tax rates, inter-vivos and non-GRE testamentary trusts will find themselves on an even keel.

Changes made to rules for deemed disposition on death

As discussed in the 2014 article, under the existing rules, the death of the (last surviving) beneficiary spouse results in a deemed disposition within the spousal or JP trust. Under the new rules, however, there will be a deemed year-end on the day of death of a spousal trust's beneficiary (or on the date of death of a JP trust's last surviving spouse). Any income for that year, up to the date of death, and any capital gains resulting from the deemed disposition of the spousal or JP trust property, will be taxed on the individual's terminal return.[4]

Consider the example of John and Jane Doe from the 2014 article, in which preferred shares are owned by a spousal trust. Under the new rules, the deemed disposition of such shares will be reported on the terminal return of the deceased spouse, rather than in the spousal trust. Where preferred shares are owned by a JP trust, the deemed disposition will now be reported on the terminal return of the last surviving spouse, rather than in the JP trust.

The estate loss carry-back rule[5] also warrants further review in light of Bill C-43. A detailed discussion is beyond the scope of this article, but one important change, using the example of John and Jane Doe, arises where preferred shares are held personally: Under the existing rules, the capital gain from the deemed disposition of these shares on death can be offset by the trust's capital loss on the subsequent redemption of said shares. Beginning in 2016, however, the estate loss carry-back will only be available to GREs.

If the preferred shares are owned by a spousal or JP trust, although the deemed disposition and capital gain will be reported on John or Jane's terminal return under the new rules, any capital losses subsequently triggered on redemptions by the spousal or JP trust will continue to be denied,[6] potentially resulting in double-taxation. Therefore, careful planning is required.

Moreover, with deemed dispositions occurring on the deceased individual's terminal tax return effective January 1, 2016, it will no longer be possible for a spousal trust to claim the capital gains deduction. Accordingly, subsection 110.6(12) of the *Income Tax Act* will be repealed effective 2016.

Mismatched tax liability between trust and estate now a possibility

Under the existing rules, the tax liability on deemed disposition is attached to the spousal or JP trust. Effective 2016, however, the deceased's estate will face the tax liability for the spousal or JP trust property. Unfortunately, at the time of death, the spousal or JP trust will still hold all the relevant assets; this could give rise to situations wherein estates face taxes payable on a spousal or JP trust's formerly unrealized capital gains, without having sufficient capital to cover these taxes.

[3] As noted in the July/August 2015 article.

[4] See new paragraph 104(13.4)(a) and (b) of Canada's *Income Tax Act* (ITA).

[5] ITA subsection 164(6).

[6] ITA subsection 40(3.6).

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"Bill C-43 has introduced significant changes to the trust and estate-planning landscape [that] will apply to all taxpayers."

Additionally, beneficiaries of an estate may find their own residual interests eroded by a tax liability that arises from the spousal or JP trust's deemed disposition. The fact that each trust may have different beneficiaries means that beneficiaries of a spousal or JP trust could potentially see the tax consequences of deemed disposition absorbed by an unrelated group.

To avoid these scenarios, the Department of Finance has stated its intention for the CRA to enforce the tax liability "…. as though the [inter-vivos] trust were liable in the first instance for that amount."[7] This could create a precarious situation—if the tax liability relating to the spousal or JP trust remains unpaid, the beneficiaries of the estate would have to rely on the CRA enforcing this tax liability against the spousal or JP trust rather than the estate. Furthermore, spousal or JP trusts likely will not contain provisions that allow them to distribute property to the estate. In addition, the CRA might only be swayed by the Department of Finance directive when collecting a tax liability. The time lag between when the tax liability arises and when the CRA begins collection is also a cause for concern, because if an estate does not pay at the time of filing (and it may not be able to afford to do so), interest and penalties could ensue from that date.

