CPABC

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SEPTEMBER/OCTOBER 2019



Meet your new chair, Ben Sander, FCPA, FCA

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Cover image:
Photo by Kent Kallberg Studios

CPABC INFOCUS

September/October 2019, Vol. 7, No. 5

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

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An Exciting Year Ahead



Ben Sander, FCPA, FCA
CPABC Chair

As Lori mentioned in the July/August issue of the magazine, the CPABC Board of Directors held its annual retreat in Kelowna this summer to address key priorities for the coming year. Special guests included Joy Thomas, FCPA, FCMA,* CEO of CPA Canada, and Carol Bellringer, FCPA, FCA, auditor general for the province of British Columbia. We also welcomed our newest directors: J. Alain LeFebvre, FCPA, FCA; Josie Lim, CPA, CA; Jeanette McPhee, CPA, CA; Stuart Newton, CPA, CA; and Peter Tingling, CPA, CGA (see page 19 for a look at our 2019-2020 board).

At the retreat, we discussed how the board can continue to embrace values and behaviours that will cultivate a positive, diverse, and inclusive culture, and how to continue providing strong leadership at the provincial and national levels. We also reassessed the top-priority risks for CPABC and discussed strategies to mitigate them.

Among these risks is that of weakened trust. As Lori previously mentioned, we are currently focused on bolstering our reputation as a well-regulated profession—one on which the general public and government can continue to rely. To that end, we're undertaking activities that highlight the expertise of our members, including a new branding campaign that will launch in September. Building on the excellent groundwork laid last year, the new campaign features real CPAs who are making a difference in their industries (and beyond) through innovative and exciting work.

Recognizing how diverse and exceptional our membership is, I'd wager that we all know a CPA who demonstrates exemplary leadership. I urge you to consider nominating this individual for CPABC's Member Recognition Program. Nominations for 2019 close on September 23, so there's still time.

Lastly, I encourage you to sign up for the Fall Pacific Summit in Whistler this September (25-27). Join me in learning how to drive innovation, incorporate new business processes, and address disruption. I hope to see you there! ■

*Joy Thomas is a member of the Chartered Professional Accountants of Ontario.

Contributing to the Province's Public Policy



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

Following the release of our *Regional Check-Up* report earlier this summer,* we are currently preparing the fall launch of other signature thought-leadership initiatives, including our *BC Check-Up* report and *Business Outlook Survey*.

This fall, I will also be hosting a C-Suite CPA panel to discuss BC's business climate in 2019 and 2020. Our members are an invaluable resource and an excellent barometer of BC's business sector, and I look forward to hearing your thoughts about where the province is heading and what challenges it might face along the way.

It's vital that we understand the possible bumps in the road ahead—especially as they relate to taxation and regulatory policy—because this awareness enables us to provide critical insight to the provincial government.

Looking ahead, there are two areas of great interest to both the government and our organization: promoting financial literacy in the province and ensuring that the accounting sector is well positioned to meet the needs of BC's economy, now and in the future. With respect to financial literacy, CPABC will continue building on the foundation created by CPA Canada and put additional resources into promoting the program to ensure that more British Columbians have access to free and unbiased advice. Thus far, we have reached out to all BC MLAs, offering to help them host financial literacy sessions in their communities.

With regard to the needs of BC's economy, we are nearing completion of a labour market partnership study conducted in collaboration with the government, and the preliminary results are interesting. The final report will assess the demographics of the accounting sector and the sector's impact on the province's economy, forecast labour demand, and analyze how technological change is affecting the sector. The report will also provide recommendations on how the profession can meet labour demand and the needs of people working in the sector, and ensure that our members have the skills needed by the business community. As always, stay tuned. ■

*For more on the BC economy, see Lori's editorial on pages 28-29.

REGULATORY NEWS

Highlights of Amendments to the CPABC Bylaws and Code of Professional Conduct Pursuant to the 2019 AGM



Olga Kashurina/iStock/Getty Images

CPABC Bylaws
August 2019
Part 4 – Students

Good character requirement

To protect the public and the reputation of the profession, amendments were made to the following CPABC bylaws to ensure that only applicants who satisfy the good character requirement may enrol in the CPA Professional Education Program.

- **Applications for Enrollment Bylaw 400(3)** establishes the good character requirement for student enrollment in the CPA certification program.
- **Applications for Enrollment Bylaw 400(3.1)** sets out when the Registrar can or must refer an application for enrollment to the Membership Committee for review to determine the applicant's good character. (***new***)
- **Arrangements with Educational Body Bylaw 401(b)** was amended to include the words "subject to Bylaw 400(3.1)" to reference the new Applications for Enrollment Bylaw 400(3.1).

Prohibition on practice

- **Prohibition on Practice Bylaw 405(2)** was amended to include the words "subsection (3) and" to reference the new Prohibition on Practice Bylaw 405(3).
- **Prohibition on Practice Bylaw 405(3)** restricts Professional Education Program ("PEP") students from working for non-CPA registered firms or non-CPA authorized practising offices, for which a family member has a proprietary interest ("non-CPA family firm"). (***new***)

CPABC Bylaw Regulations

On April 3, 2019, the CPABC Board of Directors also approved amendments to the following bylaw regulations, which will come into effect at the same time as the above bylaw amendments:

- **Referral of Enrollment Applications to Membership Committee Bylaw Regulation 400/1** (***new***)
- **CPA Western School of Business Bylaw Regulation 401/1(1)**
- **CPA Western School of Business Bylaw Regulation 401/1(2) & (3)** (***new***)
- **Limitations on Registrar's Authority 500/1**
- **Limitations on Registrar's Authority 500/1(3)** (***new***)

AGM UPDATE

Motions Confirmed at CPABC's 2019 AGM

At the fourth annual general meeting of the Chartered Professional Accountants of British Columbia (CPABC), held in Vancouver on June 26, 2019, motions regarding the *CPABC Bylaws*, as approved by the CPABC board, were presented to and confirmed by the membership to come into force in accordance with the *Chartered Professional Accountants Act*.

BYLAW REGULATIONS – YUKON

Summary of Amendments to CPA Yukon Bylaw Regulations from March 2019

A complete summary of amendments to the CPA Yukon Bylaw Regulations for 2018-2019, including those amendments published in the July/August 2019 issue of this magazine, are available on the CPA Yukon website. Visit **bccpa.ca/yukon/regulatory** and click on "See 2018-2019 Amendments."

REMINDER: PUBLIC PRACTICE FEES

Important Reminder for Public Practitioners: Annual Licence and Firm Renewal & Billing

On July 17, 2019, CPABC sent an email notification to all practitioners indicating that the deadline for the 2019-2020 licence fees and firm renewal fees was September 1, 2019. Any licensee or firm that has not renewed and paid by October 31, 2019, will have an administrative fee applied to their billing.

To view your licence notice and, if applicable, your firm renewal notice, please visit CPABC's Online Services site at **services.bccpa.ca**.

Questions?

- For information about your renewal and/or payment, email **finance@bccpa.ca**.
- To change your firm's contact information, email **publicpractice@bccpa.ca**.
- To change your firm's roster, email **memberrecords@bccpa.ca**.



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MEMBER ENGAGEMENT

CPABC's Member Showcase Initiative Kicks Off in Kelowna

CPABC's Member Showcase is a new member engagement initiative that highlights the various products, services, and resources available to CPABC members. It also provides an opportunity for recently qualified CPAs (those who have been members for five years or less) to learn how they can become more involved in the profession.

The inaugural Member Showcase event was co-hosted by CPABC and the CPABC Okanagan Chapter on July 3 at the Manteo Resort in Kelowna. More than 55 members attended the event. Among them were recently designated CPAs and members who actively volunteer in the profession, including with CPABC practitioner forums, the CPA Ambassador Program, CPA Canada's Financial Literacy Program, and the CRA's Community Volunteer Income Tax Program.

Maxine DeHart, a councillor for the City of Kelowna and business columnist with *KelownaNow*, began the event by welcoming guests to her hometown. DeHart has a long history of service to the accounting profession and currently serves as a governor of the CPA Education Foundation of BC.

DeHart's welcome was followed by remarks from Martha Thomas, CPA, CA, manager of internal audit for BC Investment Management Corp. in Victoria. Thomas is a member of the CPABC Board of Directors and introduced the other board members in attendance.

Keynote remarks were then provided by Leigh Sindlinger, CPA, CGA, a professor at Okanagan College and an accounting manager with Bell Lumber & Pole Co. Sindlinger has volunteered with CPA Canada's Financial Literacy Program for several years and was recognized with CPABC's Distinguished Service Award in 2018. She described how rewarding it is to help young people in the community become more financially literate.

Special guests also included past CPABC board chair Barry Macdonald, FCPA, FCA, who was thanked for his tremendous service to the profession; Li Zhang, program director of CPA Canada's Financial Literacy Program; and Kyla Stewart, CPA, chair of the CPABC Okanagan Chapter.

Plans are in the works for future Member Showcase events. Stay tuned!

Want to get involved with CPABC?

Visit the Volunteer Resource Centre in the Member Services section of the CPABC website at **bccpa.ca/volunteer**. The Volunteer Resource Centre includes a wealth of information and a link to the online volunteer form.



Above (l to r): Kyla Stewart, CPA, chair of CPABC's Okanagan Chapter, with chapter member Charlene Smart, CPA, CGA. Below: Resources for members.





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Good things may come to those who wait, but great things come to those who go after it. That's why we offer the Master of Accounting (MAcc) program. Offered over two intensive summer terms, the MAcc program covers the CPA Professional Education Program and prepares you for the Common Final Exam. It's what makes us a top business school for accountants looking to get ahead.

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REMINDER: CPD REPORTING

CPD 2019 Reporting Requirements for CPABC Members

For CPABC members, it's that time of year again: time to check that you're on track to meet your Continuing Professional Development (CPD) requirements for the year *and* for the rolling three-calendar-year period ending December 31, 2019. This is a reminder that members must complete their CPD activities before December 31, 2019, and report their compliance by January 31, 2020.

What is CPD?

CPD is learning that develops and maintains professional competence to enable members to continue to perform their professional roles. Any new learning and development that is relevant and appropriate to a member's work and professional responsibilities and growth as a CPA will qualify for CPD.

Minimum CPD Requirements (in Hours)			
	Verifiable CPD	Additional CPD*	Total CPD
Annual	10	10	20
Rolling three-calendar-year period, including four hours of verifiable professional ethics CPD	60	60	120

*Additional hours can be fulfilled with verifiable and/or unverifiable CPD.

Verifiable CPD refers to learning activities for which there is satisfactory evidence to objectively verify participation. ***Note:*** Members may only report the actual number of hours that were spent developing new or existing competencies.

Verifiable professional ethics CPD refers to learning activities that specifically address professional ethics matters, and for which there is satisfactory evidence to objectively verify participation.

Unverifiable CPD refers to learning activities, such as the casual reading of professional journals and magazines, that are relevant to a member's professional role but for which participation cannot be objectively verified.

Professional competence and CPD compliance

Members are reminded of Rule 203 of the *CPABC Code of Professional Conduct* (CPA Code), which may require a member to complete more than the minimum CPD requirements indicated in the table above. Rule 203 (Professional Competence) states: "A member shall sustain professional competence by keeping informed of, and complying with, developments in professional standards in all functions in which the member provides professional services or is relied upon because of the member's calling."

To ensure CPD compliance, members should carefully plan their CPD activities and ensure that their CPD report—and, for audit licensees, their annual competency declaration—is factually correct. Members are bound by Rule 103 of the CPA Code (False or Misleading Applications), which states: "A registrant shall not sign or associate with any letter, report, statement or representation relating to any application to CPABC which the registrant knows, or should know, is false or misleading."

CPD verification

Each year, CPABC verifies a sample of CPD reports for the preceding three-calendar-year period. Accordingly, members are required to retain all supporting documentation for their CPD activities for five years after the end of the reporting period. There is no need to submit the supporting records unless requested.



