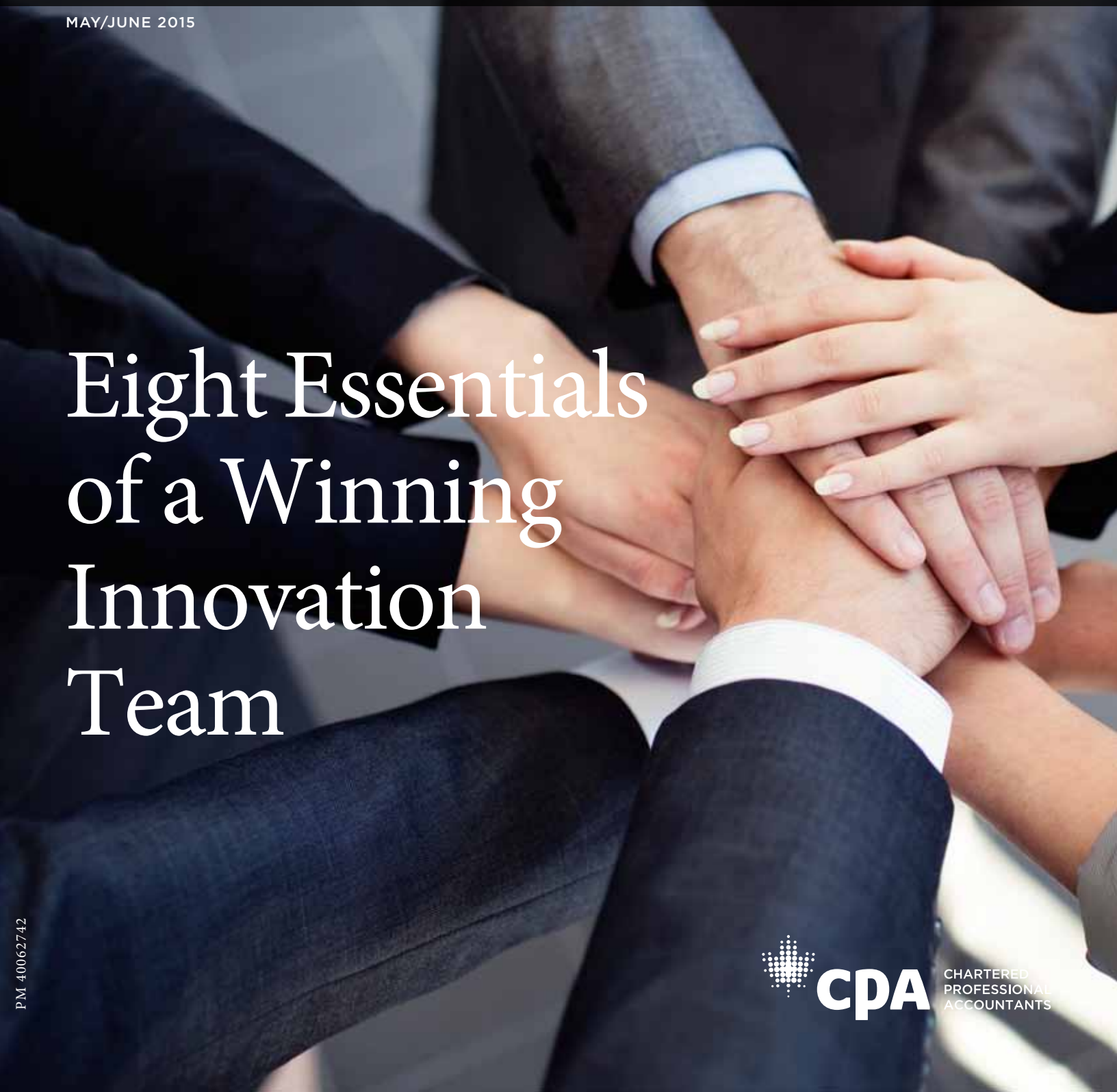
CPABC

INFOCUS

5 Notes from the Leadership
20 Financial Literacy Program
24 Updates to Public Practice
30 Taming the Email Dragon
32 Ethics
36 Tax
40 Professional Development
42 Kudos
46 Member Profile

MAY/JUNE 2015



Eight Essentials of a Winning Innovation Team

PM 40062742

CPA CHARTERED PROFESSIONAL ACCOUNTANTS



WE'RE THE BEST
WHEN IT COMES TO THE WORST.

At CPA Insurance Plans West we're focused on making the rainy days in your life a little bit easier with our tailored term life and disability insurance plans. Helping you be prepared when things don't go according to plan is in our nature. And in our name.

Visit cpaipw.ca or call 1.800.661.6430

CPA CHARTERED PROFESSIONAL ACCOUNTANTS
INSURANCE PLANS WEST
Coverage that counts.

Contents

Cover Story



16 Eight Essentials of a Winning Innovation Team
How you can lead them to success

20 CPA Canada's Financial Literacy Program

24 Updates to Public Practice
Important changes recommended to registration and training

28 Campus Access Profile
CPABC launches new hiring tool

30 Taming the Email Dragon

Recurring Columns

32 Ethics
Unpaid professional fees can lead to independence threat

36 Tax
New documentation and transparency reporting – What MNEs need to know

5 Notes from the Leadership
7 Call for CPABC media reps
12 Ambassador Training Program
15 CPAWSB website launched!

In Focus

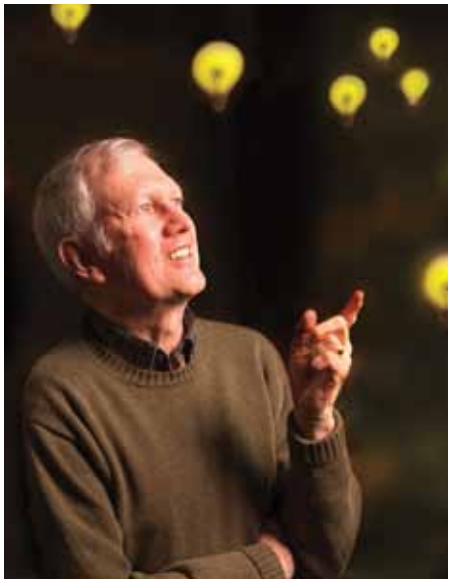
5 Notes & News

29 This and That
CPABC's Career Connect site user stats indicate a banner first year!

40 Professional Development
Upcoming seminars in June/July

42 Members in Focus
Announcements and accolades

46 Member Profile
Chris Duff, CPA, CA, PhD
Professor Emeritus,
Royal Roads University



Cover image: BartekSzewczyk/iStock/Thinkstock

BFL CANADA

Protecting Corporate Assets and Shareholder Value



- Innovative commercial insurance solutions for all industry segments
- Access to all domestic and international insurance markets
- Enterprise Risk Management

VANCOUVER | KELOWNA | CALGARY
WINNIPEG | TORONTO | OTTAWA
MONTREAL | QUEBEC | HALIFAX

BFL CANADA Insurance Services Inc.
International Insurance Brokers

#200 - 1177 West Hastings Street
Vancouver, BC V6E 2K3
604-669-9600

www.bflcanada.ca

BFL MAKES A DIFFERENCE

CPABC INFOCUS

May/June 2015, Vol. 3, No. 3

British Columbia's CA, CGA, and CMA bodies are currently working to unite under the CPA designation. *CPABC in Focus* is their flagship magazine.

Transitional Steering Committee

President/Chair	Brian Friedrich, CPA, FCGA
	Dan Little, CPA, FCA
	Simon Philp, CPA, FCMA
First VP/VC	Heather Banham, CPA, FCGA
	David Hallinan, CPA, FCMA
	Barry Macdonald, CPA, FCA
Second VC/VP	Lindalee Brougham, CPA, FCA
	Diane Kerley, CPA, FCMA
Past Chair	David Sale, CPA, FCGA

Executive Management Committee

CPABC Exec. VP, Regulation	Jamie Midgley, CPA, FCA
CPABC Exec. VP, Marketing and Business Development and CMABC President & CEO	Vinetta Peek, CMA (Hon.), CPA, FCMA
CPABC President & CEO and ICABC CEO	Richard Rees, CPA, FCA
CPABC Exec. VP, Certification and Operations and CGA-BC CEO	Gordon Ruth, CPA, FCGA
CPABC Exec. VP, Member Engagement and Information Technology	Jan Sampson, CPA, FCA

CPABC in Focus

VP, External Affairs	Kerri Wilcox
Editor	Michelle McRae
Magazine Design	Blindfolio Design

Advertising

For advertising rates, contact Advertising in Print at 604.681.1811 or **info@advertisinginprint.com**. *CPABC in Focus* is the premier way to reach BC's professional accounting community. Advertising in *CPABC in Focus* does not indicate an endorsement of any business, organization, service, or product.

Inquiries and Letters

Contact us at **info@bccpa.ca**

About

CPABC in Focus is published in British Columbia six times a year, and is sent to more than 36,000 CA, CGA, and CMA members, candidates, and students. Opinions expressed are not necessarily endorsed by the ICABC, CGA-BC, or CMABC.

Copyright *CPABC in Focus* 2015. Visit us online at **bccpa.ca**.

Mailing address: c/o #1000 – 900 West Hastings St, Vancouver, BC, V6C 0C4
Publications mail agreement no. PM 40062742

MIX
Paper from responsible sources
FSC® C101537

Notes from the Leadership

By Brian Friedrich, CPA, FCGA, Dan Little, CPA, FCA, and Simon Philp, CPA, FCMA

Now that the *Chartered Professional Accountants Act* (the Act) has received royal assent—formally becoming law in the province of British Columbia on March 25—we expect to reach several more exciting milestones over the coming months.

We are currently working to finalize the draft bylaws and regulations that will go forward for governmental review. Once these are reviewed, the Act will be enacted by the Minister, and the current legacy acts will be repealed automatically. We are hopeful that by the time staff move into the new CPABC office space this summer, we will be one unified, legally established entity.

With the move to the new office space at Harbour Centre looming on the horizon, the CPABC team had to make decisions with respect to the three legacy offices. CGA-BC's Broadway office was placed up for sale and, after generating significant interest, was sold on February 27 for $16.125 million. The ICABC's lease at the Burrard office is up at the end of July, which coordinates with the timing of the move, and CMABC's West Hastings office space is currently being advertised for sub-lease opportunities.

In the meantime, it's important to note that although we continue to work on our new regulatory structure, many bylaw changes have already taken effect, and others are set to take effect as soon as legislation has been proclaimed. To make sure these changes are top of mind, we've included the second in a series of articles on the new regulatory structure in this issue of the magazine (page 24); the article focuses on the recommended changes for public practice—specifically, those involving registration and training. Once legislation has been enacted, information regarding the transition period for other regulatory matters—as well as information about signage, letterhead, and other marketing materials—will be released online and in this and other CPABC publications.

It's also important to note that while there will be a transition period for many material items, the requirement to use the CPA designation in conjunction with legacy designations will become mandatory as soon as legislation has been enacted (a reminder regarding proper usage appears on page 10).

Other milestones lie ahead. As we work to establish new CPA traditions, we will continue to wind down our legacy events. One such event is the CA Convocation, which will be held at the Vancouver Convention Centre on May 30. More than 400 students have registered to attend this event, where they'll have a chance to celebrate their achievement with friends and family. Look for a recap of the event in our July/August issue.

Until then, here's to an exciting summer!



Brian Friedrich, CPA, FCGA



Dan Little, CPA, FCA



Simon Philp, CPA, FCMA



We would like to take this opportunity to welcome **Jason Trefanenko, CPA, CGA**, to the leadership team. Jason was elected second vice-chair of CGA-BC on March 10, and joins CGA-BC's executive committee. He will act as an observer on CPABC's Transitional Steering Committee, and we look forward to his input as we formalize the new organization's processes and governance structure over the coming months.

Sponsorships & Events

In March and April 2015, CPABC sponsored or attended a number of industry events to promote the CPA designation. These included *Business in Vancouver*'s Influential Women in Business Awards (March 4—see bottom of page), the Vancouver Board of Trade's Leaders of Tomorrow Accounting Speaker Series Event (March 12), and the BC Human Resources Management Association Conference and Tradeshow (April 28-29).