[7] See clause 57, "Joint Liability – Spousal and Similar Trusts," *Explanatory Notes Relating to the Income Tax Act, Excise Tax Act, Excise Act, 2001 and Related Legislation*, October 2014. (www.fin.gc.ca/drleg-apl/2014/bia-leb-oct20-1014-n-eng.asp)




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Spousal and JP trust deeds will need to be amended to address how the mismatch in tax liability will be handled and funded. Careful planning will be required to avoid tainting the spousal or JP trust, or the GRE status of an estate.

New charitable donation rules created

Currently, donations made by will are deemed to be made immediately before an individual's death, and the resulting donation tax credit may be used in the terminal return or carried back to the preceding tax year. Donations made by a spousal or JP trust are not afforded the same flexibility.

Effective 2016, however, donations made by will or by any estate will be deemed to be made at the time the property is transferred to the charity, and it will be possible to carry unused donations forward for up to five years, matching the carry-forward period currently allowed for individuals. For GREs, it will be possible to claim such donations on the deceased individual's terminal or prior-year tax return, or on the GRE's tax return. There are no changes to donations made by a spousal or JP trust.

Using the practical example of John and Jane Doe once again, it will no longer be necessary for a spousal or JP trust to plan charitable donations, since there will be neither deemed disposition nor tax liability in either trust. Under the new rules, donations should be made in John's and/or Jane's will(s). Therefore, if current spousal or JP trusts contain charitable intentions, careful planning is in order.

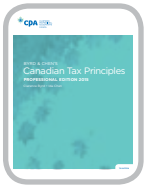
The impact will be far-reaching

Bill C-43 has introduced significant changes to the trust and estate-planning landscape, and not just in terms of the examples discussed in this article. The changes will apply to *all* taxpayers, with no grandfathering provided for existing trusts. Practitioners will need to fully understand these changes and consider their implications for existing plans—even if those plans involve individuals who have already passed away. In addition, new trust and estate plans will require very careful drafting. ■

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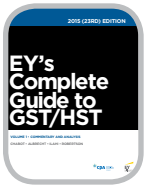
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This easy-to-understand guide provides straightforward answers to personal and corporate tax questions, making it easier to explain complex tax issues to clients.

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EY's Complete Guide to GST/HST, 2015

Written by a team of EY indirect tax professionals, it is Canada's leading guide on GST/HST including GST/HST commentary and legislation, as well as a GST-QST comparison.

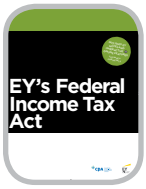
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HIGHLIGHTS FROM THE FALL 2015 CPABC PD PROGRAM

We have another great selection of seminars and executive programs to choose from this fall, with approximately 250 titles—46 of which are new—and over 540 scheduled seminars. Our fall 2015 PD program is now available on our website at pd.bccpa.ca. Here are some highlights:

PD PASSPORTS 2015-2016

Don't forget to purchase one of our PD Passports to enjoy incredible savings on either classroom or online seminars! Valid for CPABC PD seminars held between September 1, 2015 and July 31, 2016, these PD Passports entitle you to six days of passport-valid seminars, and can significantly reduce your training costs.

The **Personal PD Passport** is non-transferable, and is suitable for individuals who want to attend multiple seminars. The **Flexi PD Passport** is perfect for companies or groups of individuals who want to share passport days. You can purchase as many passports as you require.

The 2015-2016 passports straddle two CPD reporting years, making it economical to meet reporting requirements. For more information or to purchase, please go to **pd.bccpa.ca** or email us at **pdreg@bccpa.ca**.