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Additional information

To view your minimum CPD requirements and report your CPD activities, visit CPABC's Online Services site at **services.bccpa.ca**.

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

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Nature Trust Mount Maxwell property, Salt Spring Island, photo by Graham Osborne

BC has many wild areas that need protection. That's why we've saved over 175,000 acres of these ecologically sensitive treasures since 1971. Places like Mount Maxwell on Salt Spring Island with its rare Garry Oak meadows. But protecting the province's critical habitats is an urgent task. If you have a passion for BC, you can help. As a non-profit organization, we will use your donation wisely to preserve these special places for future generations.

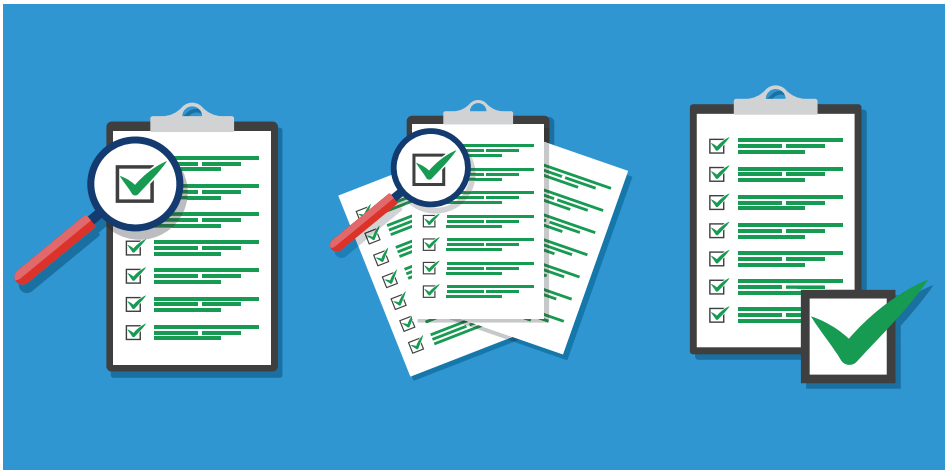
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CRA UPDATE

A Notice from the CRA: Your Tax Return Is Being Reviewed—What Happens Now?



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Every year, the Canada Revenue Agency (CRA) reviews approximately three million tax returns through its income tax review programs. What if your return (or your client's) is one of them? Below, the CRA provides answers to some frequently asked questions.

How will I know I'm being reviewed?

You'll get a letter or a telephone call from the CRA asking for information, receipts, or documents to support a claim you made on your income tax return. If you're registered for email notifications, you'll get an email notification telling you that you have new mail in "My Account." Go to My Account right away to view your online letter.

What's a review?

It's important to know that a review is *not* a tax audit. In most cases, it's simply a routine check to ensure that the information you provided on your return is correct.

Respond in time

It's important that you reply and send all requested information as soon as possible. This will help us review your file quickly. If you need help, we'll work with you to answer any questions or concerns you may have. If you receive a request from us asking for documents or receipts, you should reply within the time frame provided. We'll tell you how to send your documents. Make sure you include all the information we ask for, and that the copies of your documents are clear and easy to read. If you don't reply, we may adjust your tax return and your claim might be disallowed.

Keep your receipts and records

Keep all your tax documents for at least six years from the date you file your tax return. If you claimed expenses, deductions, or tax credits, make sure you keep all your receipts and related documents in case we ask to see them.

Serving You Better

In the fall of 2018, the CRA conducted its second annual Serving You Better consultations as part of its commitment to improving its programs and services. The *Report on the Canada Revenue Agency's 2018 Serving You Better Consultations with Small and Medium Businesses*, which outlines the CRA's action plan through to 2021, is now available online at **canada.ca/revenue-agency**.



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The CRA is here to help

Call the number provided in your letter if you can't get the documents we're asking for, have any questions, or need more time to reply. We can help.

MENTORSHIP

CPABC Chapters Play Matchmaker for Mentors and Mentees

On June 4, CPABC's Burnaby/New Westminster and North Shore/Sunshine Coast chapters co-hosted a speed networking event at Joey restaurant in Burnaby to help unmatched mentees connect with available mentors.

All candidates in the CPA Professional Education Program must work with a mentor throughout their practical experience to aid in their overall competency development. Mentees always have the option of searching for mentors through CPABC's online Mentor Match Portal, but in-person events give them the added benefit of meeting with potential mentors face to face.

To kick off the evening and break the ice, attendees at the June 4 event participated in a game of bingo. Speed networking followed, with mentors and mentees breaking into small groups to get to know each other and discuss the mentorship process. The event concluded with a general networking reception, where those who were interested in pairing up exchanged contact information. Many new connections were made, and nine new mentor-mentee matches were confirmed that same evening!

CPABC would like to thank the chapters for supporting mentees and organizing this event. Mentors and mentees can look forward to more face-to-face networking opportunities in the months to come. We'll keep you posted!





Networking at CPABC's mentor/mentee event. More recaps of chapter activities on page 46!

REMINDER: MEMBER RECOGNITION

Last Call for the 2019 Member Recognition Program

Nominations close September 23!

There's still a bit of time left to nominate a colleague for CPABC's Member Recognition Program. This annual program recognizes members who exemplify the best of what the CPA profession has to offer through their professional excellence, leadership, contributions to the business and accounting sectors, and service in the community.

Don't miss this opportunity to recognize an outstanding CPA—submit your nomination before 4:00 p.m. on September 23! Visit the Member Services section of **bccpa.ca** for more information.



Xanya69/iStock/Getty Images

REMINDER: CPAEF BURSARIES

Deadline for CPAEF Bursaries Is November 15

The CPAEF (CPA Education Foundation) offers bursaries for candidates in the CPA Western School of Business (CPAWSB) Professional Education Program, students taking preparatory courses through CPAWSB, and undergraduate accounting students enrolled at a BC post-secondary institution.

Applications can be found on the CPAEF website at **bccpa.ca/cpaef** under the Helping Students tab. The next deadline to submit applications for bursaries is November 15, 2019.

If you'd like more information on the activities and offerings of the CPAEF, be sure to check out the foundation's blog at **cpaefblog.bccpa.ca**. And if you'd like to make a donation or bequest to the foundation, please contact David Chiang, CPA, CA, CPABC's vice-president of member advice and programs, at **dchiang@bccpa.ca**.

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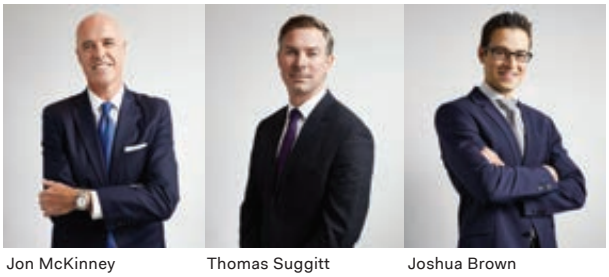
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Industry Update



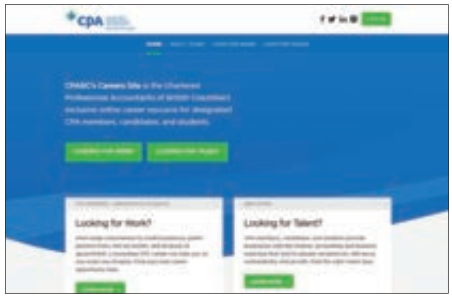
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bccpa.ca/news-views-kb

Volunteer Resource Centre



bccpa.ca/volunteer

Member Benefits and Savings



bccpa.ca/members/member-benefits

CPABC Member Recognition Program



CPABC is proud to recognize its leaders, volunteers, community workers, and educators. Do you know an outstanding CPA? Nominate them for a Member Recognition Award.

Each year, awards are granted in the following categories:

DISTINGUISHED SERVICE AWARD	Recognizes members who have been actively involved in volunteer activities for many years for their dedication, commitment, and outstanding contributions to the CPA profession and/or for their unstinting support to one or more not-for-profit or charitable organizations.
EARLY ACHIEVEMENT AWARD	Recognizes members who have distinguished themselves early in their CPA careers through professional achievement and volunteer service, with an emphasis on professional accomplishments.
FELLOWSHIP DESIGNATION	Recognizes members who have earned distinction and brought honour to the profession by meeting at least two of the following criteria: exceptional service to the profession, extraordinary career achievements, and exemplary contributions to the community.
HONORARY CPA DESIGNATION	Recognizes the executive accomplishments of non-members who have made significant contributions to the accounting profession. The CPA (Hon.) designation positions them as leaders in both the business community and the community at large.
LIFETIME ACHIEVEMENT AWARD	Recognizes the extraordinary leadership, dedication, and contributions of members who have received their Fellowship and continue to make significant achievements in a broad range of areas.

Nomination deadline: Monday, September 23, 2019, at 4 p.m.

CPA CHARTERED PROFESSIONAL ACCOUNTANTS BRITISH COLUMBIA

Submit your nomination today!
Visit: **bccpa.ca/members/recognition-program**

Cover Story

True North

Ben Sander, FCPA, FCA, brings a unique perspective to his role as chair of the CPABC board



When Ben Sander graduated from South Peace Senior Secondary School in 1975, he was set on becoming a commercial pilot. He'd been accepted to a three-year aviation program at Selkirk College in Castlegar and had even registered to join the Royal Canadian Air Force as a backup plan. Little did he know that the ripple effects of a global crisis would soon reach him in his small hometown of Dawson Creek. It was the oil embargo of 1973-1974, and Canada was hit hard.

"When I registered at Selkirk, the graduates of the aviation program had 100% employment," says Ben. "Then there was the oil crisis and the crash, and 100% dropped to barely 1%."

He remembers getting the bad news one fateful afternoon in May.

"It was about a week before I was supposed to leave for Castlegar," he says. "I was standing there with the the letter from Selkirk, and my mother asked me what I was going to do. I said I didn't really want to go into the air force. She said 'Go to university.'"

Ben took his mother's advice and pursued a bachelor of commerce degree at the University of Alberta. After graduating in 1979, he registered for the legacy CA program and began articling with Campbell Sharp in Grande Prairie. He had no immediate plans of returning to BC, but an unexpected offer to work with Winspear, a national firm in Dawson Creek, soon changed his mind.

"The opportunity just kind of unfolded," he says.

Ben and his wife Linda, who also hails from Dawson Creek, subsequently relocated and set about building a life in their small hometown. (Now married for 42 years, they have two children, both of whom live in Grande Prairie. Daughter Nikki is a teacher, and son Ty is a CPA in Alberta.) Returning to BC presented a major challenge, however: Because Ben had registered for the accounting program in Alberta, he had to complete his education there.

"I actually commuted and did all my courses in Edmonton even though I lived and articled in Dawson Creek," Ben explains.

Story by Michelle McRae | Photo by Kent Kallberg Studios

There were other challenges as well, including a major merger.

"A few months after I started articling with Winspear, I was employed by Deloitte," he recounts. "That was probably one of the biggest mergers in Canada at that time, as both were huge national firms. It was … an interesting time."

By the time Ben qualified as a CA in Alberta in 1985, two of Winspear's three partners had left Deloitte to form Slowinski Winters, a small private firm in Dawson Creek. Ben joined them, and within two years, he was admitted to partnership. Then in 1990, he decided to branch out on his own, launching B. A. Sander. The sole proprietorship has since evolved into Sander Rose Bone Grindle, a regional partnership with three full-time offices in Dawson Creek, Fort St. John, and Grande Prairie. Combined, these offices have five partners and more than 35 staff.

For Ben, the decision to open an office in Alberta was a no-brainer.

"Dawson Creek is only six kilometres away from the Alberta border, so we're essentially Alberta," he says. "As for Grande Prairie—it's a very large city with a population of about 70,000, and it services an additional 30,000 people, roughly, if you include the smaller communities surrounding it."