To promote the profession at the post-secondary level, CPABC sponsored or attended a variety of events on and off campus, including the Kwantlen Polytechnic University Career Day, the UBC Me Inc. Conference, the Langara College Student Employment Day, the CPA Careers in Business Panel, a CPA networking event in Victoria, and career fairs for Thompson Rivers University, the College of New Caledonia & the University of Northern BC (NorthWorks event), the College of the Rockies, and BCIT.

Upcoming events include the BC Chamber of Commerce Conference (May 24-26), the Government Finance Officers Association of BC's Annual Conference (May 27-29), and *Business in Vancouver*'s 2015 BC CFO Awards (June 2). CPABC will also continue to co-lead the CPA & Beedie School of Business Student Leadership Development Program through June 2015.

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

Congrats to Our Colleagues in PEI!

On April 1, 2015, the Chartered Professional Accountants of Prince Edward Island was formally established with the proclamation of the *Chartered Professional Accountants and Public Accounting Act* by the Government of Prince Edward Island. As the new unified accounting body, CPA Prince Edward Island represents more than 600 members, candidates, and students. Members can now officially use the CPA designation in conjunction with their legacy designations.



PetrovVadim/iStock/Thinkstock



Honorary Member Wins BIV Award

CPABC is proud to announce that Fiona Macfarlane, LLM, CA (Hon.), was one of six inspiring leaders chosen to receive a 2015 Influential Women in Business Award from *Business in Vancouver* (BIV) this past March.

Fiona is the managing partner for EY in British Columbia and also serves as the firm's Canadian chief inclusiveness officer, championing the benefits of workplace diversity—a topic she recently wrote about for *CPABC in Focus* (March/April 2015 cover story). She joined EY in 1987, after immigrating to Canada from her home country of South Africa.

Fiona currently serves on the executive committee and board of governors of the Business Council of British Columbia, and on the boards of the University of British Columbia, Shawnigan Lake School, and the Immigrant Employment Council of BC. She received the CA (Hon.) designation from the ICABC in 2011 in recognition of her contributions to the accounting profession.

CPABC president & CEO Richard Rees, CPA, FCA, with BIV award winner Fiona Macfarlane, LLM, CA (Hon.) at the gala held on March 4. CPABC was a gold sponsor of the event. Photo by Chung Chow for *Business in Vancouver*.

BC and WA Accountants Working Together to Protect the Public

On February 18, the Institute of Chartered Accountants of British Columbia (ICABC) and the Washington State Board of Accountancy (WBOA) signed a "Memorandum of Understanding and Cooperation" (MOUC) to establish a framework that outlines how the two organizations can work together to regulate members of the accounting profession who work on both sides of the border.

The MOUC marks an important step forward in the ICABC's ongoing collaboration with the WSBOA to ensure that cross-border accounting activities are properly governed in the best interest of the public. Each jurisdiction will promote and encourage compliance with a mandatory registration of members who participate in cross-border accounting activities.

While the MOUC is an agreement between the ICABC and WSBOA, it recognizes the ICABC's pending transition to CPABC, and is designed to remain in effect following the establishment of the Chartered Professional Accountants of BC as the province's sole regulatory body for professional accountants.



At the MOUC signing (l to r): ICABC CEO/CPABC president & CEO Richard Rees, CPA, FCA; ICABC president/CPABC TSC member Dan Little, CPA, FCA; WBOA chair Don Aubrey, US CPA; and WBOA executive director Rick Sweeney, US CPA. Photo by Kent Kallberg Studios.

BC Budget Events

On February 17, CPABC's Budget Response Team, led by president & CEO Richard Rees, CPA, FCA, attended the budget lock-up in Victoria, and received an embargoed copy of the provincial budget for the upcoming fiscal year. Overall, the provincial budget holds the line on spending, promises operating debt repayment that will bring down BC's debt-to-GDP ratio, and commits to strengthening the key infrastructure development that is important to the province's productivity and competitiveness.

Speaking on behalf of CPABC, Richard said he was pleased to see Finance Minister Mike de Jong continuing to uphold his commitment to balancing the books and generating modest budget surpluses over the next three years. With the surpluses anticipated, the government should be able to pay down the province's direct operating debt by more than 50% over the next three years, lowering it to $4.8 billion. In turn, this would bring the debt-to-GDP ratio down to 16.6%—the lowest level since 1991—by 2017/2018.

Providing commentary on the provincial budget is a critical part of CPABC's government relations activities. In addition to providing an assessment directly to the government, CPABC sponsored two events with the finance minister: the Richmond Chamber of Commerce Post-Budget Breakfast, held on February 20 (co-sponsored by Reid Hurst Nagy), and the Vancouver Board of Trade BC Budget Recap Breakfast, held on February 23.

Become a CPABC Media Rep

Do you want to share your expertise with local media, in CPABC publications, and on the CPABC blog? Join us as a CPABC media representative and you'll have the opportunity to gain media and online exposure while also promoting the CPA profession.

If you're interested in becoming a media representative for CPABC, please contact Vivian Tse at **vtse@bccpa.ca** for more details.



HerminUtomo/iStock/Thinkstock

Tax Events

Family Day

On February 9, Minister of National Revenue Kerry-Lynne Findlay attended a "Family Day" event in Vancouver to highlight the tax relief and benefit measures available for Canadian families. Several CPABC members were in attendance, including Walter Pela, CPA, CA (KPMG); Stanley Dong, CPA, CGA (Dong Russell & Company); and Brian Galloway, CPA, FCGA (Galloway Botteselle & Co.).



L to R: Walter Pela, CPA, CA; Min. Findlay; Stanley Dong, CPA, CGA; Brian Galloway, CPA, FCGA; and Wai Young, MP for Vancouver South.



CPABC-CRA Liaison Meetings

In collaboration with the Canada Revenue Agency, CPABC hosted several CPABC-CRA liaison meetings in Victoria, Surrey, Vancouver, Kelowna, and Prince George during the months of February and March. More than 400 tax practitioners came out to hear senior CRA personnel discuss current initiatives and priorities and participate in a Q&A. If you're a tax practitioner and would like to obtain materials from these presentations, please email David Chiang, CPA, CA, CPABC's VP of member services, at **dchiang@bccpa.ca**.

Chapter Update: First Leaders Meeting Held

CPABC held its inaugural Chapter Leaders Meeting in Vancouver on February 20, at the Rosewood Hotel Georgia. Twenty-seven chapter chairs, vice-chairs, and special guests from 14 of the 15 CPABC chapters attended this all-day event. Emceed by David Chiang, CPA, CA, CPABC's VP of member services, the meeting kicked off with a brand imaging exercise led by Vinetta Peek, CMA (Hon.), CPA, FCMA, CPABC's executive VP of marketing and business development. Each of the four participating teams had to create a poster that defined the CPA brand.

A provincial update from CPABC president & CEO Richard Rees, CPA, FCA, followed, after which several chapter leaders shared success stories about recent social networking events, professional development offerings, and community engagement activities.

In the afternoon, Jan Sampson, CPA, FCA, CPABC's executive VP for member engagement and information technology, summarized how CPA Canada and CPABC are working collaboratively to advance the profession. Jan was followed by a guest speaker from CPA Canada, Li Zhang, who provided information about the national Community Connect – Financial Literacy Program (see page 20).



"What is your brand?" Vinetta Peek leads chapter leaders in an imaging exercise focused on the CPA brand.

To round out the day, chapter leaders brainstormed about how to engage members—particularly younger professionals and public practitioners—and about how to support PEP candidates, PREP students, and CPA mentors.

In all, the Chapter Leaders Meeting was an inspiring, informative, and collaborative event that generated a number of promising ideas for future chapter events and activities.

Get involved with your local CPABC chapter

Through a variety of social networking events and professional development activities, the 15 CPABC chapters across BC provide excellent opportunities for individuals to engage with other members, PEP candidates, and PREP students in their area, as well as with their local community.

Relying on the efforts of volunteers, these CPABC chapters are always looking for members, candidates, and students to assist with upcoming activities and/or to serve at the board level. If you'd like to participate in exciting activities while also giving back to the profession, go to **bccpa.ca/members/cpabc-chapters**, select your local chapter, click on the "Get Involved" tab, and email the chapter to express your areas of interest.

YOUR TEAM OF EXPERTS IN

Insurance & Retirement Solutions | Employee Benefits

Investments | Business Family Succession | Structured Settlements

ZLC FINANCIAL
EST. 1946



Garry Zlotnik
FCA, CFP, CLU, ChFC



Peter G. Lamb
BA, CLU, TEP, EPC, CSA



Martin Zlotnik
BCOM, LLB



Mark A. Zlotnik
CA, CLU



P.M. (Pip) Steele
BCOM, CFP, CLU, ChFC



Robert E. Olson
BA



H.G. (Howie) Young
CFP



Amin E. Jamal
ACII, CLU



John V.R. Wark
BCOM, CA, CFP, CLU, ChFC



Ken McNaughton
CFP, CLU, ChFC, RHU, CSA



W.A. (Bill) Finlay
BA, CA



Bruce K. Berger
BA, CFP, CLU



Michael A. Healey
BA, CFP, CLU, CHS



Heidi U. Pullem
CFP, CDFA



Matt Anthony
BA, CFP



Aeronn Zlotnik
BA



Nancy Pereira
GBA



Philip Levinson
CA



John McKeachie



Jack Shaffer
CFP, CLU, ChFC



Dan Eisner
CA



John Peacock
BEcon, RHU



Matthew James



Anthony Riley



Jon Hameister-Ries
MBA



Andrew Mugridge



Reece Voyer

Vancouver 1200 Park Place, 666 Burrard Street Vancouver, BC V6C 2X8
TEL: 604.688.7208 **FAX:** 604.688.7268 **TF:** 1.800.663.1499

Victoria 3711 Grange Road Victoria, BC V8Z 4S9
TEL: 250.727.3445 **FAX:** 250.479.9716 **TF:** 1.800.906.5666

ZLC.NET

Membership Renewal

Thank you to all members who have already paid their 2015-2016 membership dues. For members who have not yet paid, please consider the following important dates:

Date (all 2015)	Event	Governance Reference
April 15	DUE DATE	—
June 15	Last day to pay before $150 admin fee applied	60 days after due date
July 15	• Suspension Date for CPA, CAs and CPA, CMAs • Deemed Resignation Date for CPA, CGAs: → Names of resigned members published in public domain of CPABC website and removed from Member Directory	90 days after due date
August 13	• Cancellation Date for CPA, CAs and CPA, CMAs: → Names of cancelled memberships published in public domain of CPABC website and removed from Member Directory	120 days after due date



Use of CPA Designation by Members

As per the bylaws passed at special and annual general meetings of the ICABC, CGA-BC, and CMABC in 2013, if you wish to use the Chartered Professional Accountant (CPA) designation, it must be accompanied by your legacy designation. This means your credential would be listed as "CPA, CA," "CPA, CGA," or "CPA, CMA."

A set of FAQs on the use of the CPA designation is available for your reference at **bccpa.ca/members/regulatory**.

Michael Dykstra/iStock/Thinkstock

Notes on Licensing

Pursuant to its meeting of February 20, 2015, the ICABC's Practice Review & Licensing Committee announces that the following offices are now closed:

Firm Name	City
Abdul R Allibhai C.A.	Vancouver
C2 Global Solutions	Vancouver
Coralsky Consulting Inc.	Burnaby
Fowlie & Co	Prince George
Ida Forsat	Coquitlam
I Vellmer Inc.	Vancouver
John Lenos, CA	Surrey
LMH Chartered Accountants, LLP	Vancouver
Maarschalk Valuations & Planning	Kelowna
Sanderson & Company Chartered Accountants & Business Advisors	Kelowna
Sharon Card Iles, CA	Whistler
Wayne R. Angle Ltd.	Vancouver

fitterfirst
balance and fitness for life

Sit & Stand
FOR YOUR HEALTH



VARIDESK™

6 MODELS AVAILABLE STARTING AT $365



Change The Way You Work

The VARIDESK® is a height adjustable standing desk that comes fully assembled and works with your existing furniture. Move from sitting to standing, and back again, in just 3 seconds.
adjustable • affordable • no assembly

Fitterfirst - Canada's Active Office Leader



JARVIS
Sit-Stand Solution



MUVMAN
Perfect for Standing Desks



SWOPPER
Active Sitting



EVOLUTION CHAIR
Healthy Seating Solution



ACTIVE STANDING
+ More!

www.fitter1.com 100's of Great Active Office & Balance Products **1-800-fitter1**

CPABC Launches CPA Ambassador Training Program

CPA ambassadors play an important role in promoting the CPA brand and in representing the profession to all of our key stakeholders. To make sure these volunteers have the support and resources they need, CPABC has created the CPA Ambassador Training Program. The first training session was held on March 25 at the Sheraton Vancouver Guildford Hotel in Surrey, in conjunction with a CPA Connect networking dinner that enabled post-secondary students from some of the Lower Mainland's colleges and universities to meet with CPAs.