PD CONFERENCES

Local Govt Accounting and Auditing

Offered in conjunction with the Government Finance Officers Association of BC, this two-day session will update practitioners and auditors on the accounting, auditing, and financial issues facing local governments. Participants will be able to meet and exchange ideas with some of those involved in standard setting, and will learn how some communities have dealt with the aforementioned issues.
Nov 19-20, 8:30am-4:30pm, Vancouver

Members in Business and Industry PD Day

This popular conference is designed to give members in industry practical information as efficiently as possible. Information on keynote and breakout sessions will be available soon—please check our website.
Dec 15, 8:30am-5pm, Vancouver

NEW TITLES THIS FALL

ACCOUNTING & ASSURANCE | FINANCE | WEALTH MGMT

CAS Communication Requirements for Private and Not-for-Profit Audits

In addition to the auditor's report, a number of other communications are required under Canadian auditing standards (CAS). This seminar will review the requirements, and explain how they can be met effectively and efficiently.
Nov 27, 9am-12:30pm, Vancouver

Common Documentation Issues with Review Engagements

This two-hour seminar will provide examples of documentation in the most crucial areas of typical review engagement files. Tips will be provided to improve file documentation in the areas most commonly deficient.
Oct 23, 10am-12pm, Vancouver

Modelling Business Cash Flows in Excel

This workshop will explore how to build a robust monthly cash flow forecast model in Excel using modelling best practices. Participants will walk away from the workshop with a cash flow model template that can be tailored to their organization. This is a hands-on seminar, so please bring a laptop with Excel installed.
Oct 21, 9am-12:30pm, Surrey
Oct 28, 9am-12:30pm, Vancouver
Oct 28, 9am-12:30pm, Kelowna
Nov 4, 9am-12:30pm, Victoria
Nov 19, 9am-12:30pm, Prince George

Modelling Business Valuation

This workshop will enable participants to build an equity valuation model in Excel confidently. Participants will learn how to forecast corporate financial statements and undertake a DCF-free cash flow valuation. This is a hands-on seminar, so please bring a laptop with Excel installed.
Nov 5, 9am-5pm, Vancouver

The Procrastinator's Guide to Retirement

Let's face it: Planning and saving for retirement is not easy, which is why many of us become procrastinators when it comes to dealing with this aspect of our lives. But there is hope. This course will take you step by step through the process of planning and saving for retirement, starting in your fifties.
Oct 23, 9am-5pm, Kelowna
Oct 29, 9am-5pm, Nanaimo
Nov 6, 9am-5pm, Vancouver
Nov 20, 9am-5pm, Prince George

MANAGEMENT & PERSONAL DEVELOPMENT | CONTROLLERSHIP & MANAGEMENT ACCOUNTING

Speeches of Leadership

Leadership is about helping others in their development. "Speeches of leadership" is about using oral communication skills to bring about that development. This seminar will be of interest to individuals who lead others formally and to those who want to motivate others to make positive changes. It will be filled with self-exploration exercises and communication activities related to helping others evolve.
Nov 16, 9am-5pm, Vancouver

Top Talks: How to Talk to Decision-Makers

Research indicates that high-level decision-makers prefer speakers who behave in specific ways. This seminar will help participants develop the language and delivery skills, as well as the visual supports, needed to address high-level audiences effectively. Expect to discuss your experiences and practise various skills in simulated exercises.
Nov 4, 9am-12:30pm, Vancouver
Nov 23, 9am-12:30pm, Victoria

We Have to Talk – Having the Difficult Performance Conversations

There are dozens of books on the topic of important conversations, and one common theme emerges from this literature: The *fear* of difficult conversations is often more stressful than the actual conversations. This seminar will place difficult conversations at the core of successful work relationships, and show you that you're more able to have successful performance conversations than you thought.
Nov 13, 9am-5pm, Vancouver

Essential Topics for Controllers

When it comes to their professional training, financial managers are inundated by opportunities to develop their technical and financial-based skills. However, as they move along in their careers, many discover a whole other set of "soft" skills that need development. This seminar will cover such topics as employment interviews, strategic-planning basics, negotiation skills, performance evaluations, managing versus leading, communication skills, and the termination of employees.
Nov 3, 9am-5pm, Vancouver