By comparison, Dawson Creek and Fort St. John are home to approximately 13,000 and 22,000 people, respectively.

"Grande Prairie is the mini-Texas of Alberta—a very wild, wild West city with lots of big oil companies," he adds. "Basically, if you're involved in oil and gas, you're in Grande Prairie. So, it was always my vision to have offices in all three cities—they're the 'northern corridor.'"

Operating in this northern corridor makes for a unique clientele.

"In addition to oil and gas clients, we have huge corporate farmers—one who farms 50 miles by 50 miles," he says. "Environmentalists would probably see the cattle ranches and the oil and gas refineries as a really bad situation, but I see it as a balance—a subtle balance. That's the dynamic of the Peace now."

Ben strives to educate others about life in the Peace Region.

"I think most people don't understand what's actually happening in the Peace," he says. "First of all, there's the geography. The majority of BC's population lives in the south, but 90% of BC's geography is north of Hope. You have to go 400 kilometres straight north of Prince George, over the Rockie Mountain range, just to get to the Peace. And there's still hundreds of miles up there before you hit the Northwest Territories.

"Second, the Peace Region generates substantially all of the hydro electricity for BC," he adds. "And it's green energy. It's water-related. It's dam-related. It's wind-generated as well."

Sander Rose Bone Grindle also has a heavy focus on government audits, which gives Ben a first-hand view of many regional government projects around the South and North Peace areas. He shares his in-depth insights as a member of CPABC's Regional Check-Up Advisory Committee and as a regional media spokesperson for the accounting profession—roles in which he has volunteered for over a decade.

"I really appreciate the opportunity to provide a northern perspective," he says. "I'm able to share the talk of the street—what's happening now. I love doing that, and I know a lot of people in the Peace take it to heart."

While his contributions to CPABC's public affairs program are his most long-standing, Ben has actually been active in the accounting profession since 1988, when he joined the Peace River CA Association. He credits the late Jim McPhail, FCPA, FCA, a partner at Winspear, for sparking his passion for volunteerism, both in the profession and in the community.

"Jim challenged me to get involved, and he led by example," says Ben. "I loved the guy—he became a very close friend."

Throughout his career, Ben has served on a variety of boards in the community, including the BC Seniors Games, the BC Winter Games, and the Northern BC Winter Games. He has also served on numerous legacy and CPABC committees, including the CEO Search & Selection Committee and the CPABC Public Practice Committee. Additionally,

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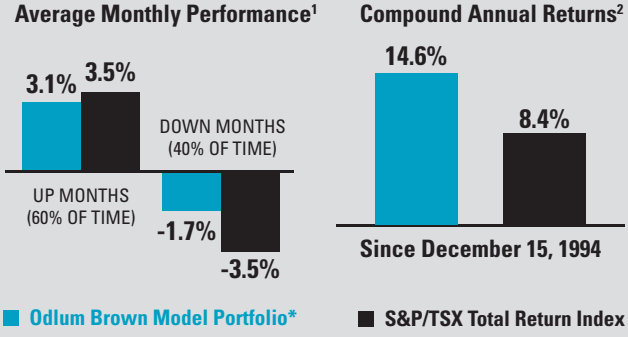
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Odlum Brown Model Portfolio: A Proven Track Record



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

he served for eight years on what is now CPA Insurance Plans West, helping to establish governance procedures and a formal investment policy. For his myriad contributions and professional achievements, he was elected to Fellowship in 2010.

Two years later, Ben joined the board of Northern Health. The experience, he says, deepened his own understanding of life in the Peace Region.

"I travelled all around the province with Northern Health, and it helped me visualize how dynamically different we are, even in the north."

Formed in 2001, Northern Health currently serves approximately 300,000 people in an area greater than 600,000 square kilometres—from Atlin in the north to Quesnel in the south, and from Haida Gwaii in the west to Valemount in the east.

During his seven-year tenure on the board, Ben also chaired its Audit and Finance Committee.

"We had to provide so much assistance to small communities across the region, many First Nations and Indigenous, and we were so lucky to have a truly dynamic executive group. That's what kept me motivated staying there—that and the fact that there's so much work that needs to be done."

Simply getting around is one of the biggest obstacles to delivering health services to the small isolated communities that punctuate the vast landscape.

"To fly to Prince George, for example, you have to fly to Vancouver and then back up," he says. "When Northern Health held meetings in Terrace, I drove there, because even though it took 12 hours each way, it was still quicker than flying. I don't know—maybe I was crazy—but I really enjoyed it."

One initiative of which Ben is particularly proud is a unique busing system introduced by Northern Health to make medical care more accessible—a system that became all the more vital when Greyhound stopped operating in the region.

"The Greyound busline was how people from these smaller communities used to travel in that corridor," he explains. "Now, if you're an individual in Fort Nelson, say, and you need to see a specialist in Prince George, you can get on a Northern Health bus for $60. And your family can come too. I'm proud to have been involved. The people and the feeling of making a difference—it sounds so corny, but it's true. I wish I could have stayed on the board. I really enjoyed it."

As it is, Ben did stay on for an extra 10 months after Minister of Health Adrian Dix personally asked him to extend his tenure. Now, however, he's focused on his role as CPABC board chair.

"I just feel honoured to be able to be involved in what's happening right now," he says, "because there is a lot happening."

In addition to his role on the CPABC board and various provincial and national committees, Ben belongs to the Western Regional Forum, which is comprised of BC, Alberta, Saskatchewan, Manitoba, the Northwest Territories and Nunavut, and the Yukon. The Forum, which meets quarterly, oversees the CPA Western School of Business. As such, its members worked with the Competency Map Committee on recent changes to competency requirements.

"Factoring in data analytics is just absolutely necessary," he says, "and I think training is going to have to be more heavily loaded for AI."

Training is a particular focus for Ben, because his firm has long provided a strong training ground for its students. At any given time, it has roughly eight to 12 students registered.

"We still do most of the audits for government in the Peace, and we do the colleges," he says. "And to audit, you need students. We can give our students exposure right away, because we have the audit hours. We found very quickly that the lifeblood of our organization is actually our student pool. They keep you current, they keep you on your edge, and they keep you involved."

Ben adds, however, that recruitment is an ever-growing challenge.

"Statistically, fewer than 20% of CPABC members are in public practice," he points out. "The vast majority of this 20% are sole-proprietors, and the field is narrowing. We're competing with the 80% population in industry, and when students interview for positions now, they're not as quick to want to see someone from public practice. It's becoming a big issue."

There's another big issue as well: convincing students to stay once they've finished their education.

"The minute students are finished school and pass the CFE, they typically leave," he adds. "They move back to the major centres and the big firms take them. It's very frustrating, timing-wise, because we need them to stay on as CPA managers in our very busy firm. But even large salary increases are usually not enough to make them stay."

These challenges are top of mind for Ben, as is the changing nature of auditing itself.

"Artificial intelligence is changing everything right now, and it's going to have a huge impact on auditing," he says. "Not 10 years from now—two years from now. So we need to make sure that we have young people coming up in the pipeline who are prepared for this new world.

"I think that's what's really driving me right now," he continues. "What is the profession going to look like? Not just for public practitioners, but for all of us. Artificial intelligence, branding, ethics, protecting the public, enhancing our credibility as a self-regulating profession—these will be major points of focus during my term as chair. We have an incredibly diverse and incredibly talented board, so this year is going to be interesting. There's just so much I want to accomplish."

It's one of his last big professional endeavours before retirement, and as he looks back at the path that led him here, Ben cracks a smile.

"You know, my life is just a series of accidents," he says. "I laugh at that every once in a while—becoming an accountant—because it was at the 11th hour that I changed my career path. I think I was destined to be in this profession." ■



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Looking to Optimize Workplace Culture? Make an Impact with These Five Tips

By Eric Termuende



Eric Termuende is the co-founder of NoW Innovations and a thought leader on optimizing workplace culture, the future of work, and engagement in the workplace. If you missed Eric's keynote speech at CPABC's 2019 Spring Pacific Summit—or caught it and want to learn more—visit **erictermuende.com** for free videos and blog posts.



oatawa/istock/Getty Images

The original, shorter version of this article was published on CPABC's Industry Update news portal at **industryupdate.ca** on April 2, 2019.

How incredible would it be for your organization to appear on a "best place to work" or "best culture" list? Amazing, right? To those who've made a "best" list already: huge congratulations. Lists and other accolades aside, though, how amazing would it be if the word "work" didn't have negative connotations? What if we actually liked the one thing we do more than anything else in a day (work)? Call me an idealist, but I truly believe we can make work a positive experience. And to start, we need to shift from focusing on *best* places to work and start focusing on *right* places to work.

Take Glassdoor's Best Places to Work in 2019 winners list, for example.[1] At the top of the list for Canada is Microsoft, followed by PointClickCare, a provider of cloud-based platforms for the senior care industry. No one would suggest that someone working at Microsoft would automatically be a good fit at PointClickCare. While both companies may have great cultures for their people, it doesn't mean that these cultures are interchangeable or right for everyone. A universal best doesn't exist. Let's dive into this a little deeper.

So often, businesses try to build "great cultures" without understanding what a great culture actually looks like. Sure, we can all agree that having a great culture means that our people are happy, but are we asking which people should be there in the first place? Are we taking into account where our offices are located, what the environment is like, and whether we hold the values needed for people to thrive? In my experience, likely not. We want people to be happy, but we're failing to understand what it is that truly makes people happy in the first place.

The other problem I encounter when talking about "culture" is the lack of a universal definition. When I say culture, I mean one thing, but you might hear another. This is why a generic approach doesn't work. The best first step is to be specific—to define what a good culture means for our people, and what behaviours need to be present for us to measure our success. When we do this, we quickly realize that what constitutes a best culture for us may be terrible for someone else. And this realization is a great starting place.

[1] https://www.glassdoor.ca/Award/index.htm

Once we've shifted our thinking from creating the *best* culture to creating a culture that is *right for our people and those we want to attract*, we're ready to optimize workplace culture. Here are five tips for organizational leaders:

1. Stop trying to imitate

So often we hear about companies that aspire to be like the tech giants, and rightly so. Time and time again, we hear about the incredible culture at Google and Salesforce—the ball pits, the nap pods, the cafeterias, etc. What we tend to forget, though, is that our people are often working with us because of the culture and experience we've already created. If they wanted another company's culture, chances are that they'd be there. That's why instead of imitating, we should consider looking at our team's desired experience and empower them to come up with "company-grown" solutions.

Besides, I've found that articles in popular business magazines do a really great job of talking about what these tech giants do well, but rarely give us a real look inside the company to get a sense of the full experience. I call this the *postcard effect*. Ever had a friend send you beautiful postcards from an extravagant holiday, only to later tell you that the trip was just "okay"? Most of the articles and case studies we read about these companies offer a postcard view—just a sliver of information that can be very misleading.

2. State what happens after 5:00 p.m.

For many organizations, business ends at 5:00 p.m., and work is left at the office. For others, however, employees may be expected to work late, attend professional events after hours, or take work home with them. While there isn't a right or wrong here, what happens after work is important, especially if employees have young families or activities they like to do after dinner. The more up front we are about our work hours, the more we can ensure that prospective employees have realistic expectations.

Don't forget to talk about overtime and weekends, too. Is the job *really* a 40-hour-a-week job? Is it cyclical? Is there a busy season? How much do people travel for work? How long might the commute be? These are the easy answers we can give people to help them truly envision what their work life would be like with our company and whether they want to join us.

3. Talk about more than skills and requirements

Unfortunately, the typical job description doesn't do a very good job of describing the job. Instead, it reads more like a skills and requirements checklist. And while skills and requirements will always be important, it's the *experience at work* that is often the differentiator when it comes to attracting the right hires. If we can talk about team size, performance management and feedback expectations, and other experiential qualities, prospective team members will be better able to self-select—both in and out of potential positions.