Leading the ambassador training session were CPABC staff members Edward Downing, VP of communications; Jas Randhawa, CPA, CGA, manager of recruitment & employment; and Jerrick Barroso, coordinator of the CPA Connect employer program. Members representing the three legacy accounting bodies were in attendance, ready and eager to start serving as representatives of CPABC. The hour-long training session gave ambassadors the latest information about CPABC's key messages, value proposition, and education programs, and provided networking tips they could immediately put to use.

With the training session fresh in their minds, the newly minted CPA ambassadors met with over 100 business and accounting students at the CPA Connect networking dinner. Students and faculty members from Capilano University, Douglas College, Kwantlen Polytechnic University, Langara College, Trinity Western University, and the University of the Fraser Valley met with CPA members who represented an array of companies and industries.

Lauren Pahlad, CPA, CGA, participated in the ambassador training session and had this to say about her experience: "The training session was fun, informative, and interactive. The etiquette tips were helpful, as it's important that we make a great first impression, every time. I'm excited to represent the brand, and I hope that as a CPA ambassador, I can share my experiences and inspire others to think PRO! Thank you for the opportunity."

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

CPABC's ultimate goal is to provide CPA ambassadors with opportunities to share their pride in the profession and to build a community that represents the new designation and program. The next CPA ambassador training session will be held in June, in conjunction with the next CPA Connect networking dinner (an event for SFU students). For more information about the CPA Ambassador Training Program, please contact Jas Randhawa at **jrandhawa@bccpa.ca**.















CPA ambassadors at the training session and post-training networking event: 1. Stanley Chang, CPA, CGA. 2. Khin Tan, CPA, CGA. 3. Jessica Sliz, CPA, CMA. 4. Peter Shum, CPA, CGA. 5. Amelia Ashraf, CPA, CA. 6. Lissa Chou, CPA, CGA. 7. Lauren Pahlad, CPA, CGA. 8. Connie Huang, CPA, CGA (with fellow ambassadors Jessica Sliz and Stanley Chang). 9. Earl Reyes, CPA, CMA (right). 10. Navin Chandra, CPA, CGA (right). Photos by Aaron Aubrey Photography.







BCIT Connect Event — Bringing Students and CPAs Together

CPABC and BCIT's Financial Management Association hosted their annual CPA Connect event with BCIT's School of Business on April 8, 2015. The event, held at the Hilton Vancouver Metrotown hotel in Burnaby, provided networking opportunities for 125 BCIT students and 50 CPA representatives, faculty, and CPABC staff. It also gave students a chance to ask business professionals about their journeys in becoming CPAs and about their experiences in their respective specialties. BCIT accounting instructor Jennifer Kerr told event organizers that students came away from the event "reinvigorated and excited about the profession."









Photos by Aaron Aubrey Photography. For more photos from this event, visit **flickr.com/cpabc/sets**.













CPABC Members: Share Your Thoughts with Us!

Measure your experience

In June, we will be sending out our annual membership survey. The purpose of this survey is to measure members' experience and satisfaction with CPABC's member services and benefits. Your feedback is greatly valued as we work to continue improving our services. Be sure to check your inbox this June!

Measure the economy

In August, we will be sending out our annual *Business Outlook Survey*. The purpose of this survey is to gather your thoughts on the current state of and future outlook for the economy. Results are used to form CPABC's budget recommendations to the provincial government.

Connect with CPABC Online*

Like CPABC?

Connect with CPABC online on our Facebook, Twitter, YouTube, and Flickr social media pages:

- Facebook.com/cpabc
- Twitter.com/cpa_bc
- YouTube.com/cpabritishcolumbia
- Flickr.com/cpabc

All CPABC publications are online



CPABC in Focus



Industry Update

Digital editions of *CPABC in Focus*, the *BC Check-Up*, *Industry Update*, and *CPABC eNews* are available at **bccpa.ca** under the News, Events & Publications tab.

CPA Canada's Guide to Accounting Business Culture:

Adapting to the Canadian Accounting Workplace

This online course for internationally trained accounting professionals who are currently working or seeking employment in the Canadian accounting field is designed to provide insight into the Canadian accounting workplace and help participants establish and progress in their Canadian careers.

Seven interactive lessons:

1. Writing a great accounting resumé.
2. Preparing for successful job interviews.
3. Facing common workplace challenges.
4. Expressing opinions and presenting information.
5. Giving/receiving performance reviews.
6. Resolving workplace conflict.
7. Recognizing/facing ethical dilemmas.

The course is currently available to CPA PREP and PEP students through the D2L learning management system. Plans are to make it more broadly available in future. Stay tuned!



Check out the introductory video at: **www.youtube.com/watch?v=sWBFYcyCSRA&feature=youtu.be**

CPA Western School of Business launches new website

The CPA Western School of Business (CPAWSB) has a new website! Unveiled on April 1, the new site will act as the virtual storefront to CPAWSB's business and as the hub of its communications.

The new site features responsive design to ensure that visitors share a consistent view of all pages regardless of their platform or browser. It also features a colourful, crisp, and bold design that reflects the branding of Canada's leading accounting and business credential.



Take a closer look at CPAWSB's site (**cpawsb.ca**), and be sure to share your feedback!

Student & Candidate Resources



CPA Prerequisite Education Program (PREP)
Summer 2014 intake
Module 9: Intermediate and Adv. Mgmt Accounting
- *Exam 1 – May 30*
- *Exam 2 – July 11*

Module 10: Strategy and Governance
- *Classes begin – July 13, 14, and 18*

Winter 2015 intake
Module 6: Corporate Finance
- *Classes begin – May 18, 19, and 23*
- *Exam 1 – June 20*

Module 7: Audit and Assurance
- *Classes begin – July 6, 7, and 11*
- *Exam 1 – August 29*

Summary schedule at **goCPAbc.ca**.

CPA Professional Education Program (PEP)
Spring 2015 term – key dates:
Core Module 1: Performance Mgmt and Assurance
- *Exam – July 2*

Core Module 2: Finance and Tax
- *Exam – July 3*

Capstone 1
- *Exam – July 2-5 (board presentations)*

Summer 2015 term – key dates:
Core Module 1 (exam only)
- *Exam – August 21*

Core Module 2: Perf. Mgmt, Assurance, Fin., and Tax
- *Module start – July 25*
- *Exam – September 25*

Capstone 2
- *Module start – July 25*

Summary schedule at **cpasb.ca**.

Jake Hesseltine/iStock/Thinkstock



Eight Essentials of a Winning Innovation Team

By Robert B. Tucker

Note to readers:
Robert B. Tucker is an internationally recognized leader in the field of innovation, and served as a keynote speaker and session leader at CPABC's 2015 Spring Leadership Conference. Look for info about our Fall Leadership Conference in the next issue of the magazine.

Sooner or later, you're going to be asked to lead an innovation team. This will be your time to shine, if you're up to the challenge. The distinguishing aspect of leading a special-purpose team is that you're not in control—you can only influence behaviour. You're tasked with figuring out how to do something new, so you and your team are going on a learning journey. The steps you take in the formative stages will have a tremendous impact on the team's chances of success.

Follow these eight suggestions to guide you on your way:

1. Keep team size small, even for big projects.
In Silicon Valley, the "pizza rule" has taken hold. If you can't feed a team with two pizzas, your team is too big. Lots of research supports this notion. Once a group gets beyond five to seven people, productivity and effectiveness begin to decline. Communication becomes cumbersome. Managing becomes a pain. Players begin to disengage, and introverts withdraw. When it comes to team size, less is typically more.

2. Recruit your own team members.
Since you will be accountable for the team's results, avoid having other people appoint members of your team. Insist on having ultimate authority over staffing. Go after those whom the late Steve Jobs called "A-list players,"[1] because B and C players will drag you down every time—even if they're talented. Said Jobs: "A small team of A+ players can run circles around a giant team of B and C players."

3. Pay attention to group chemistry and emotions.
Research conducted by a trio of professors from Carnegie Mellon University, MIT, and Union College[2] points to three factors that make teams highly functioning:

i. If all of a team's members contribute equally to the discussions, rather than letting one or two people dominate;
ii. If a team has members who are adept at reading complex emotional states; and
iii. If a team has more women than men. Teams with more women often outperform teams with more men. The "emotional" component—how we feel when we are engaged with a team—truly matters, but is rarely discussed.

[1] Rama Dev Jager and Rafael Ortiz, *In the Company of Giants: Candid Conversations with the Visionaries of the Digital World*, McGraw-Hill: 1997.

[2] Anita Woolley, Thomas W. Malone, and Christopher F. Chabris, "Why Some Teams Are Smarter Than Others," *New York Times Sunday Review*, January 16, 2015. Woolley is a professor at the Tepper School of Business at Carnegie Mellon University; Malone is a professor at the MIT Sloan School of Management and the director of the MIT Center for Collective Intelligence; and Chabris is a professor of psychology at Union College.

BartekSzewczyk/iStock/Thinkstock

Pay attention to how the people you're inviting onto your team relate to others. Assess human factors like trust, empathy, the ability to resolve conflict, and the willingness to seek and offer forgiveness. Acknowledge people's selfless behaviour and achievements. Always give credit to your team rather than taking credit yourself, and practice empathy at all times.

4. Calculate people's "teamwork factor."

Will Wright, developer of The Sims, Spore, and other best-selling computer games, believes in analyzing what he calls a person's "teamwork factor"—whether they're potential "glue" for the team or "solvent."

"There is the matter of how good is this person, times their teamwork factor," Wright told interviewer Adam Bryant.[3] "You can have a great person who doesn't really work well on the team, and they're a net loss. You can have somebody who is not that great but they are really very good glue, so that could be a net gain." Team members Wright considers "glue" are those who share information effectively, motivate and help others, and improve morale. "Solvents," on the other hand, are those who rub others the wrong way.

"They're always caught in conflicts," explains Wright. "For the most part, that is at least as important as their competence in their roles."

Bearing this in mind, if you want to build a successful team, be aware of not only the needed skill sets, but also who works well together and who does not.

5. Don't go overboard with "mental model" diversity.

Can too much diversity be a detriment to team chemistry? In the case of "mental models," the answer seems to be yes. Put very simply, mental models describe the thought processes of an individual with regard to the world around them, and many believe that these models are predictive of behaviour.

Team members share mental models, say researchers Beng-Chong Lim (Nanyang Technological University) and Katherine J. Klein (Wharton School), when they "organize their knowledge of team tasks, equipment, roles, goals, and abilities in a similar fashion…"[4]

After conducting a field study of real-world teams, Lim and Klein reported finding "a direct relationship between team mental model similarity and team performance." They go on to explain: "Our findings suggest that teams whose members structure and organize their team-related knowledge in a similar fashion are likely to find it relatively easy to coordinate their activities. They are likely to agree upon team priorities and strategies, yielding efficient task performance."

Be aware, however, that mental model *accuracy* is also instrumental to team performance. As Lim and Klein point out, "Inaccurate mental models may also be widely shared among the members of a team…"

6. Establish a group process.

Nancy Tennant, who led an amazingly successful innovation initiative at Whirlpool some years ago, once told me about joining an ad hoc governmental team tasked with solving a very big problem.