Financial Management in the Construction Industry

Most industry experts acknowledge the increasing importance of business systems and financial awareness to the success of the construction industry. This seminar will describe the unique challenges faced by this sector and explain how to deal with these challenges—whether you're a financial professional in the construction industry or an adviser to clients within the industry.
Nov 5, 9am-5pm, Vancouver

Financial Statement Analysis

Most professional accountants are involved in the review and analysis of financial statements to some extent. This seminar will help members in public practice detect strengths and areas of concern for their clients quickly, and will give members in industry knowledge they can use to manage their own reporting dashboards.
Nov 4, 9am-5pm, Vancouver

Managing My People

Increasingly, managers are recognizing that their people provide the only true and sustainable way of differentiating their business offering and serving clients effectively. This interactive workshop will focus on showing managers effective ways to work with their teams and get the best out of each team member.
Dec 16, 9am-5pm, Vancouver

Becoming a High-Performance Team Member

This workshop will explain what it takes to play a constructive role on a high-performing team. Special emphasis will be placed on the interpersonal skills that team members need—for example, advocacy, listening skills, and conflict resolution skills.
Nov 20, 9am-5pm, Vancouver

Finding Serenity by Managing Stress

Learn how to manage stress through mindfulness and personal awareness, including understanding your role in accumulating stress. This seminar will help you build effective stress management strategies to help you work toward a long-lasting state of well-being.
Dec 15, 1:30-5pm, Vancouver

TAXATION

Basic Tax Compliance in Self-Employment and Home-Based Businesses

You're your own boss. For the most part, you dictate the hours and call the shots, but you're stuck with the paperwork too. Are you compliant with your tax obligations? This seminar will cover the fundamental tax compliance issues involved in setting up and running a self-employed small home business.
Nov 6, 7:30-9:30am, Vancouver

Ethical Tax

Tax is seldom black or white. In this interactive session, case studies will be used to provoke discussion about tax-related ethical dilemmas. The seminar is designed for professional accountants who have responsibility for tax compliance, decision-making, and/or the provision of tax advice.
Dec 2, 9-11am, Vancouver

GST/HST and PST Update

The objective of this seminar is to provide a briefing on important recent legislative changes, court cases, and government pronouncements that attendees may have missed. By attending this seminar, participants will gain a greater awareness of the GST and PST issues and developments that could impact their business or the provision of tax advice to clients.
Oct 14, 9am-5pm, Kamloops
Oct 15, 9am-5pm, Kelowna
Oct 21, 9am-5pm, Victoria
Oct 23, 9am-5pm, Abbotsford
Oct 26, 9am-5pm, Parksville
Nov 2, 9am-5pm, Nanaimo
Nov 5, 9am-5pm, Surrey
Dec 7, 9am-5pm, Vancouver

Preparing for a GST/HST Audit

The objective of this seminar is to help businesses and practitioners prepare for a GST and HST audit. The seminar will review the audit process and common audit issues. Participants will learn how to prepare and manage an audit, and how to deal with after-audit issues such as the objection process and the assessment of penalties. They will learn how to minimize GST/HST exposures, and will be provided with real examples applicable to businesses of all sizes.
Nov 24, 9am-5pm, Vancouver

MARK YOUR CALENDARS! PD WEEKS 2015:

Kelowna	Nov 2-6 | Ramada Hotel & Conference Centre
Parksville	Oct 26-30 | Quality Resort Bayside
Surrey	Nov 30-Dec 4 | Sheraton Vancouver Guildford Hotel
Vancouver	Nov 23-28 and Dec 7-12 | Vancouver Convention Centre West
Victoria	Oct 19-23 and Nov 16-20 | Victoria Conference Centre

Kudos!



Gordon Howie, CPA, CA, has been appointed chief executive officer of Coast Wholesale Appliances Inc. Gordon previously served as the company's chief financial officer.