Don't underestimate the power of details—even the office layout can make a difference (an open concept isn't for everyone). Talk about how many people are on the team. How many emails might the new team member get? How much time are they likely to spend on the phone? How many hours in meetings? These considerations all matter. Workplace culture isn't just about the perks—it's the actual time on the job that prospective hires need to learn more about.

4. Know that perks don't equal culture

Speaking of perks … Mobile workstations, a ping-pong table, and pets in the workplace may be appealing to many, but they aren't appealing to everyone. The point is that perks and benefits don't have to be the focal point of the job description. Culture, while inclusive of perks, *isn't limited to them*. When talking about our culture, we should focus on what happens during the 39.5 or 40 hours employees spend working each week, as opposed to the time they spend enjoying extras.

In addition, we should consider our group as something deeper than a team—we should consider them as a community. While team members are aligned in terms of goals and skills, community members are aligned in terms of goals and skills *and* have each other's backs while accomplishing the tasks at hand. Not all teams are communities, but all communities are teams.

5. Use video

To be more proactive and articulate in describing the experience at work to prospective hires, consider providing them with a basic tour of the office and/or an interview with a high-performing team member. This doesn't require a full production company or a professional script—sometimes an iPhone video or a social media post can be enough to give prospective hires a good idea of what they're signing up for and who they'll be working with.

If you do create a video, consider uploading it to YouTube as an unlisted video and then linking to it in the job description. Think of how much more information a potential candidate will get if they can click on a video link when they see your job posting. They say a picture is worth a thousand words—imagine what a video could be worth!

Take small steps to create big change

Ultimately, if we focus on our culture and the experience we offer, we shift from thinking in terms of *best* culture to thinking in terms of *right* culture. And when we make this shift, we remember that we can't be all things to all people, nor should we want to be. Instead, we can be all things to the *right* people. These small changes in thinking are course corrections—one-degree shifts that further us on the path of improvement. To optimize our workplace culture, we don't have to reinvent the wheel, we don't have to compare apples to oranges, and we don't have to overhaul everything we've already built. The future is ours to create, one shift at a time. ■

Tips for job seekers and employers on next page >

Put the tips below into practice! Visit bccpa.ca to register for CPABC's upcoming networking and recruitment events:

September 18 – Trendsetters in Retail (Vancouver)
October 24 – Speed Interview Night (Victoria)
October 29 – Speed Interview Night (Surrey)
November 6 – Speed Interview Night (Vancouver)

Job Seekers: What Kind of Workplace Best Supports Your Performance?

Each of us has unique needs when it comes to our work environment, and finding a culture that supports these needs enables us to thrive in our work.

As a job seeker, ask yourself the following questions before you attend your next job interview or networking event:

- What kind of organizational structure do I prefer?
- What kind of management style inspires me to perform at my best?
- What is my ideal team size?
- How (and how often) do I like to communicate?
- Do I enjoy dynamic change, or do I prefer gradual change?
- What does my ideal office layout look like?
- Am I sensitive to office noise?
- At what time of day do I perform best?

Once you answer these questions, you'll have a clearer idea of your ideal work environment, and you'll be ready to discuss these topics with prospective employers (formally or informally) as you scope out your next opportunity. Remember: There are no wrong answers here! Employers are looking to hire candidates who are able to perform at their best and thrive within their exisiting cultures. Finding that ideal fit is a win-win situation for both parties.

Employers: Are Your Interview Questions Helping You Find the Right Candidates for Your Culture?

As an employer, the best way for you to understand the motivations and expectations of any job candidate is to ask them direct, open-ended questions, including on job culture. To ensure that you're hiring a candidate who will fit within your organization—and within the team they'd be joining—consider adding the following questions to your repertoire:

- When it comes to work, what would your greatest and worst days look like?
- Which aspects of work and the work environment motivate you, and which aspects don't?
- What aspirations do you have for your potential role here, and for your career?
- What are your passions and hobbies outside of work?

While it's important to ask the right questions when formally (or informally) interviewing someone for a position, it's equally important that you listen carefully to their answers and ask yourself if their values and ideal work environment seem compatible with your organization's values and culture. Be sure to observe, read between the lines, and ask follow-up questions. And be transparent—when a prospective candidate tells you about their ideal environment, it's important that you paint a realistic picture to help them see whether they could find what they're looking for within your organization. In a candidate-driven market, you can't afford to leave it up to their imagination!

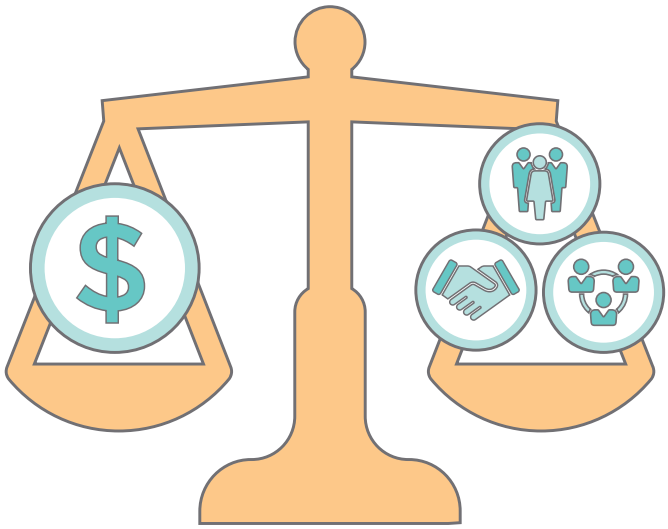

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Reinventing the Workplace with a Human Focus

Deloitte's 2019 Global Human Capital Trends report *Leading the social enterprise: Reinvent with a human focus*[1] (based on a survey of nearly 10,000 respondents in 119 countries) explores the concept of the social enterprise, why social enterprises are on the rise, and why organizations need to get on board.

What is a social enterprise?

It's an organization whose mission combines revenue growth and profit-making with the need to respect and support its environment and stakeholder network



Social enterprises are guided by human principles

- ☑ Purpose and meaning
- ☑ Ethics and fairness
- ☑ Growth and passion
- ☑ Collaboration and personal relationships
- ☑ Transparency and openness

Why is it important to become one?

- CEOs ranked societal impact as the top measure of success in 2019[2]
- Deloitte's report shows a positive link between social enterprises and financial performance
- 73% of respondents who considered their organization an industry leader as a social enterprise anticipated growth in 2019

How can organizations make the shift?

Deloitte suggests that organizations reinvent themselves in one of three ways:

REFRESH Update and improve the way things happen now

REWIRE Create new connections that change the strategic direction

RECODE Start over and design from scratch

Want to learn more? Read the full report at **deloitte.com/insights**.

Organizations need to shift their focus

from an **EMPLOYEE** experience
- perks
- rewards
- work/life balance

to a **HUMAN** experience
- job fit
- job design
- meaningful work

But there's an awareness-action gap

Companies recognize that they need to take action, but most fall short of seeing human experience as an urgent priority



think it's important | are ready to address it | believe it's urgent

AND only about half of respondents said their organizations were effective at:

- **53%** CREATING MEANINGFUL WORK
- **46%** SECURING EMPLOYEES' TRUST IN LEADERSHIP
- **43%** PROVIDING APPROPRIATE GROWTH OPPORTUNITIES

Where should organizations direct their efforts to make an impact?

Survey respondents ranked learning, human experience, and leadership as 2019's most important human capital trends

1 **86%** said they must reinvent their ability to learn



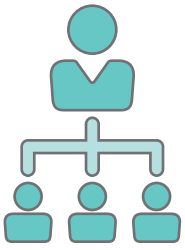
DELOITTE RECOMMENDS: Creating a culture that supports continuous learning and helps employees identify and develop new skills

2 **84%** said they need to rethink their workforce experience to improve productivity



DELOITTE RECOMMENDS: Focusing on building relationships and creating work that has an impact on the organization and society as a whole

3 **80%** said they need to develop leaders differently



DELOITTE RECOMMENDS: Recognizing the forces affecting today's business environment and the competencies needed to adapt to them

[1] Deloitte Insights, *Leading the Social Enterprise: Reinvent with a Human Focus*, April 11, 2019.
[2] Deloitte Insights, *Success Personified in the Fourth Industrial Revolution: Four Leadership Personas for an Era of Change and Uncertainty*, January 20, 2019.

CPAB: Accelerating Audit Quality Improvements

Carol Paradine, CPA, CA,[1] whom we introduced to readers in the July/August 2018 issue of *CPABC in Focus* magazine,[2] completed her first year as CEO of the Canadian Public Accountability Board (CPAB) on March 1, 2019. In the following article, the first woman to head up Canada's audit regulator reflects on the past 18 months and describes the issues that are currently top of mind for the regulator and the audit profession.

It would be an understatement to say that my past 18 months as CEO of CPAB have been rewarding. It has been a busy year full of critical learnings and insightful discussions with a range of key stakeholders—all informing and directing our plans for the next three years.

In January, we launched our 2019-2021 strategic plan to accelerate audit quality improvements and heighten investor protection. It's our North Star—guiding our journey to becoming more innovative in our regulatory vision; driving targeted, systemic changes to improve quality; and influencing the future of auditing, here and internationally. We're now midway through the first year of the plan and making good progress in fulfilling our strategic commitments.

Our risk-based approach to audit firm oversight is key to driving better audit quality. In CPAB's view, there is room for improvement in Canada. In our annual inspections report released this March, we noted our concerns about recent inspection results. And when we combined these regulatory findings with the challenges audit regulators are facing in other jurisdictions, we concluded that the status quo is not enough to provide the quality improvements required to meet the needs of capital markets.

Accordingly, our strategic commitment to improving audit quality involves assessing how firms manage risk and get the right people working on the right things at the right time—in our view, both are essential to delivering high-quality audits consistently. Of critical importance are the Quality Management Systems (QMS) assessments we've introduced to Canada's four largest public accounting firms, as we believe firms can positively influence quality through the use of strong, centralized quality control systems. Essentially, the idea is to encourage firm leaders to focus on preventative measures across their assurance portfolios to better manage and respond to needs and risks related to clients, talent, and resources.

CPAB has set a 2021 target of 90% for both audit files (90% with no significant findings) and QMS assessments (90% with ratings no lower than acceptable), with opportunity for enhancement. The four participating firms are already making changes to their quality systems and processes based on their work on this project and our assessments to date. Additionally, we've received strong interest from other audit firms who wish to better understand and start implementing QMS. (The new proposed international standards on quality management are great resources firms can use to strengthen their current processes and controls.)

We're also watching international developments and considering how they might affect the Canadian audit and audit regulatory landscape. Recent business failures and scandals beyond our borders have impacted trust in the audit profession and resulted in a call for stronger standards, heightened professional skepticism, and increased auditor independence. Overall, CPAB sees a high degree of stability in the Canadian audit market, with sound audit work being performed by dedicated, ethical professionals; at the same time, however, we believe it would be wise to learn from and leverage the experiences in other jurisdictions.





Above: Carol Paradine. Below: Michael J. Pacholek, CPA, CA, CPAB's regional vice-president for Western Canada, provides a "year in review" recap on Paradine's behalf at a July 16 event in Vancouver hosted by CPABC.

[1] Carol Paradine is a member of the Chartered Professional Accountants of Ontario.

[2] "Meet CPAB's New CEO," *CPABC in Focus*, July/August 2018 (26).

"Recent business failures and scandals beyond our borders have impacted trust in the audit profession and resulted in a call for stronger standards, heightened professional skepticism, and increased auditor independence."

Over the past 18 months, for example, we've studied how emerging technologies are playing a role in the audit quality journey. As CPAB continues to assess these new audit tools and procedures and how they can enable better quality, we're asking questions like:

- "How do we know that the artificial intelligence is truly intelligent?"
- "Is the black box operating properly?"
- "Are companies assessing the unintended consequences, such as cyberthreats, when auditors are downloading 100% of their financial data?"