"They brought a group of people together from all over the world to

[3] Adam Bryant, *The Corner Office: Indispensable and Unexpected Lessons from CEOs on How to Lead and Succeed*, Times Books: 2011.

[4] Beng-Chong Lim and Katherine J. Klein, "Team mental models and team performance: A field study of the effects of team mental model similarity and accuracy," *Journal of Organizational Behaviour* (27, 403–418), John Wiley & Sons, Ltd.: 2006.

ODLUMBROWN.COM

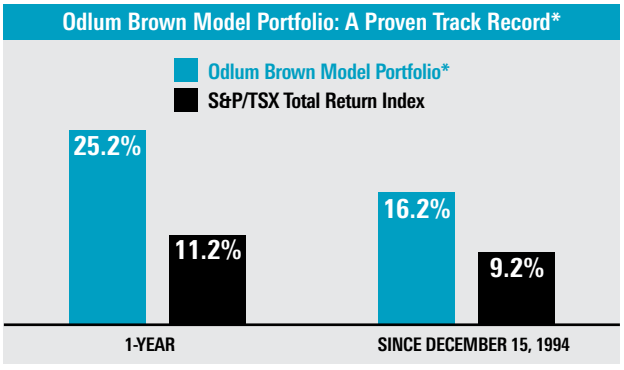
Disciplined Value Investing That Works



Ross Turnbull, CA, CBV, CFA
Vice President, Director, Portfolio Manager

T 604 844 5363 or 1 888 886 3586
rturnbull@odlumbrown.com

ODLUM BROWN
Investing for Generations®



Visit odlumbrown.com/rturnbull for more information.

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

help them brainstorm," she said. "They spent a lot of money, put us in a room, and said 'think hard.' But we didn't know each other. We didn't have a group process. And we just couldn't do it."

A group without a process is like a ship without a rudder—it will have a harder time innovating. Establish team rules at the outset. Address how you'll treat and respect each other, and articulate how much time each member is committing to the team. Effective teams establish clear goals and rules at the outset, and then hold each other accountable.

7. Pay attention to what is going on outside the team.

My experience is that the tenure of an innovation team leader is very short. Day-to-day managers often see innovation teams as a threat or a special case that should be ignored. Teams appointed by the CEO can be seen as the "CEO's pet project," leaving them vulnerable to being condemned or purposefully disregarded. Innovation team leaders and members must spend as much time working in the external environment as working within their team environment. They have to build trust and closeness with the rest of the organization.

8. Pay attention to the 3Rs: Results, Reputation, and Residuals.

Research finds that what motivates people over the long haul is not money, but intrinsic rewards. Pride in their achievements is a reward in and of itself.

After studying extensive electronic diary entries from 238 professionals from seven different companies, researchers Teresa Amabile (Harvard Business School) and Steven Kramer found that "inner work life has a profound impact on workers' creativity, productivity, commitment and collegiality."[5]

As the team leader, keep the three Rs in mind for the benefit of your own inner work life:

i. **Results** – If you hit your target, you'll have another accomplishment on your track record;
ii. **Reputation** – Your status in the organization rises. Senior management will be delighted. Colleagues will talk you up, praise your contribution, and invite you to join in future projects; and
iii. **Residuals** – The lasting payout of participating in a successful collaboration is that you get to see your "product" being used by customers, both internal and external. You know you've made a difference, solved a problem, or created an opportunity for the organization, your team, and most of all yourself.

Become a leader of innovation

Ultimately, it starts with you. Your behaviour will be critical to your team's success, so be sure to lead by example and set the bar high, remembering that a winning innovation team requires both strategy and heart. ■

[5] Teresa Amabile and Steven Kramer, "Do Happier People Work Harder?" *New York Times Sunday Review*, September 3, 2011.





Robert B. Tucker *is the president and founder of The Innovation Resource, a global consulting and executive development firm devoted exclusively to strategic innovation. Tucker has been a consultant and keynote speaker for 25 years, and is the author of several books, including the international bestseller* Managing the Future: 10 Driving Forces of Change for the New Century *and his latest work* Innovation Is Everybody's Business. *He also contributes regularly to publications such as the* Journal of Business Strategy *and* The Futurist, *and has appeared on PBS, CBS News, and CNBC.*

The original version of this article, "Eight Essentials of a Winning Innovation Team," was published on Tucker's blog at ***innovationresource.com****; it has been updated and is published here with permission. You'll find more articles on innovation and leadership on his website.*

complete financial advice

As a leader in the wealth management industry, we deliver complete solutions.

Let's build your clients' future together.



INVESTMENT PLANNING

RETIREMENT PLANNING

TAX PLANNING

ESTATE PLANNING

INSURANCE PLANNING

Assante® WEALTH MANAGEMENT

Be well-advised.

CPA Canada's Financial Literacy Program:

Striving to improve the financial literacy of Canadians at the grassroots level

On March 24, 2015, financial literacy took centre stage at the Sutton Place Hotel in Vancouver during a special reception held by CPA Canada. The evening served as both a volunteer appreciation event and an information session for CPA Canada's Financial Literacy Program.

Serving as keynote speaker was Jane Rooney, Canada's first-ever financial literacy leader. Appointed to the role in April 2014 by the Government of Canada, Rooney works under the umbrella of the Financial Consumer Agency of Canada, collaborating with the National Steering Committee on Financial Literacy and stakeholder groups across the country to develop and implement a national strategy.

Speaking before the assembled volunteers, who are part of the Financial Literacy Program's Community Connect network, and other stakeholders, Rooney described the progress made by her office since the spring of 2014, and thanked the CPA profession for being an active partner in strengthening the financial literacy of all Canadians, saying: "CPA Canada's Financial Literacy Program is instrumental in achieving our goal of improving financial literacy in BC and throughout Canada."

To stress the importance of such programs, Rooney cited results from the 2014 *Canadian Financial Capability Survey*, which indicate that Canadians continue to face challenges when it comes to financial decision-making. According to the survey:

- 80% of young Canadians are not confident about their financial knowledge;
- 60% of Canadians don't know how much they'll need to save to maintain their desired standard of living in retirement;
- Only 45% of Canadians have household budgets; and
- Approximately 30% struggle to pay their bills.



Canada's financial literacy leader Jane Rooney thanks CPA Canada's Community Connect volunteers for their efforts in improving financial literacy across the country. Photo by Darryl Dyck/The Canadian Press Images.

The mission of CPA Canada's Financial Literacy Program is to give Canadians of all ages the skills, knowledge, and confidence required to make the best possible financial decisions for their individual circumstances, and to help individuals achieve the level of prosperity needed to accomplish their life goals. Now in its third year, the program's Community Connect initiative has 11,000 professional accountants—including over 300 members from BC—registered, trained, and prepared to conduct free financial seminars in communities across the country.

Said Rooney: "I congratulate the impressive number of CPA volunteers who are stepping up to provide Canadians with free financial education sessions."

Next to speak was Joy Thomas, FCPA, FCMA, executive vice-president of CPA Canada.

"Our research shows that many Canadians do need help with the basics when it comes to saving more, spending less, and reducing debt," Thomas said. "It's essential that we continue to work together and provide the information and assistance required by Canadians."

Thomas shared some key results from CPA Canada's *Canadian Finance Study*, which was conducted in 2014:

- 59% of respondents are borrowing to buy big-ticket items, and 46% still owe on these loans;
- 55% thought they should be spending more time reviewing and evaluating their personal finances;
- 34% of those who've borrowed money or carried a credit card balance have done so with an interest rate of 8% or more; and
- 17% have borrowed money to cover day-to-day expenses.

Up next to the podium was Cairine Wilson, CPA Canada's vice-president of corporate citizenship, who talked about some new financial literacy initiatives the organization has in the works.

"We are collaborating with Jane Rooney to launch a workplace program that will be piloted in government departments," she told the crowd. "There is a lot of evidence to show that employees want financial education available at their place of work."

Wilson also highlighted a variety of new tools that have been developed for schools, as well as new sessions targeted at post-secondary students and entrepreneurs/start-ups. She also noted that CPA Canada will be collaborating with the Canada Revenue Agency to develop new sessions on tax literacy for students, newcomers, and business owners.

All of these new initiatives will be part of CPA Canada's Financial Literacy Program and will complement the existing Community Connect initiative: the Adult Program, which consists of eight sessions; the New Canadians Program (two sessions); the Small & Medium Business Program (eight sessions); and the School Program – Elementary and High School (11 interactive workshops).

At the volunteer level, CPA Canada is setting up advisory committees in every region

CPA Canada's Financial Literacy Program – National Stats

- 11,000 professional accountants across the country are volunteering in the program.
- 60 program area leaders are engaged in different regions across Canada.
- 25 training sessions have been completed nationally.
- 60 financial literacy sessions have been held in BC.
- The success of the Community Connect initiative helped CPA Canada become the first non-American entity to be named "Best Non-Profit Organization of the Year" by the US-based Institute for Financial Literacy (IFL) in 2014.
- CPA Canada has also received Excellence in Financial Literacy Education awards from the IFL for the following publications:
  - > Adult's Book of the Year, Credit — *A Canadian's Guide to Money-Smart Living* (2013);
  - > Adult's Book of the Year, Risk Management — *Protecting You and Your Money: A Guide to Avoiding Identity Theft and Fraud* (2015);
  - > Children's Education Program of the Year, Credit and Debit — *CPA Canada's Post-Secondary Program* (2015); and
- Cairine Wilson, VP of corporate citizenship for CPA Canada, was appointed to the national steering committee on financial literacy in 2014 by Kevin Sorenson, minister of state for finance, and Jane Rooney, national financial literacy leader.



Mertens Valuation Services Ltd.

Independent Expert Advice

Rick Mertens has been assisting fellow accountants and their clients with independent business valuation and related services for the past 10 years. Rick is located in the Greater Vancouver area but regularly works with clients located throughout British Columbia.

Rick is committed to providing high quality service in a personalized, timely and cost effective manner. He has extensive experience in business valuations, economic loss claims and transaction advisory.

In addition to his CBV and CPA / CGA designations, Rick has also completed the 3-Year In-Depth Tax Program of the CICA and other specialized courses, and can assist with various planning matters.

Business Valuation | Litigation Support | Transaction Advisory

Rick Mertens, CBV, CPA, CGA

#2300 – 2850 Shaughnessy Street
Port Coquitlam, BC, V3C 6K5
604-518-7551 | rick@mertensvaluation.com

www.mertensvaluation.com | facebook.com/mertensvaluation
www.linkedin.com/in/rickmertens



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

Blair Mackay Mynett Valuations Inc.

is the leading independent business valuation and litigation support practice in British Columbia. Our practice focus is on business valuations, mergers and acquisitions, economic loss claims, forensic accounting and other litigation accounting matters. We can be part of your team, providing you with the experience your clients require.

Blair Mackay Mynett
VALUATIONS INC

Suite 1100
1177 West Hastings Street
Vancouver, BC, V6E 4T5
Telephone: 604.687.4544
Facsimile: 604.687.4577
www.bmmvaluations.com

Vern Blair:	604.697.5276	Jeff Matthews:	604.697.5203	Chris Halsey-Brandt:	604.697.5294
Rob Mackay:	604.697.5201	Cheryl Shearer:	604.697.5293	Kiu Ghanavizchian:	604.697.5297
Gary Mynett:	604.697.5202	Farida Sukhia:	604.697.5271	Andrew Mackenzie:	604.697.5242
Andy Shaw:	604.697.5212				

across the country to provide strategic input to the Community Connect initiative. It will also be mobilizing networks of "area leaders" and holding regular meetings to share best practices, challenges, and key learnings. And it will be launching an awards program to recognize extraordinary commitment in volunteering.

"It is the passion of our volunteer members that has been absolutely critical to the program's success," said Wilson. "With their assistance, we have propelled this program to the forefront of financial literacy undertakings in Canada, and we look forward to expanding its reach in the year ahead."

Publications are another prong of CPA Canada's Financial Literacy Program, and Wilson told the crowd that a new book on retirement planning has been added to the library of publications. *The Procrastinator's Guide to Retirement* is targeted at baby boomers who are within 10 years of retirement and need to better prepare for the future.