Stewart Marshall, CPA, CMA, has been appointed VP, finance with Colligo, a leading provider of data synchronization solutions for Microsoft SharePoint. Before joining Colligo, Stewart was the CFO of InTouch Technology.



Mark Mawhinney, CPA, CMA, of Odlum Brown Limited, Victoria, has joined the board of directors of Tourism Victoria. Mark is also a director on the Greater Victoria Chamber of Commerce board.

Bob Sanghera, CPA, CA, was appointed managing partner of Smythe Ratcliffe this past July. Bob joined the firm in 2003 and became a tax partner in 2009. **Sindy Wong, CPA, CA**, also became a partner with the firm in July. Sindy first joined the firm as a tax manager in 2009, after three years in industry. **Paul Woodhouse, CPA, CA, CBV**, recently joined the Vancouver office of Smythe Ratcliffe Advisory Services as director of valuation services. Paul has over 25 years of experience as a financial advisory consultant. **Brendan le Nobel, CPA, CA**, and **William Tam, CPA, CA**, also recently joined the Vancouver office of Smythe Ratcliffe. Both are senior associates, currently working toward completing the chartered business valuator designation.



Bob Sanghera



Sindy Wong



Paul Woodhouse



Brendan le Nobel



William Tam

In Memoriam

We wish to send our condolences to the family, friends, and colleagues of **Robert (Bob) Earl Jamison, CPA, FCA**, who passed away on June 24, 2015, in Ottawa after a battle with cancer. He was 78 years old.

Bob's successful accounting career began in his native Ottawa, where he articled with George A. Welch and Co. and became a CA. After relocating with his family to Vancouver in 1966, he soon received an offer to open a branch of Rose Gale and Co. in Prince George. He later moved back to Vancouver with the firm, which evolved into Manning Jamison (now Manning Elliott).

Bob was elected to the ICABC Fellowship in 1993. He volunteered extensively in the accounting profession, and served as Council president in 1993-1994. He also served for many years on the board of the Alzheimer Society of Ottawa. After retiring from public practice in 1996, Bob moved back to Ottawa where he enjoyed the wild birds that visited his home every summer.

Celebrations of his life were held in both Ottawa and North Vancouver in early July.



Bob Jamison

CPABC Golf Tournaments Attract 260+ Participants

This summer, six CPABC golf events and tournaments were held across the province. The golf season kicked off in May at the Mylora Sidaway Golf Club in Richmond. The event was organized by the Richmond/South Delta Chapter. Chad Chang, CPA, CMA; Kyle Chuang; Kang Chen (CGA student); and Ken Ma, CPA, CGA, won the tournament's prize for low gross score.

Three other CPABC chapters held golf events in early June. Members of the Kootenay West Chapter teed off at the Little Bear Golf Course in Castlegar; the Prince George/Central Interior Peace Chapter played at the Alder Hills Golf Course; and the Fraser Valley Chapter co-hosted an event with the Fraser Valley CPA Association at Newlands Golf and Country Club in Langley.

Two more tournaments were held in late June. The Okanagan Chapter held its inaugural tournament at the nine-hole Pinnacle Course at Gallagher's Canyon. The tournament raised $2,400 to support student scholarships at UBC Okanagan and Okanagan College. This amount was matched by CPABC's education foundation,* resulting in four scholarships of $1,200 each, which will be awarded to local students in 2016. Nick O'Coin, CPA, CGA, and Charlene Smart, CPA, CGA, along with guests Yarden Gershony and Ted Smart, won the "Okanagan Cup" for lowest team score. The trophy was presented by CPABC's second vice-chair Heather Banham FCPA, FCGA, and CPABC's VP of member services, David Chiang, CPA, CA.

The Victoria/Southern Vancouver Island Chapter held its tournament at the Royal Oak Golf Club. The "Island Cup" was won by Ryan Day, CPA, CMA; Kyle Johnson, CPA, CMA; Chris McLean (CGA student); and Jim Swan, CPA, CGA. The trophy was presented by outgoing chapter chair Jason Stevenson, CPA, CMA.