Going concern and fraud are two other matters under consideration. Notably, these are the areas in which there is the greatest expectation gap between the work performed by auditors and the expectations of the investing public. We intend to provide our perspectives regarding going concern and fraud to help all of us—audit firms, audit committees, management teams, and regulators—improve audit quality and perform our roles more effectively.

A final measurement I'd like to highlight as an important factor on the road to better quality is audit quality indicators, or AQIs. We continue to engage with audit firms, management, and audit committees to encourage their use of AQIs, and we're planning to benchmark AQI good practices this year and then share our findings. Audit committees who've applied AQIs say these indicators help them better define their short- and longer-term expectations of their auditor, provide more detailed feedback on areas of improvement, and enhance access to more information about audit quality processes across their audit firm. CPAB encourages all firms and audit committees to add this measurement to their audit quality toolkits. As well, we encourage you to join our AQI network and benefit from others with first-hand experience using these impactful benchmarks. Contact **AQINetwork@cpab-ccrc.ca** for more information. ■

*CPABC thanks Carol for sharing her insights. To learn more about CPAB, visit **cpab-ccrc.ca**.*

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Marie-Claire Dy
Partner, Vancouver
D+ 1 604 433 7106
marie-claire.dy
@dentons.com



Joel Nitikman
Partner, Vancouver
D+ 1 604 443 7115
joel.nitikman
@dentons.com



Alina Khakhuda
Associate, Vancouver
D +1 604 443 7147
alina.khakhuda
@dentons.com



Trevor Shum
Associate, Vancouver
D +1 604 691 6417
trevor.shum
@dentons.com

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Lori Mathison is the president & CEO of CPABC.

Slowing the Tempo: BC's Economic Outlook for 2019 and 2020

By Lori Mathison, FCPA, FCGA, LLB

This editorial was originally published in *Western Investor* on May 8, 2019, and was updated for this issue of *CPABC in Focus*.

After three years of rapid growth, BC's economy has moderated, with a provincial GDP growth rate of 2.4% in 2018 and an estimated 1.5% for 2019. Three factors contributed to the slowing of the growth rate: 1) decreased housing activity, 2) increased labour recruitment challenges, and 3) continued trade uncertainty. While these factors continue to challenge BC's economic growth, the construction of the LNG Canada project and other non-residential projects should keep our economy moving in a positive direction for the rest of 2019 and into early 2020.

1. BC's housing market is slowing down

Since early 2018, rising interest rates, tighter lending requirements, and new taxes on foreign buyers have slowed activity in BC's housing market. The British Columbia Real Estate Association (BCREA) expects residential sales to fall by 9.0% to 71,400 units in 2019—down from 78,346 in 2018 and well below the 10-year average of 84,800 units.[1] This decline in real estate transactions not only affects the real estate industry, but also other related industries.

For example, the fact that there were fewer real estate transactions moderated consumer spending on big-ticket items for homes in 2018. According to CPABC's 2018 *Regional Check-Up* report, BC's retail sales grew by 2.0% in 2018, compared to 9.3% in 2017. For 2019, it is expected that retail sales will grow by 3.0%, up slightly from 2018.

Looking into 2020, the BCREA expects residential sales to rebound by 14% to 81,700 units due to continued housing demand and more balanced market conditions.[2] In addition, TD Economics anticipates that GDP growth will return to 2.0% in 2020 should housing activity regain some traction.[3]

2. Recruiting for talent remains a challenge

Employment in our province grew by 1.1% to reach 2.5 million jobs in 2018, compared to an impressive record growth rate of 3.7% in 2017. BC's labour market continued to expand in the first six months of 2019, adding another 56,800 jobs, which pushed our unemployment rate down from 4.7% in 2018 to 4.4% in June 2019.

BC currently has one of the lowest unemployment rates in the country and the highest job vacancy rate. Together, these numbers indicate that our labour market is near capacity. It is anticipated that our province will continue to have one of the lowest unemployment rates in the country.

In fact, nearly three-quarters of BC CPAs identified the ability to attract and retain talent as the number one challenge for businesses in our 2018 *Business Outlook Survey*. This concern was echoed at recent economic roundtables held by CPABC in Victoria and Kelowna, where senior-level CPAs said they expect this to be an ongoing issue for the foreseeable future.

3. Trade uncertainty is having an impact

The overall value of BC's exports increased by 7.3% to $46.4 billion in 2018. This was the third consecutive year in which BC's export value has grown. Pulp and paper exports accounted for the largest share of this gain, as global demand for pulp products increased. On the downside, softwood lumber exporters took a hit from the ongoing dispute with the United States, with this sector seeing a $187-million decline in export value.

Looking at 2019 and into early 2020, we can expect trade activity to slow down. Comparing year-to-date data between 2018 and 2019, BC's total export value fell by 1.3% to $18.4 billion at the end of May 2019.[4] This was largely due to decreases in the value of some of our core exports: solid wood, pulp and paper, and metallic mineral products.

1 British Columbia Real Estate Association, "BC Home Sales to Rise in 2020," *BCREA Housing Forecast*, June 2019.

2 Ibid.

3 Beata Caranci, Derek Burleton, Rishi Sondi, and Omar Abdelrahman, *Provincial Economic Forecast: Economic Growth and Job Markets Diverge in 2019*, TD Economics, June 17, 2019.

4 BC Statistics, *B.C. Origin Exports to Selected Destinations* (monthly data), accessed June 2019.

5 Caranci et al.

Forest products exports will remain weak, and log shortages, which began to materialize in late 2018, will further affect export potential. Ongoing diplomatic issues with China could also negatively affect BC's exports. China's recent moves to ban various Canadian products have caused BC business owners to worry about their operations.

4. Construction will provide an economic boost

BC's construction activity continues to provide a solid economic foundation and is expected to sustain our economic growth for the next two years. Our province's capital investment in non-residential construction grew by 16.8%, reaching $1.4 billion between the last quarter of 2017 and the last quarter of 2018. Commercial investment also increased during the same time period—up by almost one-third, to $970 million.

Not surprisingly, BC's construction industry added almost 10,000 jobs to the economy in 2018, largely due to ongoing construction activity in Southwest BC. In the Vancouver census metropolitan area, total non-residential capital investment increased by almost two-fifths, reaching $1.1 billion. This increase was driven primarily by solid growth in commercial building investment, as office space is at a premium in the region.

We can expect construction activity to continue growing throughout 2019 and into early 2020, but at a slower pace. According to TD Economics, the number of housing starts is expected to increase by 2.9% to 42,100 units in 2019 and then decrease by 17.1% to 34,900 units by the end of 2020.[5] A decline in the number of housing starts will likely slow the pace of residential construction across the province.

However, the approval of the $40-billion LNG Canada project in the last quarter of 2018 is expected to create 10,000 construction jobs and 950 permanent jobs, as well as many spin-off opportunities. The LNG Canada project, in addition to other major projects in the province's interior, will continue to have a positive impact on economic activity across the province. This construction activity will offset the effects of a slower housing market and trade uncertainties. For the remainder of 2019 and into early 2020, we can expect BC's economy to continue to grow, but at a moderated tempo. ■

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Look for the results from the *2019 Business Outlook Survey* and our annual *BC Check-Up* report in October at **bccpa.ca** for a more in-depth analysis of BC's economic performance.



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Emily Griffiths-Hamilton is a family enterprise advisor, conflict resolution coach, global speaker, and the author of two books on family wealth transition planning: *Build Your Family Bank: A Winning Vision for Multigenerational Wealth* (2014) and *Your Business, Your Family, Their Future: How to Ensure Your Family Enterprise Thrives for Generations* (2018).

Why Most Family Business and Wealth Transition Plans Fail

By Emily Griffiths-Hamilton, CPA, CA

Would it surprise you to learn that 70% of family business and wealth transition plans fail in each generation, despite the use of recommended legal, accounting, and financial planning structures?[1] To be clear, "failure" in this case is defined as a family involuntarily losing control of their family business and/or wealth through factors such as inattention, mismanagement, bad investments, incompetence, foolish expenditures, and family feuding. Yikes!

To assess and understand this failure rate, Roy Williams and Vic Preisser of The Williams Group facilitated 3,250 interviews with family business owners at different points in their succession planning. They shared the results of these conversations in their 2003 book *Preparing Heirs: Five Steps to a Successful Transition of Family Wealth and Values*.[2] According to data drawn from these interviews, the four primary causes of failure are connected to the family itself. Here they are, in order of predominance:

1. A breakdown in communication and trust within the family: 60%

Strong effective communication and high levels of trust are essential to any high-functioning successful enterprise, and a family business is no different. One of the real legacies of a successful family business is a history of good decision-making. In a family enterprise, one of the first steps to take with regard to decision-making is understanding that there are three interdependent enterprise systems at work:

a) The family – responsible for articulating shared values and the development of a shared vision for the *family's* human, intellectual, and financial assets;
b) Family business ownership – responsible for articulating shared values and the development of a shared vision and/or goals for the *family business*, in conjunction with the family's shared values and vision. Family business ownership is also responsible for ensuring that family business management is effectively working to meet these objectives; and
c) Family business management – responsible for developing a strategic plan that shows how the family business ownership's shared values, vision, and goals for the business will be achieved.

In the first generation of a family business, there is typically one leader who acts as the sole decision-maker in each of these three systems. By the second generation, however, there are often multiple decision-makers, and these individuals must work as a united team if the family's tradition of good decision-making is to continue. With each subsequent generation, the number of decision-makers may increase, making the need for unity all the more important.

Most families start to build unity by holding family meetings, sometimes with the assistance of an experienced family enterprise facilitator. These meetings can be an excellent forum in which family members can embark on shared learning about topics like effective communication and trust-building.

[1] Roy Williams and Vic Preisser, *Preparing Heirs: Five Steps to a Successful Transition of Family Wealth and Values*, 2003, Robert Reed Publishers: Bandon.

[2] Ibid.



katleho Seisa/E+/Getty Images

2. Unprepared heirs: 25%

Unlike the member(s) of the first generation of a family business, second- and later-generation family members typically do not "opt into" their roles; instead, ownership often arises as a result of legal and accounting structures implemented on the basis of professional advice. As a result, there is often a need to foster a culture of stewardship, responsibility, and commitment in the three aforementioned enterprise systems: the family, family business ownership, and family business management. Nurturing the upcoming generation of leaders and decision-makers will help families build organization, unity, and engagement in the first two systems. When it comes to family business management, however, leadership roles, like the CEO, can be, and often are, filled by non-family members in later generations.

Some family members worry that upcoming generations lack passion for the business. Passion is, without a doubt, a powerful element in the successful accomplishment of goals, but in a family enterprise, it doesn't have to begin as passion for the family business. In working with family businesses, I've discovered that sometimes family members aren't passionate about the business at the outset simply because they don't know enough about their current and potential future relationship to the business and/or their roles and responsibilities. However, successful family businesses often have family members who are so committed to the family—demonstrating passion for things like family harmony, family connectedness, and the family legacy—that their passion extends to securing the family business for future generations.

3. A lack of mission or vision: 12%

The importance of a shared mission or vision can't be overstated in the context of a successful family business. A strong, compelling, shared vision will energize a unified, committed ownership base, and a successful family business can't have too much harmony or commitment. I compare the work a family does here to a game of tug of war: If family members are aligned on the same side of the table, pulling in the same direction, they will win the game; if they start pulling in opposite directions, they will lose, with some or all ending up in the mud.

I've discovered that the question "What is our shared vision?" is a solid and typically non-contentious conversation starter for family meetings. To identify their shared values and vision, families should ask "What do we, as a family, stand for?" and "What do we want to achieve together?" These are good topics of discussion to practice communication skills and work on building family trust. Bear in mind, however, that you (or your client) are not likely to find conclusive answers to these questions at the first or second meeting. Before family members can determine what they want to achieve as a team, they may first need to understand the potential roles and opportunities available to them, and that may take several meetings.