The March 24 event was attended by a number of CPABC staff, including president & CEO Richard Rees, CPA, FCA; Jan Sampson, CPA, FCA, executive VP of member engagement and information technology; and David Chiang, CPA, CA, VP of member services, who served as master of ceremonies for the evening.

"CPABC's member services team has been supporting this national initiative since its launch," said Chiang. "To date, over 300 BC members have signed up to be part of the CPA Canada Community Connect network. There are now 15 area leaders across the province.* Volunteers have completed financial literacy sessions for over 25 schools and community groups.

"Over the coming year," he added, "we plan to continue working with our national counterparts to organize 'Train the Trainer' sessions in regions across BC. We also plan to raise awareness of the program with our CPABC chapter leaders so chapters can support these initiatives in their local communities." ■

*Meet one of BC's area leaders on page 44.

Key pillars of CPA Canada's Financial Literacy Program

1. The Community Connect Program.
2. Thought leadership through ongoing surveys.
3. CPA Canada guidance publications.

More info about CPA Canada's Community Connect volunteer program available online

To find out more about the Community Connect initiative, email your inquiries to: **communityconnect@cpacanada.ca**.

Train the Trainer sessions in BC

Two training sessions have been scheduled for BC this summer—one in Kelowna and one in Surrey. For more information and to register, visit the Okanagan and Surrey chapter blogs at: **bccpa.ca/members/cpabc-chapters**.

D+H Group LLP
Chartered Accountants
Understanding, Advising, Guiding



D&H GROUP LLP WELCOMES NEW PARTNER

JEFFREY R. FOREMAN

D&H Group LLP is pleased to welcome Jeffrey R. Foreman as our firm's newest partner. Jeff advises our clients on a wide range of corporate and personal tax matters, including corporate reorganizations, real estate development and ownership, non-residents carrying on business in Canada, purchasing or selling a business, and dealing with tax authorities in tax audits and objections to tax assessments.

Jeff practices exclusively in tax and has presented on tax matters for the ICABC Professional Development series, and presented at Canadian Tax Foundation conferences.

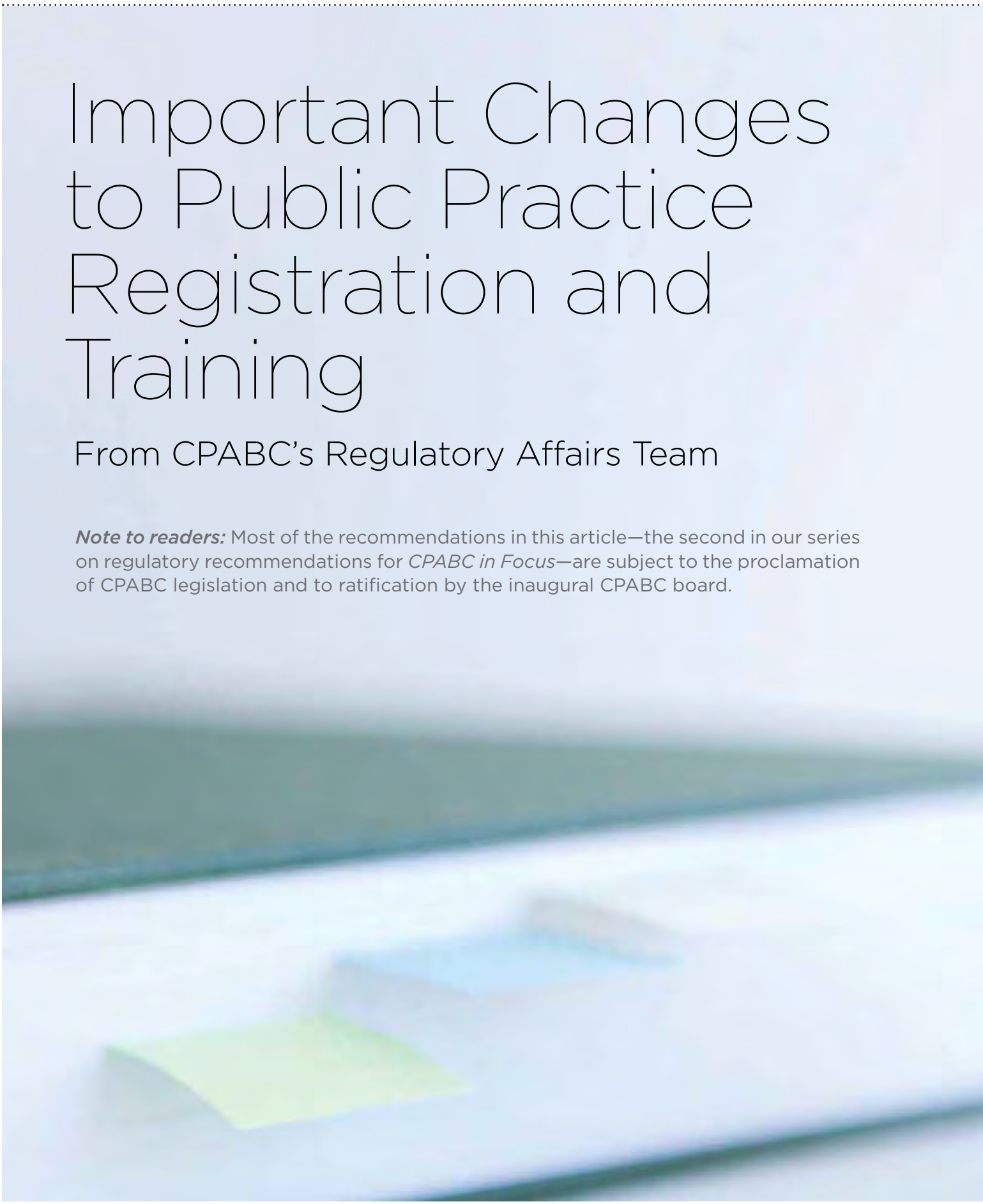
AT D&H GROUP LLP, OUR EXPERTISE IS LOOKING AFTER YOU.
10th Floor, 1333 West Broadway, Vancouver, BC Canada V6H 4C1 | DHGROUP.CA | 604.731.5881

D&H Group LLP is a Vancouver-based firm of Chartered Accountants who have, since our partnership was formed over 60 years ago, set a standard of excellence that is recognized across the industry. D&H Group LLP offers our clients, whether privately held businesses, First Nations organizations, or not-for-profit enterprises, a unique combination of industry leading insight and expertise in tax and accounting combined with highly appreciated levels of personal service and attention.

Important Changes to Public Practice Registration and Training

From CPABC's Regulatory Affairs Team

Note to readers: Most of the recommendations in this article—the second in our series on regulatory recommendations for *CPABC in Focus*—are subject to the proclamation of CPABC legislation and to ratification by the inaugural CPABC board.



As part of the regulatory review undertaken by CPABC, a number of changes have been recommended to public practice. Public practitioners were alerted to the most recent of these recommendations via email on February 16, 2015, and details were posted on the CPABC website at **bccpa.ca**. We encourage members to review the details online (see "CPABC Public Practice Key Recommendations"). In particular, we'd like to draw members' attention to changes involving public practice registration and student training, both of which are integral to the regulation of our profession. A summary is provided on the following pages.



amanaimagesRF/Thinkstock

Registration

Recommended requirements:

- Members offering any services to the public that could be considered "public practice" must be registered in public practice, irrespective of remuneration.
- All individuals who have signing authority (the ability to issue or release financial statements or tax returns) will be required to be registered in public practice, even if they have no proprietary interest in the firm.
- Registration will be required at both the individual and firm level.
- Sole proprietors will be required to appoint a CPA public practitioner as "Assisting Accountant," responsible for returning client records in case of emergency or death (already required for CGA sole proprietors).
- Individuals intending to register under an *assurance* category (audit or review) must earn their required assurance experience hours in a pre-approved program (transitional provisions will apply for legacy members).
- Individuals wishing to register under the *compilation* category may earn their required experience either in a pre-approved program or through an experience verification route (transitional provisions will apply for legacy members).

Recommended categories:

- There will be *four different categories of registration* for individuals:
  1) Audit;
  2) Review;
  3) Compilation; and
  4) Other regulated services.
- Individual members who are already in public practice will be registered in a category based on their current authorized practice area.
- New practitioners will apply for registration in a category determined by their experience, education, and intended practice area.
- To maintain a category level, a practitioner will be required to have been active in that practice area for the previous five years, with consideration for any relevant professional development they may have completed.
- Practitioners will need to complete an annual public practice registration renewal form.

Detailed info on recommended public accounting registration pathways at **bccpa.ca**

What this means for new registrants and legacy members:

CPA candidates seeking public accounting registration for the three public accounting streams (audit, review, and compilation) must follow specifically identified pathways within the overall CPA certification model. Detailed information on recommended public accounting registration pathways is provided on the CPABC website. ***Note:*** These recommendations have not yet been finalized and are subject to change.

CPA members who have not completed a public accounting registration pathway may be subject to bridging requirements for entry into public practice.

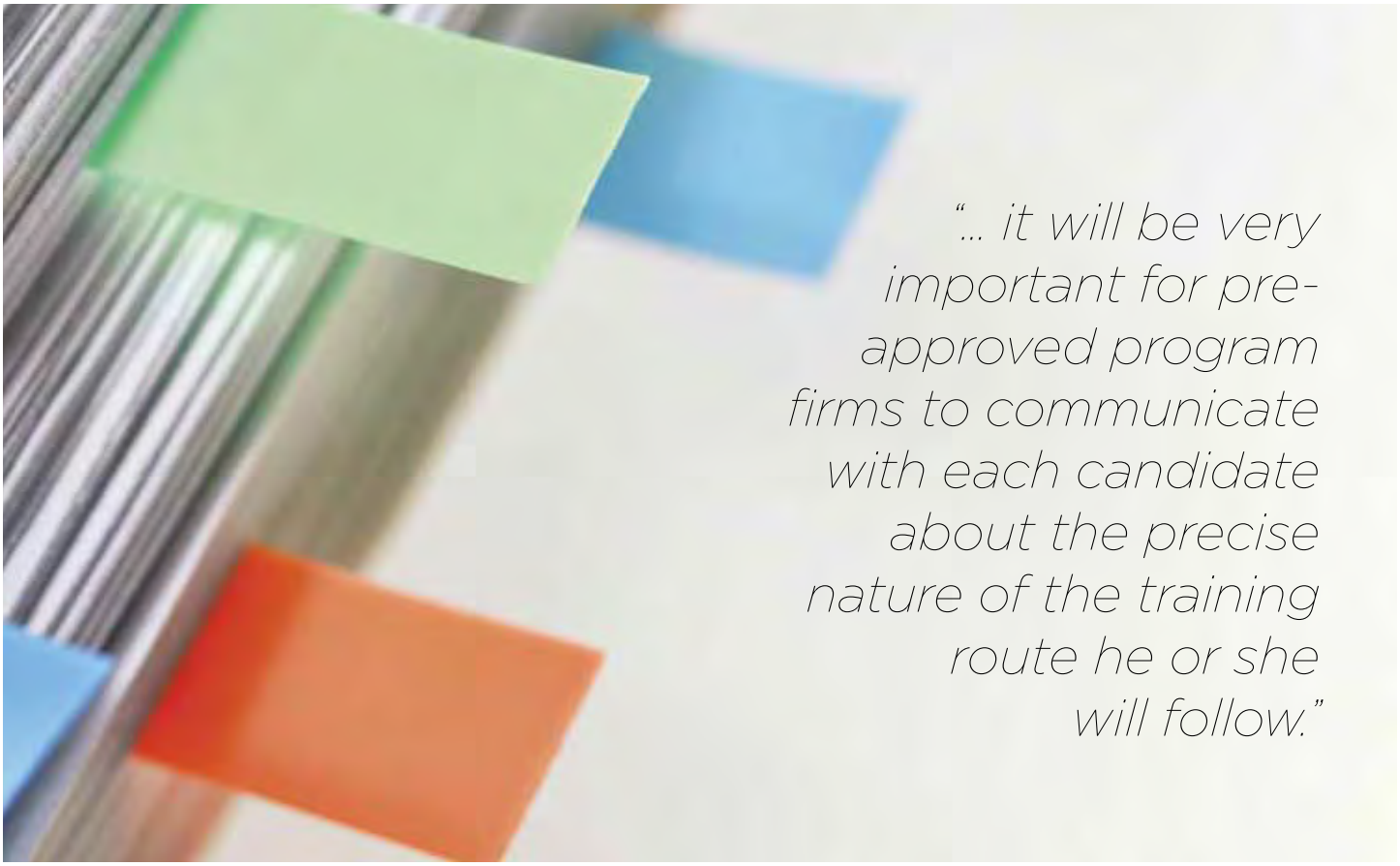
Legacy members who have met all requirements to practise public accounting under their legacy designations but who have not previously applied for public accounting registration may not be required to take bridging programs. It is proposed that for current legacy members, the legacy entry requirements—or equivalents—will be maintained until 2018. If a member wants to "crystallize" their right to practise under legacy requirements, they can ask their legacy body to assess their education and experience to see if they meet the requirements. If the answer is yes, the member can ask to have their member file flagged—then, should they decide to register in public practice at a later date, they'll be able to enter public practice via the "re-entry path to public practice," rather than having to meet the public practice entry requirements as a new practitioner.