In all, more than 260 members, students, and guests participated in these golfing events. To find out more about upcoming chapter events visit **bccpa.ca/members/cpabc-chapters**.

The golf season will conclude in September with CPABC's 56th Annual Vancouver Golf Tournament at University Golf Club, organized by Ben Moxon, CPA, CA. Originally a legacy event, this tournament is the longest-running annual tournament in the golf course's history.

*Information about CPABC's new education foundation will be provided in the November/December 2015 issue of *CPABC in Focus*.



Overcast skies didn't stop the Richmond/South Delta Chapter from having a great time on the links.



Participants at the CPABC Fraser Valley golf tournament gather for a quick photo op.



CPABC's second vice-chair Heather Banham, FCPA, FCGA (far left), and VP of member services David Chiang, CPA, CA (far right), present the Okanagan Cup to the team with the lowest score (l to r): Nick O'Coin, CPA, CGA; Charlene Smart, CPA, CGA; Ted Smart; and Yarden Gershony.

Do you have an announcement you'd like to share in an upcoming issue of CPABC in Focus*? Email us at:* ***infocusmag@bccpa.ca***

Recognizing Member Achievement

Final legacy awards event caps off historic day

June 24, 2015, was a momentous day for the profession, with proclamation marking the official launch of CPABC in the morning and the final legacy member recognition event taking place in the evening.

More than 170 attendees, including members of the new CPABC board and past ICABC presidents and council members, gathered at the ICABC Member Recognition Dinner to celebrate the achievements of the 30 Fellows, one Honorary CA—now CPA (Hon.)—and four Lifetime Achievement Award winners recognized in 2014/2015 (for profiles of the honourees, see the February 2015 Member Recognition Supplement online at **bccpa.ca/members/member-recognition**). Honourees were also joined by family, friends, and colleagues.

The gala event was a fitting end to an historic day, marking the end of one era and the start of another. For information on CPABC's new Member Recognition Program, see page 26.


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1. Lifetime Achievement Award winner Bruce Flexman, FCPA, FCA (centre) with his family. 2. Sandy Hilton, FCPA, FCA (back row) with his parents and daughter. 3. L to R: Olin Anton, FCPA, FCA; Katherine Angus, FCPA, FCA; Karen Christiansen, FCPA, FCA, and Dan Little, FCPA, FCA (both past co-chairs of the CPABC Transitional Steering Committee and past ICABC presidents); and Rod Barr, FCPA, FCA. 4. L to R: Les Squire, FCPA, FCA; Rozmin Sayani, FCPA, FCA; Karen Christiansen; Ann C. Scott, FCPA, FCA; Bruce Sinclair, FCPA, FCA; and Dan Little. 5. Rozmin Sayani, FCPA, FCA (third from right) with her family. 6. Family and friends of the late Peter Swinton, FCPA, FCA, gather to celebrate his election to Fellowship. 7. L to R: John Desjardins, FCPA, FCA; Bill Cox, FCPA, FCA; Karen Christiansen; Dan Little; and John Crawford, FCPA, FCA. 8. Honorary CPA Barbara Brink (centre) with Dan Little and Karen Christiansen. 9. Andrew Jackson, FCPA, FCA (far right) with his family. 10. Kelly Lohn, FCPA, FCA, checks out his commemorative gift. 11. Gerry Humphries, FCPA, FCA (centre) celebrates with family and friends. 12. Katherine Angus, FCPA, FCA, with her family.







Photos by Kent Kallberg Studios. For more photos from this event, visit CPABC's Flickr page at **flickr.com/cpabc/sets**.