Also, it's important to remember that there are no wrong answers, especially at the start of the process. For communication to succeed, each family member needs to be supported and heard. If an idea doesn't immediately resonate, it should not be shot down—it should go up on the board for discussion, with curiosity as the driver. This kind of non-judgmental discussion will help the family tremendously in later meetings, when they start to tackle substantive decision-making.

4. Failures of professionals: 3%

The good news is that traditional succession planning work is solid 97% of the time. The bad news is that succession plans *still* fail. So if it were possible, I would print the following in big neon letters: *Although the commonly advised family business and wealth transition structures (usually designed to minimize or defer taxes and dictate the activities of upcoming generations) are not inherently flawed, they are not comprehensive enough to prevent failure.*

Individuals involved in successful family businesses are aware of this and take proactive steps to strengthen family dynamics by:

a) Improving communication and building trust within the family;
b) Preparing upcoming generations for their future potential roles and responsibilities; and
c) Working to ensure that the family has a compelling shared vision.



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Thankfully, many professionals are now better able to explain, address, and offer solutions for the qualitative issues that can be roadblocks in many family business succession and wealth transition plans. As a starting point, professionals can help by asking qualitative questions in addition to quantitative ones. Questions like "What keeps you awake at night?" typically elicit answers that have nothing to do with tax minimization or controlling structures.

Beating the odds

As a family increases in size, so too will the number of decision-makers at the table. Accordingly, family dynamics will have to be factored into the family business. The starting point should be a family meeting. I've found that holding family meetings is the most effective way to avert the primary causes of failure for family business transitions. By providing clarity and transparency about any decisions made, these meetings foster family unity and strengthen each member's commitment to plans made in pursuit of long-term goals.

But what if your family (or your client's family) isn't great at communicating? It might be useful to hire a family enterprise advisor or other facilitator to help navigate meetings, especially in the early stages. With or without a facilitator, however, bringing family members together to create a shared vision will go a long way to keeping a family succession plan on track. ■

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Gary Mynett:	604.697.5202	Farida Sukhia:	604.697.5271	Lucas Terpkosh:	604.697.5286
		Jessica Jiang:	604.697.5283		



Lawrence Tam is a tax principal at Davidson & Company LLP in Vancouver, where he specializes in estate and trust planning, tax compliance, and planning for owner-managed businesses and high-net-worth individuals. He also oversees the tax services provided to the firm's China-based clients.

Understanding the Retirement Compensation Arrangement

An Alternative to Traditional Government-Regulated Savings Plans

By Lawrence Tam, CPA, CGA



Images by SARINYAPINNGAM/iStock/Getty Images

High-income earners can find it challenging to meet their retirement income goals given the contribution limits associated with government-regulated savings plans and some pension plans. A Retirement Compensation Arrangement (RCA) is a tool used by many business owners and professionals to address concerns about post-retirement income shortfall and provide a benefit to high-income employees. Understanding the advantages and disadvantages of an RCA can help business owners and professionals avoid any potential negative tax implications and make it more likely for their employees to meet retirement income goals.

Many Canadians rely on government-regulated saving plans, such as a Registered Pension Plan (RPP) or Registered Retirement Savings Plan (RRSP), to help fund their retirement. However, these plans have their disadvantages. Given that RPPs have the potential to be an expensive long-term liability for employers and that the allowable RRSP contribution is only 18% of an individual's annual earned income,[1] these registered saving plans do not always provide adequate retirement income for high-income earners, who may require somewhere between 50% and 70% of their pre-retirement income to maintain their standard of living after they exit the workforce. With that in mind, many business owners and professionals are using RCAs as a supplemental pension benefit to bolster their employees' post-retirement income.

[1] The maximum RRSP contribution for 2019 is $26,500.

What is an RCA?

Section 248(1) of Canada's *Income Tax Act* (ITA) defines an RCA as a plan or arrangement under which an employer, a former employer, and, in some cases, an employee makes contributions to the custodian of an RCA trust (an inter vivos trust). The custodian holds the funds in the trust with the intent of distributing them to the employee, former employee, or other beneficiary when/if the employee retires, loses an office or employment, or substantially changes the services they provide.

The custodian and the employer who established the RCA sign a trust agreement setting out the terms of the RCA trust, such as the powers of the custodian, how and when the trust funds will be invested through an RCA trust investment account, and the responsibilities and limitations of the parties. Since most RCAs are held until the employee retires or retirement benefits are paid, which may be many years after an RCA's initial establishment, the 21-year rule that applies to most trusts does not apply to an RCA trust.

Many types of pension plans qualify as RCAs; however, some retirement arrangements (such as RPPs, RRSPs, deferred profit sharing plans, group sickness/accident insurance plans, employee life and health trusts, and salary deferral arrangements) are not eligible.



What are the tax implications of an RCA?

Refundable tax

An employer's contributions to an RCA trust are subject to a refundable tax under Part XI.3 of the ITA at a tax rate equal to 50% of the amount of contributions. Accordingly, the custodian of the RCA will remit 50% of the employer's contributions to the Canada Revenue Agency (CRA) as a refundable tax credited to a Refundable Tax Account (RTA). The RTA is non-interest-bearing and accumulates the refundable tax until distributions are made from the RCA trust. At that time, the CRA refunds the previously remitted tax to the RCA trust investment account equal to 50% of the distribution amount (that is, a refund of $1 for every $2 of benefits paid to the employee or beneficiary).

If the terms of the employment agreement require an employee to contribute to the RCA trust, the employee's contributions are also subject to the 50% refundable tax. If the agreement requires the employer to withhold the contribution amount from the employee's income, the employer must remit this refundable tax to the CRA. However, if the employee is required to make the contributions directly, the custodian of the RCA trust will remit the refundable tax.

Other tax implications

In addition to RCA contributions, any business or property income (such as dividends and interest income) and any realized capital gains earned in the RCA trust are taxable at the 50% refundable tax rate. In other words, capital gains and taxable Canadian dividends do *not* qualify for preferential tax treatment. The entire capital gain is taxable (instead of the usual 50%), and the dividend tax credit is not available for taxable Canadian dividends earned by the RCA trust.



Some advantages of an RCA: It provides an incentive to reward long-term employees, it can help the employer retain senior executives, and it provides employees with security against employment loss.

Although certain types of income and capital gains earned by the RCA trust lose their preferential tax treatment, an exempt life insurance policy held by an RCA trust remains tax sheltered until the policy is disposed of, which allows the value of the insurance policy to grow on a tax-deferred basis. However, any policy gains realized from the disposition of the life insurance policy are subject to the 50% refundable tax.

Deduction of RCA contributions

When an employer contributes to an RCA trust, 100% of the contributions are deductible to the employer, provided that the contribution amount is considered "reasonable." Although the ITA does not define a reasonable contribution, the CRA generally considers contribution amounts to be reasonable if they are equal to or less than the benefits that would be appropriate for the employee's salary, position, and services provided. The CRA has also commented that the determination of whether a particular contribution to an RCA is reasonable is a question of fact. Therefore, to ensure that RCA contribution amounts are reasonable and not offside, employers may want to hire an actuary.

If, under the terms of their employment agreement, an employee is required to contribute to an RCA trust and their contributions are lower than those made by the employer, the contributions may also be tax deductible to the employee.

Distributions from an RCA

All distributions from an RCA are taxable in the hands of the employee or beneficiary and are subject to withholding tax at source. The custodian will provide the employee or beneficiary with a T4A-RCA slip—Statement of Distributions from a Retirement Compensation Arrangement—showing the distribution amount and income tax deducted. The employee or beneficiary will then report the distributions as "other income," which is taxed at the marginal tax rate, on their personal income tax and benefit return.



What are some advantages and disadvantages of an RCA?

As with any pension plan, there are pros and cons to using an RCA. Here are some examples:

Advantages

- Contributions to an RCA trust do not affect an employee's RRSP contribution room or RPP contribution limit. However, an employer's contributions to an RPP or Individual Pension Plan may reduce the employer's allowable contributions to an RCA. This is because RCA contributions must be considered reasonable when taking into account the total retirement package provided by the employer.
- An RCA provides an incentive to reward long-term employees and can help the employer retain senior executives. It also provides employees with security against employment loss.
- An employer's contributions to an RCA trust are 100% tax deductible by the employer in the year they are made, and they are not taxable to the employee until the benefit is paid in the future—potentially when the employee is in a lower tax bracket.
- An RCA may provide tax advantages to high-earning employees in a province where the top tax rate is higher than the RCA's 50% refundable tax rate.
- An RCA is generally protected from an employer's creditors, although some exceptions apply.

Disadvantages

- Contributions to an RCA trust are subject to a 50% refundable tax that is credited to a non-interest-bearing RTA, leaving only half of the contributions available for investment.
- There are initial setup fees, ongoing management fees, and other applicable custodial fees for the RCA trust.
- The custodian of an RCA trust must file a T3-RCA trust return annually, even if there has been no activity in the year.
- The recent decrease in corporate tax rates for active business income makes RCAs less attractive to owner-managers, as more after-tax corporate funds are available for investment.

Is an RCA the right choice?

Weigh the pros and cons, and plan accordingly. RCAs can provide employees with supplemental pension benefits and can be a useful strategy for employers seeking to provide benefits to their high-earning staff. However, proper planning is needed to avoid adverse tax consequences and ensure that RCAs are helping employees meet their retirement goals. ■

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PD EXPERTS

Why Is Strategy So Hard?

By Mia Maki, FCPA, FCMA



Mia Maki is an assistant teaching professor and the academic director of undergraduate programs for the Peter B. Gustavson School of Business at the University of Victoria. She also teaches with CPABC's PD program (see below).

SEE THE AUTHOR IN PERSON

Already an instructor in CPABC's Operational Skills and Strategic Management certificate programs, Mia Maki is expanding her teaching roster to include the new Advanced Strategic Management Certificate Program. The advanced program, which Mia developed for CPABC, launches this fall. Details provided on facing page.

Many organizations struggle with strategy.[1] In my experience, there are three main reasons why: Strategy is not one thing, it must be implemented and monitored, and companies often try to do too much.

1. Strategy is not "one" thing

Organizational strategy is multi-faceted. Widely accepted frameworks by experts in this field factor in levels, elements, and tension.

Strategy has corporate, business, and operational levels

At each level of strategy, the key to success lies in decision-making. The question at the corporate level is "What business are we in?" Because decisions at this level pertain to the industry in which the company competes, strategy tends to be static for a long period of time, and controversy is rare. Similarly, strategic decisions at the operational level are rarely controversial, as they flow from decisions already made at the business level and are structural and resource-based in nature. The question at the operational level is "How do we organize to meet our strategic goals?"

At the business level, decision-making can be more challenging, with more questions to answer and differing opinions on appropriate strategy. "Who are our customers?" "How do we compete?" "Where should we focus our energies?" For example, the vice-president of sales may want to focus on the next quarter to maximize commissions for the team, while the vice-president of production wants to focus on soliciting future customers. The executive team may decide to narrow its focus by prioritizing one goal over the other.

Strategy guru Michael Porter believes that making hard choices is fundamental to effective strategy. "The essence of strategy is choosing what not to do," he says. "There's a fundamental distinction between strategy and operational effectiveness. Strategy is about making choices, trade-offs; it's about deliberately choosing to be different."[2] It's typically at the business level that these hard choices have to be made.

Strategy has elements

The elements of a strategic plan are the company's mission, vision, values, strategic goals, and implementation plan. Individuals involved in developing a strategic plan should provide specific details about each of these elements, because these details provide evidence that the hard work of decision-making has been done.

Strategy has tension

There will always be tension between what's ideal and what's doable. To be effective, a strategic plan must outline the company's inspirational goals and the realistic steps and resources needed to reach them. The best way to achieve this balance? Diversity in the process—diversity in perspective, thinking, and expertise. In an ideal strategic-planning process, a small group makes the decisions, but only after seeking the input of diverse team members.