Until CPABC legislation is enacted, the public practice program is being operated individually by each legacy body. Please contact your legacy body for information on current registration requirements.

Training – Pre-approved programs and experience verification routes

Recommended requirements for firms and individuals:

- Firms wishing to train CPA students through a pre-approved program must apply to CPABC.
- All firms seeking to offer pre-approved programs in public accounting must be in good standing with their provincial body, and must meet specific requirements. Provided they meet the requirements, firms may offer pre-approved programs in any or all of the pre-approved path categories.
- There are *four main types of pre-approved paths* in public practice firms: 1) Audit; 2) Review; 3) Leading to assurance; and 4) Compilation, tax, and advisory.
- In addition, there are customized pre-approved paths such as Direct Tax, Enterprise Risk Management, and Financial Advisory Services.
- Furthermore, offices may offer the experience verification route (including compilation via experience verification).
- The education, evaluation, and experience requirements for CPA certification apply to all public accounting paths.
- Individuals intending to register in public practice under an *assurance* category (audit or review) must earn their required assurance experience hours in a pre-approved program (transitional provisions may apply).
- Individuals wishing to register in public practice under the *compilation* category may earn their required experience either in a pre-approved program or through an experience verification route.



Comstock/Stockbyte/Thinkstock

Given the complexity of these options, it will be very important for pre-approved program firms to communicate with each candidate about the precise nature of the training route he or she will follow. It is recommended that the specific training path be disclosed in each candidate's employment contract.

Information sessions for firms seeking more information on pre-approved paths are available. If you are interested in attending one of these sessions, please email us at **publicpractice@bccpa.ca**. ■

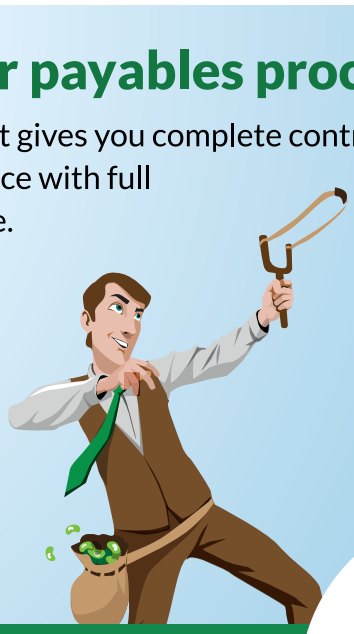
Detailed information about the key recommendations for public practice, along with a set of FAQs, is provided online at **bccpa.ca**.

Rediscover the love for your payables process

BeanworksAP is a true multi-entity solution that gives you complete control & full visibility for multiple companies in one place with full integration to your existing accounting software.

Automate your accounts payable

- Vendor Invoices
- Expense Report Management
- Paperless Check Processing





Find out how to work smarter, not harder, at **beanworks.com/InFocus**

Beanworks
ACCOUNTING EVOLVED

Find the Right Candidate with CPABC's New Campus Access Profile



Photo by Aaron Aubrey Photography.

CPABC is pleased to introduce an exclusive new hiring tool for our select employers: the CPABC Campus Access Profile! With this exciting new resource, CPABC Career Connect employment partners, public practice firms, and companies with a CPABC pre-approved program now have a means to proactively identify, connect to, and even meet with top accounting students in the months preceding their graduation from the post-secondary system.

The CPABC Campus Access Profile is a searchable database that provides a unique new way for BC's best accounting employers to screen potential candidates based on their employability skills and workplace competencies. It provides employers with access to current post-secondary accounting students in BC who:

- Are available to start working full-time within one year;
- Have successfully completed (or anticipate completion of) a minimum of eight of the 12 CPA prerequisites prior to the date they are available to start full-time work;
- Have attained a minimum grade of 65% in each successfully completed CPA prerequisite; and
- Have indicated their willingness to be contacted by CPABC's select employers.





Using the Campus Access Profile database, employers can now search for graduating post-secondary students based on a variety of specific criteria, such as:

- Preferred employment sector;
- Geographic location;
- Post-secondary institution;
- Available start date;
- Languages other than English; and
- CPA prerequisites completed.

The Campus Access Profile also enables employers to view a student's work history, transcripts, and resumé, and obtain access to their LinkedIn profile. However, the most beneficial feature of the new hiring tool is that it details each student's progress in developing key employment competencies—such as teamwork, analytical skills, customer service, and communication skills—as well as their commitment to volunteer opportunities, such as sport teams and campus groups. This feature gives employers a unique way to identify the ideal candidates for recruitment.

For more information about the Campus Access Profile tool or to get your organization set up for access, please contact Dan Relihan, CPA, CGA, MBA, CPABC's manager of employment initiatives, at **drelihan@bccpa.ca**. ■

CPABC Careers Site by the Numbers





Between April 2014 - March 2015

Busiest day of the year based on logins by members and students

April 1, 2014
(LAUNCH DAY!)

Unique Visitors: **>122,000**

Number of Jobs Posted: **>3,450**

Average monthly logins by CPA members, students and candidates: **23,520**

CPA Profiles/ Résumés Published: **>2,390**

Registered jobseeker accounts: **>18,000**

Registered employer accounts: **>5,500**

Job Seekers

Busiest month for job seekers logging in: **October**

Average daily job views: **2,010**

Total job postings views: **733,000**

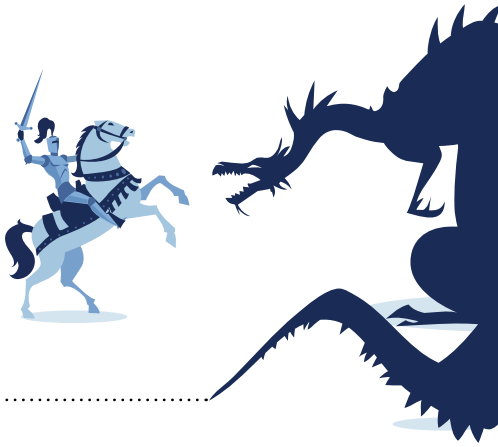
Employers

Busiest month for employer job postings: **October**

Total CPA Profile Views by Employers: **>13,960**

Average daily applications facilitated through the site: **85**

Taming the Email Dragon



If we at CPABC had to choose the most common request we receive from our members, candidates, and students via email, phone, and face-to-face communication, it would be this: "Please limit the volume of email you send me." We want you to know: We heard you, and we've done something about it.

Lessening the volume of email communications

First, after carefully reviewing the scope of the issue, we instituted a policy that sees CPABC channel many messages into one communication vehicle: *CPABC eNews*. This monthly e-newsletter has become an omnibus message-carrier, eliminating the need for a lot of one-off emails.

Second, we have limited our email communications to Tuesdays and Thursdays. On those two days, we may send out messages on behalf of our chapters, CPABC's regulatory affairs and professional development teams, and/or other departments. Emails sent on behalf of chapters are limited to two per month.

Third, before sending any non-legal email, we ask ourselves whether the message is vital to the success of our members, candidates, and students. In some cases, we're dealing with messages that are time-sensitive and/or contain information about upcoming events; many of you have told us that you appreciate receiving these timely updates and/or hearing that a particular seminar/event is taking place in your area.

Lastly, we've ensured that you're able to select the kinds of messages you want to receive and how you want to receive them. All you have to do is go to your legacy website* and set your email/communication preferences (until the new CPA legislation is enacted in BC, these changes must be made via your legacy site). Alternatively, you can go to the link at the bottom of any non-legal email message from CPABC to opt out of further such messages. Although we are still required to send messages on matters relating to rules and bylaws, dues notices, and other regulatory and governance issues, you can subscribe to and unsubscribe from any non-legal emails—the choice is yours.

The net result is that you should not receive any more than an average of three emails per month from CPABC. On the rare occasion that we've exceeded that number, it has been due to an announcement about unification or a matter of similar importance. This frequency falls comfortably within the parameters set by members in the 2014 CPABC member survey—50% of respondents said they would prefer to receive news from CPABC once per month, while 20% said they would be comfortable with one email per week. (Unsurprisingly, survey respondents who said they were "satisfied" with their CPABC membership were far more likely to prefer receiving weekly emails from CPABC and CPA Canada, and for receiving emails about upcoming PD seminars and events, than respondents who said they were "neutral" or "unsatisfied.")

CPA Canada has been proactive on this front as well. The CPA Canada Preference Centre at **cpacanada.ca** (Members' Area) enables you to customize your account—selecting the topics and areas of interest you want and controlling how you receive communications—to best serve your needs.

Comments? Questions?

If you would like to weigh in on the email discussion, please share your feedback with Edward Downing, CPABC's vice-president of communications, at **edowning@bccpa.ca**. ■

coolgraphic/iStock/Thinkstock



Fighting spam with CASL

Canada's anti-spam legislation (CASL), which came into effect on July 1, 2014, prohibits the sending of commercial electronic messages (CEMs) without at least the implied consent of recipients. In addition to covering regular email, CASL covers messages from social networking accounts, SMS text messages, and instant messages. The legislation does not apply to non-commercial activities; voice, fax, or auto-recorded voice calls; or broadcast messaging, including tweets and posts.

On January 15, 2015, new rules about installing computer programs came into force, with CASL prohibiting anyone from installing software on another party's electronic devices without their express consent. For software installed prior to January 15, 2015, there is a three-year transitional period for updates and upgrades to existing computer programs.

With regard to CEMs, senders have 36 months from the July 1, 2014 date to obtain *express* consent from past clients or customers; however, this transition period ends if/when recipients withdraw consent.

Sending a CEM – What's required

Under CASL, a CEM is essentially a message that encourages participation in a commercial activity. There are three general requirements for sending a CEM to an electronic address:

1. The sender must have consent from the recipient.
2. The sender must identify themselves clearly in the CEM, and provide the recipient with a way to contact them.
3. The sender must provide an unsubscribe mechanism in the CEM.

CASL does provide full and partial exemptions in certain cases, based on the relationship between sender and recipient and the nature of the communication.

Distinguishing between implied and express consent

Implied consent is deemed to exist when:

- There is an existing business relationship – For example, the recipient has made a purchase of goods or services; has entered into a written contract with the sender; or has accepted a business opportunity from the sender.
- There is an existing non-business relationship – For example, the sender is a registered charity, and the recipient has given them a donation; or the sender is an association of which the recipient is a member.
- A recipient's email address has been published in plain sight or sent to the sender – For example, the recipient has given the sender their business card, and the sender's CEM relates to the recipient's role in a business capacity.

Implied consent is generally limited to a period of two years after the event that started the relationship.

Express consent is deemed to exist when a recipient has given, in writing or verbally, a positive or explicit indication of consent to receive CEMs (assuming the sender's request for consent set out the prescribed information clearly). Express consent has no time limit—unless, as noted earlier, the recipient withdraws consent.

Managing consent

Senders of CEMs must keep records indicating how they've obtained consent—whether the consent is implied or express—because the burden of proof falls on the sender in both cases. Similarly, senders must manage unsubscribe requests.