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Purchase of Accounting Practice

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Greater Vancouver

D+H Group LLP is looking to expand through client acquisition. Possibilities include purchase or merger; ideal for retiring or late-career practitioners but all enquiries are welcome. We take pride in providing great personal service to our clients, with a focus on tax and advisory services for privately held businesses (both domestic and cross-border). Your clients will be well looked after. Reply in confidence to gcummings@dhgroup.ca.

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Practice Purchase or Succession

CPA, CGA sole practitioner is looking to purchase an existing public practice in the Lower Mainland area. Any firm size or type of succession planning will be considered. Reply to dkim@live.ca or 604-715-7685.

Succession or Retirement Purchase

Downtown Vancouver multi-partner firm is looking to expand by assisting with your retirement or succession plan. Please reply to successionpurchase@gmail.com.

Independent Chartered Business Valuator

Looking to expand contacts with small and medium size accounting firms throughout BC. Please contact Paul Maarschalk CPA, CA, CBV, at Maarschalk Valuations Inc.: 778-484-5572 or pmaarschalk@shaw.ca, www.valuationsandplanning.com, or https://www.linkedin.com/in/paulmaarschalk
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Practice Purchase – Surrey

Surrey-based sole practitioner is looking to purchase a block of clients with annual billings between 100k - 200k. Please reply in confidence to surreycpa@gmail.com or call 604-315-2073.

Practice Purchase – Metro Vancouver

We are two experienced and ambitious CPA, CAs looking to purchase a practice or block of accounts in the metro Vancouver area with annual billings up to $500K. Services may include bookkeeping, NTR, review, audit, and tax services. We can provide services in Chinese and are very flexible with succession planning. Please contact: vancouveracquisition@gmail.com.

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EMPLOYER PROFILE

Metrics Chartered Professional Accounting

Victoria Firm Provides Unique Training Environment

Profile by Michelle McRae
Photo by Antonio La Fauci

This summer, Metrics Chartered Professional Accounting in Victoria became the first firm in Western Canada able to train CPA students in the pre-approved program route (PPR) with no assurance hours, called the Compilation, Tax and Advisory path.

It's just one example of the Victoria-based accounting firm's progressive ethos. Another is its entirely cloud-based, paperless environment, which helped garner the firm gold status certification from the Vancouver Island Green Business Certification program in 2014 and 2015.

"I try every day to keep Metrics on the cutting edge," says founder Regan McGrath, CPA, CA. She goes on to describe how the firm recently entered into a brief "hibernation" to revisit its mission statement:

"We had a lot of discussion about shaking things up—about advancing and improving the accounting experience. We want to challenge and disrupt the accounting model. We are always striving to improve processes and be ahead of the curve—it's what drives us in our daily work, and it's a huge part of our culture."

Regan is also focused on making the firm an exemplary training ground.

"We never considered not being a training office," she says. "Technical excellence and community represent two of our key values at Metrics. We're also a growing firm. Becoming a training office allows us to stay current in our practices, support the CPA community, and attract the best talent. We all embrace and enjoy the mentorship role and our firm benefits from it so much. It's just a natural fit."

With its various program paths, the new CPA training system gives smaller firms like Metrics the opportunity to train CPA students without providing assurance experience.

"Previously, any small firm that wanted to train pre-approved program CPA students needed to have some assurance work within their practice," explains Harp Bagri, CPA, CA, director of outreach for the CPA Western School of Business. "With the Compilation, Tax and Advisory path, accounting firms can now train CPA students without needing to perform assurance engagements."

Regan describes the process of gaining training approval from CPABC as both thorough and informative.

"It was really interesting to examine our client deliverables and create a path for our students," she says. "In addition to traditional advisory work, we do a lot of contract consulting and industry work, and it was wonderful to see that recognized within the CPA technical competencies. It also made us realize the breadth of our training experience, and solidified our belief that training at Metrics is a unique offering in the marketplace."

Regan's own training background is unique in that she trained and articled at KPMG and later worked at her father's CGA firm. It was with insight from both worlds that she launched Metrics in 2014.