[1] C. Cândido and S. Santos, "Strategy Implementation: What Is the Failure Rate?" *Journal of Management & Organization*, 21.2, 2015 (237-262), **https://doi.org/10.1017/jmo.2014.77**. In their analysis of multiple business strategy implementation studies, the authors found that failure rates ranged from less than 28% to more than 90%.

2. Strategy requires implementation and monitoring

In my experience, most strategic planning is not specific enough. In order to convert strategic goals into action, companies need to be clear about how they will execute plans, grow sales, attract and/or retain customers, cut costs, and train employees to move in the right direction. In short, they must address the tension between aspirations and reality.

For example, if a company plans to grow sales by 10% over the next three years, will they increase their salesforce to do so? Will they put more resources into marketing? Are they going to expand into a new geographic market or engage a new customer segment? Will they take market share from a competitor by offering a cost-efficient bundle of products or services? Each of these strategies will require resources.

Sometimes, hard decisions such as these are not made in the planning process, and this lack of rigour leads directly to implementation issues. After all, how can a company achieve its goals if it's not clear *how* it's going to do so?

3. Companies try to do too much

After decades of work helping companies and organizations with their strategic plans, I believe companies can rarely handle focusing on more than three strategic goals at any given time. More goals in the plan than three? One to two years after the strategic plan is implemented, goals four and five will be languishing—guaranteed.

Why? Because everyone already has a full-time job. Getting employees to do their regular jobs while also executing on a strategic plan sets implementation up for failure. In addition to constrained human resources, companies have limited financial resources, and it is easy to squander dollars if they're spent without focus.

Simply put, if too much is tackled in the plan, the plan will likely fail. As Michael Porter says, strategy is about making hard choices, and choosing what *not* to do is as important as choosing what to do.

I recommend that my clients set three strategic goals:[3]

- One outward-facing (competitive, customer related);
- One inward-focused (training or systems); and
- One that faces outward or inward, depending on the company's needs. If the company has recently outgrown its systems, structure, and capacity, this third goal will likely face inward. If the company is ready to expand and has the right people and systems in place to handle growth, the third goal will likely face outward.

How to succeed at strategy

If you want to improve your strategic planning, implementation, and monitoring, start by having a candid debrief at the beginning of the annual planning process and looking for process improvements. For example, if strategic goals #4 and #5 never seem to get traction, assess whether you're doing too much and need to refocus your precious resources. Are employees telling you they don't know how to contribute to the strategic plan? Maybe it's time to implement a cascading balanced scorecard program to align employee objectives with your strategic goals.

Strategic planning is an organizational skill that can be developed, but it takes more than a one-day retreat to really understand the levels, elements, and tensions at work. In the end, however, building your strategic capacity is well worth your time and effort. ■

[2] Michael E. Porter, "What Is Strategy?" *Harvard Business Review*, November-December 1996.

[3] Joan Magretta, "Jim Collins, Meet Michael Porter," *Harvard Business Review*, December 15, 2011.

TAKE YOUR STRATEGY SKILLS TO THE NEXT LEVEL

CPABC's Advanced Strategic Management Certificate Program launches this fall!

Our Professional Development Program is expanding to include a new two-day certificate program focused on integrating frameworks and implementing strategic plans. The Advanced Strategic Management Certificate Program is designed for CPAs who lead or participate in their organization's strategic management initiatives and want to build on their existing skills.* Participants will learn how to apply critical components of leadership and strategy, including risk assessment and change management, to their organization by working through case studies and discussing best practices.

More information about the program is provided in the 2019 Fall/Winter PD Catalogue and online at **pd.bccpa.ca/executive-certificate-programs**.

*Note: Completion of CPABC's Strategic Management Certificate Program is not a requirement to take the advanced program.

PD PROGRAM HIGHLIGHTS

CPABC
Nexus Days

Learn, Connect, and Engage at CPABC's 2019 Fall PD Nexus Days

PD Nexus Days are full-day seminars presented in a conference format. Each PD Nexus Day features keynote presentations, breakout sessions, and networking opportunities. Don't miss out on your chance to attend one of the following upcoming seminars:

PD Nexus: Beyond Financial Reporting Insights
October 23 | 8:30 am - 4:30 pm
Vancouver | Vancouver Convention Centre West

PD Nexus: Business Insights Kelowna
October 25 | 8:30 am - 4:30 pm
Kelowna | Coast Capri Hotel

PD Nexus: Maximizing Diversity & Inclusion
November 19 | 8:30 am - 4:30 pm
Vancouver | Vancouver Convention Centre West

PD Nexus: Local Government Accounting & Assurance Workshop (see page 41)
November 21-22 | 8:30 am - 4:30 pm
Vancouver | Coast Coal Harbour Hotel

PD Nexus: Public Practice Insights*
November 26 | 8:30 am - 4:30 pm
Vancouver | Vancouver Convention Centre West
A portion of this PD Nexus Day will be available via live stream on **pd.bccpa.ca.*

PD Nexus: Business & Innovation Insights Vancouver
December 6 | 8:30 am - 4:30 pm
Vancouver | Vancouver Convention Centre West

Are You Ready for Your Paperless PD Seminar?
Prepare your course materials before you go

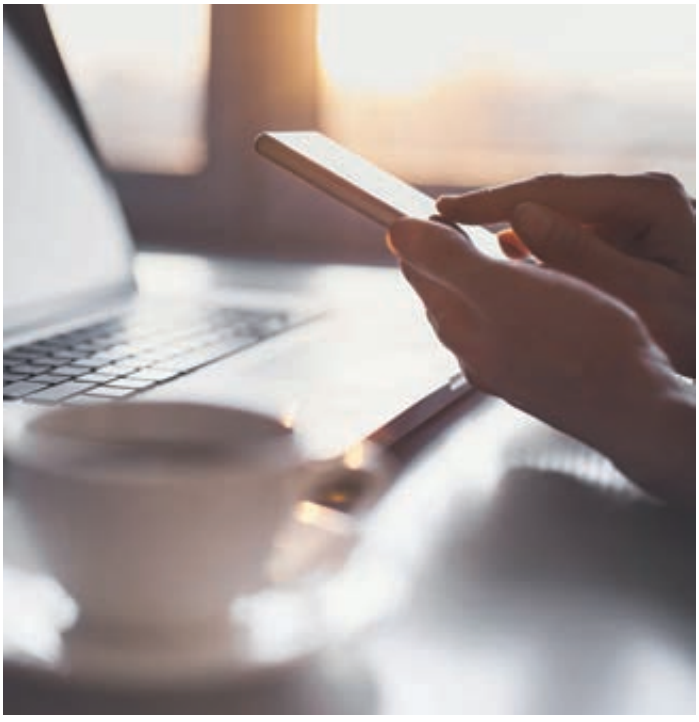
Whether you're learning from a 300-page manual or a concise PowerPoint, having your course materials at hand when your seminar begins will make your learning experience more effective. Now that CPABC has introduced paperless seminars,* here are a few tips to ensure your course materials are ready to use when your seminar starts:

- Go to CPABC's Online Services site at **services.bccpa.ca** to download your course materials, which will be available two days before your seminar;
- Open the zip file and save the course materials to your device;
- Check to see if there is any pre-work required; and
- Make notes directly in the PDF files. (If you're not already familiar with how to annotate paperless materials, visit **pd.bccpa.ca** to learn how).

Don't forget to bring your device and the saved course materials with you to the seminar. Access to power is limited in many seminar rooms, so make sure your device is fully charged.

If you prefer working with hard copies, you can print course materials yourself or request a copy from CPABC for a nominal printing fee.

**CPABC launched its paperless seminar initative in spring 2019 to support an organizational commitment to sustainability.*



Poike/iStock/Getty Images

New Seminar Titles for Fall 2019

With the summer coming to a close, it's time to start planning your professional development for the remainder of 2019. CPABC's Professional Development Program is adding the following new seminars to its lineup. Visit us at **pd.bccpa.ca** for a comprehensive list of available titles.

FINANCIAL REPORTING
- PSAS – Update 2019
- ASNFPO – Update 2019

INFORMATION & BUSINESS TECHNOLOGY
- Cyber Security and Awareness
- DAX Formulas for Power Pivot

MANAGEMENT ACCOUNTING
- Marketing Your Business without Breaking the Bank

PEOPLE MANAGEMENT & PERSONAL DEVELOPMENT
- Creating Healthy Conflict in the Workplace
- Presentation Skills for Introvert Accountants
- Achieving Results through Collaborative Projects
- Emotional Intelligence in the Workplace
- Leaders as Role Models
- Leading Sustainable Change
- Enhancing Your Management Skills

PROFESSIONAL AND ETHICAL BEHAVIOUR
- Ethical Leadership in an Age of AI

TAXATION
- Corporate Tax – Investment Holding Companies
- Income Tax – Principal Residences
- NFPO – Taxation
- PST – Review of Jurisdictional Sales Tax
- US Tax Reform – Implications for Canadian Businesses
- An Introduction to FAPI
- Tax on the Sharing Economy

STRATEGY, GOVERNANCE, RISK & HUMAN RESOURCE
- NFPO – Governance

Save the Dates: Fall 2019 PD Weeks

If you enjoy attending seminars during our Fall PD weeks, be sure to mark the following dates in your calendar and watch for more details!

Vancouver | Vancouver Convention Centre
November 25-30
December 2-7

Kelowna | Coast Capri Hotel
November 18-22

Parksville | Beach Club Resort
November 4-7

Surrey | Sheraton Guildford Hotel
November 4-8

Victoria | Victoria Convention Centre
November 12-15
November 25-30



PD NEXUS:
LOCAL GOVERNMENT ACCOUNTING & ASSURANCE WORKSHOP

Nov 21-22 | 8:30 a.m.-4:30 p.m. | Coast Coal Harbour Hotel, Vancouver

CPABC is pleased to offer this workshop in conjunction with the Government Finance Officers Association of British Columbia.

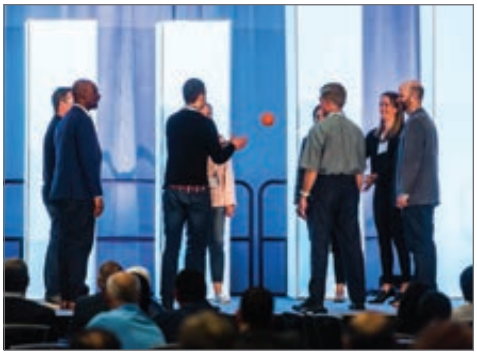
The Local Government Accounting & Assurance Workshop will give auditors and other public practitioners an update on best practices in accounting and assurance. Attendees will also have the opportunity to discuss issues with peers and meet and exchange ideas with experts involved in standard setting.

Register now at pd.bccpa.ca.

EVENTS

Event News! CPABC to Host a Single Pacific Summit in 2020

Don't miss out—be sure to attend our marquee event next spring!





Big changes are coming in 2020! Instead of hosting two Pacific Summit events next year—one in spring and one in fall—CPABC will be consolidating both events into one spectacular Pacific Summit in May. If you've traditionally attended the Fall Pacific Summit, be sure to plan ahead so you can join us in the spring! The 2020 Pacific Summit will take place in Vancouver from May 20 to 22.

But that's not all. In addition to gaining insight from world-renowned keynote speakers, you'll benefit from exciting new features that will support your professional development and career advancement, such as additional learning streams and partnerships with other finance- and business-focused organizations. The 2020 summit format will also offer enhanced networking opportunities so you can make strong connections within BC's finance community while also catching up with your peers.