Enforcing compliance

CASL is enforced by the Canadian Radio-Television and Telecommunications Commission (CRTC), which has a range of enforcement tools available, from warnings to maximum penalties of $1 million for individuals and $10 million for businesses. There are no automatic penalties for violations, as the CRTC judges each case based on a series of specific factors, including, for example, whether the sender benefited financially from the violation.

Protecting yourself and your business

The rules of CASL are complex. So if you're a sender of commercial electronic messages, be sure to avail yourself of the extensive information provided online at **www.fightspam.gc.ca** and **www.crtc.gc.ca** (Internet tab).

These websites also contain useful information and resources for recipients, including a Spam Reporting Centre. You can now report spam to the Centre via the **www.fightspam.gc.ca** site or via email at **spam@fightspam.gc.ca**.

*LEGACY LINKS

cga-bc.org

CGA-BC members: Under the Members tab of the CGA-BC website, select "Members Services Login" and sign in to "Member Details." At the bottom of the page, you'll see "Email Preferences."

CGA-BC students: Under the Students tab of the CGA-BC website, select "My CGA-BC" and sign in to "Student Details." At the bottom of the page, you'll see "Email Preferences."

cmabc.com

CMABC members, candidates, and students: Go to the homepage of the CMABC website and click on the login link under the yellow "Member Profile" tab. After signing in, click on the "Communication Preferences" tab to customize your settings.

ica.bc.ca/secure

ICABC members and students: Sign in to the ICABC SECURE site and click on the "email preferences" link in the left-hand column to customize your settings. You can also access the SECURE site via the homepage at ica.bc.ca by clicking on "ICABC SECURE LOGIN" at the top of the page.



Chris Utley, CPA, CA, is the former director of ethics for the ICABC.

Unpaid Professional Fees Can Threaten Independence

By Chris Utley, CPA, CA

Note to readers: *Although this article describes a case involving a CA firm, it may be of interest to all members in public practice who provide assurance services. CGA-BC and CMABC members are similarly bound by independence standards that are integral to the CGA-BC Code of Ethical Principles and Rules of Conduct and the CMABC Rules of Professional Conduct, respectively. Moving forward, it is anticipated that CPABC members will have a similar independence standard as part of the new CPA Code of Professional Conduct.*

When a firm starts an audit for a client who has not paid its audit fees for the previous year, this creates an independence threat for the firm—one that could prohibit the firm from continuing on with the engagement. The greater the number of years for which fees are outstanding and the greater the number of audit clients involved, the greater the threat to the firm's independence.

The following fictionalized account describes how one CA firm that had a number of audit clients with professional fees outstanding ultimately found itself facing regulatory action from two separate bodies. The story is based loosely on an actual case that went before the ICABC's Professional Conduct Enquiry Committee (PCEC).[1]

CPAB inspection raises concerns

The firm in question ("the Firm") is based in British Columbia, and a substantial number of its clients are reporting issuers that require audit opinions each year. In fact, almost 60% of the Firm's annual billings are derived from the audits of reporting issuers.

During an inspection of the Firm by the Canadian Public Accountability Board (CPAB), CPAB noted that approximately 12% of the Firm's reporting issuer clients had audit fees outstanding. Furthermore, it found that these unpaid fees comprised over 25% of the total annual fees the Firm received from all of its reporting issuer clients. In some cases, the outstanding fees covered three audit years; in one case, four. Most of the clients in arrears were listed on the TSX Venture Exchange. CPAB also found that the Firm had issued audit opinions on the financial statements of a number of its delinquent assurance clients, potentially contravening the ICABC Council Interpretation of Rule 204 of the Rules of Pro-

[1] Names and circumstances have been changed to preserve anonymity. The contents of this article are only intended for the general guidance of readers. The PCEC deals with each case individually, based on its specific facts and circumstances.





BDO PROVIDES CREDIBILITY WHERE IT COUNTS

Business Valuations Litigation Support Fraud Investigations

Spencer Cotton, CPA, CA, CBV
Partner
scotton@bdo.ca

Rosanne Walters, CFF, CPA, CA, CBV, CFE
Senior Manager
rwalters@bdo.ca

600 – 925 West Georgia Street
Vancouver BC
604 688 5421
www.bdo.ca

200-19916 64th Avenue
Langley BC
604 534 8691

BDO

fessional Conduct – Independence (paragraph 192, "Fees – Overdue").[2]

Accordingly, CPAB proposed that the Firm take the following steps:

a) Ceasing to perform audits of any reporting issuers that have unpaid audit fees from prior years.
b) Appointing an individual with appropriate experience to serve as an independence monitor. This person would have to ensure that the Firm stays up to date with independence requirements and adheres to any independence-related policies. These policies and requirements would include, but would not be limited to: partner rotation policies; annual independence confirmations; and ensuring that audits weren't performed until all fees for prior years had been paid.
c) Maintaining these requirements until CPAB has carried out a follow-up inspection and concluded that its audit quality has improved sufficiently.

The Firm agreed to CPAB's proposed requirements and reported the matter to both the ICABC and the British Columbia Securities Commission (BCSC). It also informed all clients with unpaid fees about the new practice restrictions. The PCEC subsequently authorized an investigation into the matter.

[2] Rule 204 and the related Council Interpretations (CIs) were amended to take effect on December 15, 2014, to reflect the revised harmonized rules on independence. For the purpose of this article, the amended Rule and CI numbers have been used to enable a current reference point for readers. The substance of the previous Rule and CI did not change in the amended versions. Please refer to the June/Summer 2014 issue of *CPABC in Focus* for details on the amendments.

Firm explains safeguards

During the PCEC investigation, the Firm explained that despite the outstanding professional fees of some of its audit clients, it had protected its independence by using a combination of safeguards on each audit, as appropriate. These safeguards were as follows:

a) The senior manager performed a detailed review; this was in addition to reviews performed by the partner and the engagement quality control reviewer. The senior manager was not part of the audit engagement team as contemplated by paragraph 192 of the Council Interpretation of Rule 204.
b) Along with additional work in areas of assessed risk, the Firm used a 100%-substantive approach, testing all accounts and transactions to account for increased risk due to unpaid audit fees.
c) Each year, if a client had a concentrated management team, the Firm reviewed in detail the entire general ledger and bank statements as part of fraud-risk testing.
d) The Firm rotated staff members on the engagement to reduce the risk of a long association with the job impairing independence.
e) All file preparers were professional accountants.
f) Frequent communication took place with the clients' audit committee members with respect to unpaid fees, as contemplated by paragraph 192 of the Council Interpretation to Rule 204. Under the CSA's National Instrument 52-110 (Audit Committees), these issuers are exempt from the requirement to have three independent members serve on their audit committees. The Firm stated that the CEO was typically a member of the audit committee and, thus, all communications made to the CEO were also made to the audit committee.



The Firm noted that the period from 2010 onward had been an extremely challenging time for venture capital markets, with many reporting issuers struggling to obtain and maintain adequate financing in order to stay operational. Most of the clients in question had continued to trade on the TSX Venture Exchange, but two had had cease trade orders issued by the BCSC for failing to file annual audited financial statements.

The Firm stated that it had continued to render services to certain clients with unpaid accounts because the nature of the venture market was such that subsequent financings were often able to clear outstanding receivables. The Firm also pointed out that when the size of the receivable had grown to the extent that the receivable endangered the Firm's independence, and/or when the debt had become too large with no reasonable prospect of repayment, it had declined to perform further audit services for the client until payment was received. This had occurred in the case of one client for 2012, and two clients for 2013.



OWN YOUR FUTURE

UBC Diploma in Accounting

Have a university degree but lack the prerequisites to pursue the new Chartered Professional Accountants (CPA) designation?

The UBC Diploma in Accounting program (UBC DAP) bridges the gap by equipping graduates with the foundation for success in the CPA Professional Education Program. Widely recognized by the accounting industry, UBC DAP can be completed in as little as 10 or as long as 24 months while candidates continue to work.

Find out how to put your career aspirations into action:
visit **sauder.ubc.ca/dap**

THE UNIVERSITY OF BRITISH COLUMBIA

SAUDER School of Business
Opening Worlds

PCEC finds safeguards insufficient

The PCEC gave careful consideration to the Firm's position, but ultimately determined that grounds existed to establish the Firm's contravention of Rules of Professional Conduct 201.1 (Maintenance of Reputation of the Profession); 204.1 (Independence); 204.2 (Compliance with Rule 204.1); 204.3 (Identification of Threats and Safeguards); and 204.5 (Documentation).[3]

The Firm had issued independent auditors' reports on the financial statements of a number of public companies while a significant portion of the previous years' fees for professional services remained outstanding. The PCEC said this constituted a self-interest threat to the Firm's independence—one the Firm had not adequately addressed, despite the safeguards it had put in place. At the end of the day, it was the PCEC's position that when there are three to four years of audit fees outstanding, there are not enough safeguards available to reduce the threat to an acceptable level; therefore, the Firm should have refused to continue performing engagements for these clients.

The PCEC recommended that the Firm accept a reprimand, pay a fine of $3,000, and pay $1,450 toward the recovery of investigation expenses. The Firm agreed and complied with all of the recommendations.

[3] It should be noted that a member or firm cannot be found in breach of a Council Interpretation (CI) to the Rules of Professional Conduct, which is why the PCEC did not include the CI to Rule 204 - paragraph 192, in its determination.

Be cautious about unpaid fees

All firms should be extremely concerned about assurance clients with outstanding professional fees, because overdue fees can pose the same threats to independence as loans made to clients. Because of the significance of these threats, firms should consider whether it is appropriate to retain such clients.

Readers of this article may be wondering whether it is appropriate to allow any audit fees to remain unpaid and, if so, for how long. As noted earlier, CPAB took the view that our Firm should not perform an audit for a client if the prior year's fees had not yet been paid (presumably in full). The ICABC Council Interpretation is more general; it states that a threat may exist if outstanding fees for professional services remain unpaid by an assurance client for a long time, especially if a significant portion is not paid before the issue of the assurance report for the following year.

A conservative approach to this issue would be to not start a client's audit until the fees for the previous year's audit have been paid in full. Ultimately, however, this is a policy decision left to the firms. We hope this article provides some additional context for making that decision.

In closing, the PCEC would like to thank the Firm that inspired this fictionalized account for agreeing to support this article for the benefit of other firms. ■

Outstanding audit fees can pose the same threats to independence as loans made to assurance clients.

Comments or questions?



Contact Liz Chan, CPA, CA, the ICABC's director of ethics, at **lchan@bccpa.ca**.





Gordon Denusik is a partner in the transfer pricing group of KPMG LLP in Vancouver.

New Transfer Pricing Documentation and Transparency Reporting—What You Need to Know

By Gordon Denusik, CPA, CA

Changes are on the horizon for transfer pricing, yet again. Over the past number of years, public and political focus on perceived tax avoidance by multinational enterprises (MNEs) has increased, along with concern that taxation is not properly aligned with economic activities and value creation. To address the potential disconnect between the transfer pricing outcomes and value creation, and to improve the quality of transfer pricing documentation, the Organisation for Economic Co-operation and Development (OECD) released its *Action Plan on Base Erosion and Profit Shifting* in July 2013. The plan consisted of a 15-point action list to be completed in the 2014 and 2015 calendar years.

This article focuses on action #13 of the OECD plan—a re-examination of transfer pricing documentation—which will affect, in one way or another, all Canadian corporations that have cross-border related-party transactions.

Enhancing transparency

As stated by the OECD, the goal of action #13 was to: "Develop rules regarding transfer pricing documentation to enhance transparency for tax administrations, taking into consideration the compliance cost for business. The rules to be developed will include a requirement that MNE's [sic] provide all relevant governments with needed information on their global allocation of income, economic activity and taxes paid among countries according to a common template."[1]

The OECD issued a discussion draft on transfer pricing documentation and country-by-country (CbyC) reporting for public consultation in January 2014. In September of that year, it released *Guidance on Transfer Pricing Documentation and Country-by-Country Reporting*, which replaced chapter V of its *Transfer Pricing Guidelines for Multinational Enterprises* and *Tax Administrations*. This new chapter set out a revised standard for transfer pricing documentation, calling for significantly more information and transparency than are currently needed to meet the documentation requirements of Canada and other jurisdictions.