"Branching out on my own was a given," she says of the career move. "I've always challenged the status quo, and I'm always looking for ways to improve."

Becoming an employer was another given, says Regan, adding: "I know that to lead a strong business, you need a strong team."

She currently employs a staff of seven that includes three students.

"My team is an amazing group of individuals who all bring something different to the table," Regan says. "We constantly strive to make things better, faster, and stronger, and we have a lot of fun doing it. I am genuinely grateful for them on a daily basis." ■

The Metrics team (l to r): CPA students Jonathan Candel and Jason Carter; Sheleena Gutierrez (client relations manager); Graeme Gass, CPA, CA (associate); Regan McGrath, CPA, CA (founder & CEO); CPA student Kyle Mackenzie; and Meaghan Reid (marketing manager). Not photographed: Elaine Proska (administration manager).

CPA CHARTERED PROFESSIONAL ACCOUNTANTS CANADA
CPA COMPTABLES PROFESSIONNELS AGRÉÉS CANADA



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Accountants

We've made Private Health Services Plans cookie-cutter simple!

Canada Revenue Agency (CRA) Federal Legislation allows business owners to fully tax deduct 100% of their healthcare costs as a business expense using a Private Health Services Plan.

Who qualifies?

Anyone who owns a business of any size, employees and dependents. No health questions or age limits. This is not insurance.

What's covered?

100% of virtually all dental and medical expenses. Visit our website www.trustedadvisor.ca for a complete list.

What's the cost?

There is a one-time set-up fee plus applicable taxes. The additional cost is 10% administration fee plus applicable taxes, depending on which province you live in.

Who uses a Private Health Services Plan?

Business owners who:

- > do not qualify for group insurance or find it too expensive
- > find group insurance coverage too restrictive; i.e.; orthodontics
- > have sick child or spouse
- > want front of line treatment
- > want to write-off child support relating to healthcare expenses
- > large groups who have been struggling with significant cost increases each year.

A partial list of qualified expenses:

Acupuncture
Alcoholism Treatment
Ambulance
Anesthetist
Attendant Care
Birth Control Pills
Blood tests
Catscan
Chinese medicine
Chiropractor
Crowns
Dental Treatment
Dental Implants
Dental X-rays
Dentures
Dermatologist
Detoxification Clinic
Diagnostic Fees
Dietitian
Drug Addiction Therapy
Eyeglasses
Fertility Treatments
Guide Dog
Hair Transplant
Hearing Aid and Batteries
Hospital Bills
Insulin Treatments
Lab Tests
Laser Eye Surgery
Lodging (away from home for outpatient care)
MRI
Naturopath
Nursing Home (incl. board & meals)
Optician
Oral Surgery
Orthodontist
Orthopedist
Osteopath
Out-of-Country Medical Expenses
Physician
Physiotherapist
Prescription Medicine
Psychiatrist
Psychologist
Psychotherapy
Registered Massage Therapy
Renovations & Alterations to Dwelling (for severe & prolonged impairments)
Special School Costs for the Handicapped
Surgeon
Transportation Expenses (relative to health care)
Viagra
Vitamins (if prescribed)
Wheelchair
X rays

Note: This is a partial list. All allowable expenses must qualify as outlined in the Income Tax Act

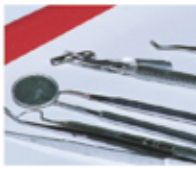
Why are your clients doing this with their healthcare expenses?

Healthcare Costs	$1600	Healthcare Costs	$1600
(3% of net income) Deduct	$1500	Admin Fee (10%)	$ 160
Available for credit	$100	Tax-deductible total	$1760
Tax Credit*	**$25**	**Tax Deduction**	**$1760**

When they could be doing this!

EXAMPLE:
Net income of $50,000 per year with family medical expenses of $1600
*Based on a combined Federal and Provincial rate of 25%.





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The John Robinson Group Inc.
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