What CPAs say about the Pacific Summit

CPAs consistently have great things to say about the Pacific Summit's engaging learning opportunities, stress-free networking events, and cutting-edge trade show. Here's just a small sample of the feedback we received about the 2019 Spring Pacific Summit through an anonymous post-event survey:

- *"Energetic and enjoyable keynote speakers. Very knowledgeable speakers during the breakout sessions. Good selection of topics overall."*
- *"I like the summit format as I can get a large part of my PD done at a reasonable cost."*
- *"Excellent source of information and [opportunity] for networking."*
- *"Keynote speakers were fabulous, and there was a great assortment of courses."*
- *"The location was great! It certainly fostered opportunities for networking."*
- *About the trade show: "Very useful to keep up to date with product offerings that impact accounting and finance."*











Photos by Jon Benjamin Photography.



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ANNOUNCEMENTS AND ACCOLADES

Kudos!



Neil Klompas, CPA, CA, CFO of Zymeworks Inc. in Vancouver and a 2019 BC CFO Award winner, has been appointed to the board of directors for Prometic Life Sciences Inc. in Laval, Quebec. Neil also chairs the board's Audit, Risk, and Finance Committee.

Sharon Ng, CPA, CA, has been promoted to CFO of Spanish Mountain Gold Ltd. in Vancouver. She previously served as the company's accounting manager. In her new role, Sharon will be responsible for the company's overall financial function and cash management.



Nita Ruzicka, CPA, CGA, recently celebrated her 100th birthday! Nita earned her accounting designation in 1964, and went on to hold several positions in industry. She also served as an auditor for provincial, state, and federal governments in Canada and the US. Nita retired in 1984 and is still going strong.

Two CPAs elected as leaders of BCIT board

BCIT's Board of Governors recently elected **Doug Eveneshen, CPA, CGA**, CEO of Stabilization Central Credit Union in Vancouver, as board chair. Doug has served on the board since 2018. **Cathy Young, CPA, CA**, a principal at Young Strategies Ltd. in Vancouver, was elected to serve as vice-chair. Cathy has served on the board since 2014.



Doug Eveneshen



Cathy Young

PwC Canada is pleased to announce that five CPAs have been named to the firm's partnership. In the firm's Surrey office, **Aynsley Price, CPA, CA**, is a partner supporting private companies in Surrey and the Fraser Valley. In the firm's Vancouver office, **Melanie Campbell, CPA, CA**, is a tax partner; **Oksana Horsman, CPA, CA**, is a deals partner; **Edward Matley, CPA, CA**, is a risk assurance partner; and **Leonard Wadsworth, CPA, CA**, is an audit and assurance partner.



Aynsley Price



Melanie Campbell



Oksana Horsman



Edward Matley



Leonard Wadsworth

Smythe LLP is pleased to announce that four CPAs have been named to the firm's partnership. **Trevor Topping, CPA, CA**, is a partner in the firm's Nanaimo office; and **Kyle Inman, CPA, CA**; **Tamiko Iwata, CPA, CA**; and **Michelle So, CPA, CA**, are partners in the firm's Vancouver office.



Trevor Topping



Kyle Inman



Tamiko Iwata



Michelle So

Giving Back—CPAs in the Community

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

- **UBC Farm** – In June, members of the CPABC Vancouver Chapter helped harvest food, pull weeds, churn compost, and organize sheds at the Indigenous Health Research and Education Garden at UBC Farm (**lfs-iherg.sites.olt.ubc.ca**). The garden serves to teach participants about Indigenous farming, guided by the principle that "food is medicine."
- **Richmond Maritime Festival** – In July, volunteers from the CPABC Richmond/South Delta Chapter participated in the Richmond Maritime Festival (**richmondmaritimefestival.ca**), serving as greeters, supervising children's activities, ensuring dock safety, and assisting artists and entertainers with setup. The annual festival, which is held at the Britannia Shipyards National Historic Site, celebrates Richmond's historical connection with the sea.
- **Robert Half Suit Drive** – In August, the CPABC Surrey/Langley/North Delta Chapter held a community engagement event at Everything Wine in Langley to support the Robert Half Suit Drive (**roberthalf.ca**). Attendees were asked to bring gently used and interview-appropriate clothing, shoes, and accessories to be donated to not-for-profit organizations that support low-income job seekers, such as Dress for Success. The CPABC Vancouver Chapter also contributed to the Robert Half Suit Drive in August, collecting donations at its monthly networking breakfast, held at the Sutton Place Hotel.

Want to get involved in upcoming events?

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



Top: Kyla Ryoo, CPA, CGA, social director of the CPABC Vancouver Chapter; Amy Robichaud, executive director of Dress for Success; Mike Shekhtman, regional vice-president for Robert Half; Christine Woodington, CPA, CGA, chair of the CPABC Vancouver Chapter; Koula Vasilopoulos, district president of Western Canada/South America for Robert Half; Danley Yip, CPA, CA, senior vice-president for Robert Half.





Above: Tamara Unroe, a visual and performance artist with the Richmond Maritime Festival, paints a sign for the festival's "Sirens Shipwreck" exhibit. Right: CPABC Richmond Chapter members volunteer at the Richmond Maritime Festival. L to R: Zhen Tang, a candidate in CPA PEP; Ilnur Gauzshtein, CPA, CGA; Amy Huang, CPA, CGA (chapter chair); and Jacqueline Ho, CPA, CGA (past chapter chair).

Do you have an announcement you'd like to share in the magazine? Email us at: ***infocusmag@bccpa.ca***



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CHAPTER ACTIVITIES

Driving Member Engagement at CPABC's 2019 Golf Tournaments





Left: A winning foursome (l to r): Kelly Lawrie, CPA, CMA; Vishaal Sharma, CPA; Scott Wandler, CPA, CA; and Jason Kirychuk, CPA, CA, take home the big prize at the Okanagan Cup tournament. Right: Carol McLean, CPA, CGA, and her husband Alan McLean hit the links at Prince George Golf & Curling Club.

This summer, CPABC and several of its chapters teamed up to host golf tournaments across the province. To date, more than 300 members, candidates, students, and guests have come out to enjoy a round of golf in 2019. Each of the six tournaments held so far has ended with a celebratory dinner and prize draw/presentation.

This year's golf season teed off on June 7 with the CPABC Surrey/Langley/North Delta Chapter's tournament at Newlands Golf and Country Club in Langley, with more than 25 golfers playing the 11-hole course. On June 27, the CPABC North Shore/Sunshine Coast Chapter hosted 40 players at Northlands Golf Course in North Vancouver, marking the fourth year in a row that the chapter filled all available player spots. The following day, the Prince George Chapter hosted 26 golfers for its third annual golf tournament at Prince George Golf & Curling Club.

On July 11, more than 50 golfers attended the CPABC Okanagan Chapter's fifth annual "Okanagan Cup" golf tournament at the Pinnacle Course at Gallagher's Canyon in Kelowna. Later that week (July 13), the Victoria/South Vancouver Island Chapter held its annual golf tournament and BBQ at Metchosin Golf and Country Club in Victoria, with more than 50 players in attendance.

CPABC's 2019 golf tournaments will wrap up on September 12, with the 60th annual CPA golf tournament at University Golf Club in Vancouver. This event is the longest-running tournament in the University Golf Club's history!

CPABC would like to thank all of the event organizers and participants for making the events such a success. CPABC would also like to acknowledge the generosity of the members, firms, and organizations that donated prizes.

Preparing CPAs for the Future: Chapter Leaders Discuss Best Practices

"CPABC's chapters play an important role in shaping the profession, as chapter leaders and volunteers are essential to member engagement at the local level." —David Chiang, CPA, CA, VP, member advice and programs at CPABC

On June 21, CPABC held its annual Chapter Leaders' Meeting in Richmond, hosting 32 members who represent the leadership of CPABC's 16 chapters across the province. Every year, this event gives chapter leaders an opportunity to gain up-to-date information on the profession, share their thoughts on the previous year's initiatives and events, build connections across chapters, and hone their leadership skills.

At a welcome reception and dinner held on the evening of June 20, Geoff Dodds, CPA, CA, first vice-chair of the CPABC Board of Directors, gave a keynote speech in which he outlined the emerging issues for the profession. He also thanked chapter leaders for continuing to foster relationships between CPABC members, candidates, and students, and between the profession and the community at large (last fiscal year, CPABC's chapters hosted more than 200 professional development, networking, and community engagement events).

Formal working sessions followed on June 21, covering topics such as IT security and privacy and team development. The sessions also featured a number of brainstorming activities during which chapter leaders discussed new ways to engage members, support CPA candidates and students, and encourage chapter members to join CPABC's CPA Ambassador program.

Want more chapter info?

Stay up to speed on chapter activities, including social events like the annual golf tournaments, by visiting **bccpa.ca/chapters** or following your local chapter on social media. If you'd like to receive information about chapter activities by email, be sure to confirm your email preferences through CPABC's Online Services site at **services.bccpa.ca**. And if you'd like to get involved as a volunteer, contact your local chapter chair to express your interest.



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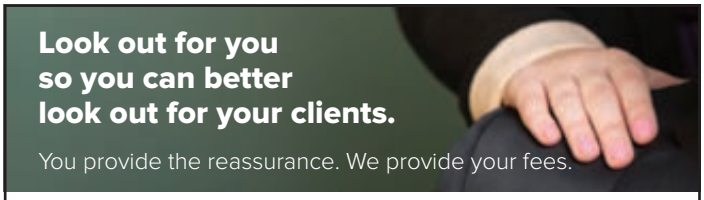


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SNAPSHOT:

Zuzanna Wasyliw, CPA, CA

The job: Director of finance at Thinkific, an online learning platform that enables its customers to create and sell online courses.

Best part of the job: The ever-changing dynamic of a fast-growing company. "We work as a team and regularly achieve milestones we're proud of."

Leadership style: Inclusive. "I truly believe that team members are a company's most valuable asset. I always want to hear other people's input as it helps me see things from different perspectives."

Proudest CPA moment: Leading the development and execution of Thinkific's high-growth financial strategy and implementing the necessary controls and processes to support its scalability.

On work/life balance: "There has been a lot of trial and error over the last few years, as we've grown from a family of two to a family of five in a very short time. We support each other and continuously make adjustments to fit all the pieces together."

Secret weapon: Meditation and exercise. "Exercise gives me energy—it clears my head and makes me happy."

Read more about Zuzanna and Thinkific in the CPA Disruptors series at **IndustryUpdate.ca**.



Photo courtesy of Wink Photography

When your clients' questions about money are really questions about their future.



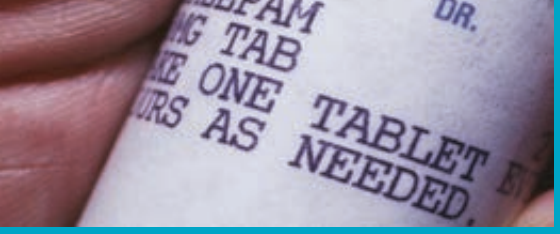
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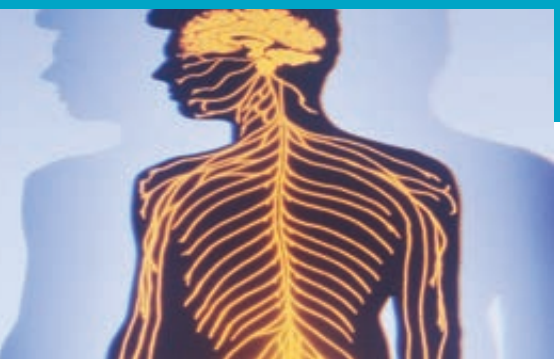
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Canada Revenue Agency (CRA) Federal Legislation allows business owners to fully tax deduct 100% of their healthcare costs as a business expense using a Private Health Services Plan.

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
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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
(3% of net income) Deduct	$1500
Available for credit	$100
Tax Credit*	**$25**

When they could be doing this!

Healthcare Costs	$1600
Admin Fee (10%)	$ 160
Tax-deductible total	$1760
Tax Deduction	**$1760**

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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