The new guidelines in chapter V call for a three-tiered approach to transfer pricing documentation that consists of a master file, a local file, and a CbyC report. This three-tiered approach expands the existing documentation requirements significantly.

[1] OECD, *Action Plan on Base Erosion and Profit Shifting*, OECD Publishing, 2013. (http://dx.doi.org/10.1787/9789264202719-en)

CrossonVoyer
Trust Company INC.

The name you **TRUST**, is now a **TRUST COMPANY.**

Tailored succession planning and fiduciary services with the security of a FICOM regulated trust company.

604.674.7801 | info@cvtrustco.com | cvtrustco.com
Suite 850–1095 West Pender, Vancouver

Master file

The master file, which is a new requirement, is meant to be a high-level overview of the MNE, providing standardized details in five key categories:

1) The legal entity's organizational structure;
2) A description of the group's business (the drivers of business profits, the supply chain, a list of intra-group services, and any restructurings);
3) Intangibles (the group's strategy for development, its list of agreements, and its transfer pricing policies);
4) Financial activities (how the group is financed and details of intra-group financing); and
5) Financial and tax positions (including tax rulings).

The primary purpose of the master file (along with the CbyC report) is to provide information that will enable tax authorities to conduct informed transfer pricing risk assessments. It is to be filed with the tax authority of the group's parent company and then shared among all tax authorities *as is* (not customized for each one).

Because the master file will require the disclosure of information not typically included in existing transfer pricing documentation, its preparation will no doubt create challenges. MNEs will need to make a concerted effort to craft a complete, consistent, and coherent story, and will have to plan ahead to determine how best to prepare and present documentation to minimize the risk of misinterpretation by tax authorities.

Erratum

In our March/April 2015 tax article, "An Overview of Film and Television Tax Incentives in British Columbia," we erred in saying "on or before March 1, 2015" in the footnote. The correct wording is as follows: "Shortly before this magazine went to press, the BC government announced an expansion to the scope of the DAVE tax credit to include eligible post-production activities for productions where the principal photography begins on or *after* March 1, 2015." Our thanks to the readers who brought this to our attention!

Local file

The local file is meant to be country-specific, and is designed for the use of the local tax authority in determining whether the taxpayer has complied with the arm's-length principle. While it is similar to the current general requirement for transfer pricing documentation, it does require a greater level of detail. For example, the local file is meant to include:

- A description of all material related-party transactions;
- A detailed functional analysis, including a description of the local management structure;
- Copies of material inter-company agreements;
- Comprehensive transfer pricing analyses;
- A summary of financial information used in applying the transfer pricing methodology; and
- Financial information—in particular, linkages between information used for transfer pricing and financial statements.

The primary purpose of the local file is to provide the local tax authority with the information needed to conduct a thorough transfer pricing audit.

Country-by-country report

The primary purpose of the CbyC report is to provide information that will enable tax authorities to conduct high-level transfer pricing risk assessments and evaluate other base erosion and profit shifting-related risks. Accordingly, the standardized CbyC reporting template consists of aggregate countrywide information relating to the global allocation of income, revenue, and taxes, as well as certain indicators of the location of economic activity among the jurisdictions

INDEPENDENCE. INTEGRITY. EXPERIENCE.

Graham Moir, CPA, CA
Don Spence, CPA, FCA, FCBV
Tracey Harrop-Printz, CPA, CGA
Derek Sanders, CPA, CA, CBV, CFA



SVG
SPENCE VALUATION GROUP
SVG CAPITAL GROUP

We practice exclusively as business valuators and expert advisors in:
+ Business Valuation
+ Mergers & Acquisitions
+ Litigation Support

We service clients across Canada.
Kelowna 250.448.7450
Vancouver 604.678.6411
Calgary 403.930.2117
Toronto 416.255.0993

www.spencevaluation.com | www.svgcapital.ca

in which the MNE operates.

The data to be provided in the CbyC template consists of revenue (both related and unrelated); profit before tax; income tax paid and accrued; stated capital; the number of employees; and tangible assets. Specifically, the report is meant to provide or identify:

- An understanding of the "bigger picture";
- A global view of the MNE's value chain;
- Whether revenues and profits recognized in particular jurisdictions accord with the people and the functions performed in those jurisdictions;
- Visibility regarding affiliates (and their results) located in low-tax jurisdictions or havens; and
- The potential artificial shifting of substantial amounts of income into tax-advantaged environments.

Early in 2015, the G20 finance ministers announced that CbyC reporting will become a requirement for all MNEs with annual consolidated revenues greater than US$850 million, effective for the 2016 taxation year.

At the time of this writing, details about how the CbyC reports are to be filed and shared among participating tax authorities were not yet available. But it's not hard to imagine the scrutiny with which tax authorities will review an MNE group's transfer pricing if, for example, the CbyC template shows millions of third-party revenue and hundreds of employees in North America but only nominal profit, while the group's related Barbados entity shows only related-party revenue and a nominal number of employees but *millions* in profit.

Interestingly, the OECD has stated that an MNE is allowed to choose which data it will use to populate the CbyC template (i.e. separate entity statements, regulatory statements, or internal management statements). Different sources may produce different results.

What this all means

There are several key takeaways from the OECD guidance:

The landscape is changing

Although the OECD transfer pricing guidelines are not the law in Canada, most practitioners believe it is only a matter of time before Canada and other countries legislate or require that the OECD three-tiered approach, or some variation thereof, be applied in their jurisdictions.[2]

The existing transfer pricing documentation is more narrowly focused and limited than the new guidelines, which call for much greater disclosure regarding all aspects of an MNE's business and results. The best way for large MNEs to prepare for the transition to greater

[2] Spain, for example, recently announced that Spanish-based MNEs with revenues greater than €45 million (equivalent to approximately C$60 million to C$65 million) will now be required to prepare and submit a master file as well.



disclosure would be to go through a transition exercise now to see what their master file and CbyC report would look like, and then start to address any potential issues and challenges before the three-tiered approach is introduced. Even Canadian taxpayers who don't meet the proposed CbyC reporting threshold would be well-advised to start considering how the changing landscape could affect them.

Greater transparency means greater complexity

For almost all taxpayers, providing a greater level of detail and greater transparency will require significantly more work and resources. To make the transition to the three-tiered approach, taxpayers will need to take a number of steps, including:

- Determining who (the tax department, the accounting department, another department?) is responsible for obtaining some of the non-traditional transfer pricing information or data now required;
- Ensuring consistency of the master file across various reports and other documents (e.g., annual reports, APAs, and local documentation);
- Determining the necessary amount and method of disclosure for the MNE's financing arrangements, restructuring transactions, and intangible strategies;
- Reconciling financial data to support the transfer pricing to the annual financial statements; and
- Obtaining geographical information (producing the country information will require taxpayers to conduct consolidations of separate entities, branches, and joint ventures).

Documentation has a specific purpose and user

Taxpayers should always remember the purpose of each type of transfer pricing documentation and should tailor this documentation to its end user(s). The master file and the CbyC report are meant to provide information that will enable tax authorities to perform thorough transfer pricing risk assessments, whereas the local file is geared more toward audit defence.

It is worth noting that although the CbyC reporting template is meant to be a tax reporting document, other parties may well be interested in its contents. There's no doubt, for example, that the executives and boards of MNEs will take an interest in the information disclosed in the CbyC report. Anyone working as a tax director, controller, or CFO may be asked to explain the CbyC disclosure to the board—so they should consider whether the big picture of the CbyC report corresponds with the strategy and public image of the MNE.

Update on Glaxo

A quick update on the GlaxoSmithKline transfer pricing case, *The Queen v. GlaxoSmithKline Inc.* (Glaxo), is in order. The decision rendered by the Supreme Court of Canada (SCC) in 2012 included sending the case back to the Tax Court of Canada to determine the appropriate transfer price in light of guidelines provided by the SCC. This case was scheduled to commence on January 12, 2015, but was settled before it even began. Details of the settlement will remain confidential.

Because Glaxo was the first significant transfer pricing case to be heard by the SCC, some of the key principles laid out by the SCC in this case are worthy of reminder. Among them:

- **Economically relevant characteristics have to be taken into account**. In transfer pricing, taxpayers cannot apply a narrow transaction-by-transaction approach; rather, they must factor in all circumstances that are economically relevant, including any related transactions.
- **Transfer pricing is not an exact science—some leeway must be allowed**. If the transfer pricing is within a reasonable (arm's-length) range, it should be respected.
- **Transfer pricing is not a one-sided analysis**. Transfer pricing analysis should consider the respective roles, functions, and independent interests of each party.

It is not surprising that there's a connection between the SCC's first and third principles listed above and the OECD's new expanded documentation requirements. ■



UPCOMING PD SEMINARS IN JUNE/JULY 2015

Below are some upcoming seminars in June and July—many more titles can be found on our website. Visit **pd.bccpa.ca** for the full range of titles, as well as course descriptions. If you have any questions, please contact the PD department at 604-681-3264 or email **pdreg@bccpa.ca**.

REMINDER: 2014-2015 PD PASSPORTS EXPIRE JULY 31, 2015

The spring/summer 2015 PD program is the last chance to use up the 2014-2015 passports, which are valid for courses dated only to July 31, 2015. Register soon to ensure that you're able to use any remaining passport days on seminars that interest you.

2015-16 PD Passports, valid for courses between Sept 1, 2015 to July 31, 2016, will go on sale to all members July 1, 2015.

FINANCIAL MODELLING

Building a Financial Model of a Company

This hands-on course will focus on the skills required to design and create an interactive financial model of a company that adheres to the highest industry standards. It will cover model design, logic, construction, financial concepts, and accounting treatment. Participants will build a model that includes forecasts of a company's income statement, cash flow statement, and balance sheet.
June 9, 9am-5pm, Vancouver

Financial Modelling – DCF Valuation Analysis

This seminar will focus on the steps required to properly value a company using the discounted cash flow (DCF) methodology. Participants will learn to recognize and avoid the five most common errors finance professionals make when creating DCF analyses, and will gain a more advanced level of knowledge about the Excel tools that will help them in performing analytics.
June 10, 9am-5pm, Vancouver

Financial Modelling – Merger Modelling

This hands-on course will focus on the skills required to design and create a powerful model to analyze the impact of a merger or acquisition. Issues related to combining two companies will be reviewed and discussed. The seminar will be taught from the perspective of finance professionals who need to quickly assess the impact of a merger between publicly traded companies.
June 11, 9am-5pm, Vancouver

Financial Modelling in Excel

This full-day interactive seminar will enable participants to confidently build a suite of forecast financial statements for a company in Excel using best modelling practices. By the end of this workshop, participants will be able to use the spreadsheet development process to construct flexible, dynamic, and robust financial models, and will be able to model a business entity using income statements, balance sheets, and cash flow forecasts (i.e., develop an operating model).
June 15, 9am-5pm, Vancouver

Financial Modelling in Excel – Advanced

This seminar will enable participants to confidently use Visual Basic for Applications (VBA) to build robust and flexible financial models. By the end of this seminar, participants will be able to use VBA to construct flexible, dynamic, user-friendly, and robust financial models; outline the principles behind good VBA models; use the VB editor to create macros; and identify VBA bugs and use appropriate debugging techniques.
June 16, 9am-5pm, Vancouver

Modelling Capital Structure and Related Cash Flows

This hands-on workshop will explore the nuances of how debt and equity cash flows are structured and modelled in Excel. Starting with a corporate cash-flow forecast, participants will learn how to build a detailed debt/equity cash-flow model. This course will be of particular benefit to members in industry or members working with clients who have senior and subordinated debt, and who are looking to better model the cash flows related to these debt facilities.
June 25, 9am-5pm, Vancouver

Modelling Project Finance – Real Estate/Infrastructure

This hands-on workshop will get participants to model a real estate project's cash flows from land purchase through development to sale. It will also cover how to model various forms of debt and equity. The course will be of benefit to those in public practice who have a client base in the development sector and to those working in finance/accounting roles for companies or government entities that are undertaking project-based assignments.
June 26, 9am-5pm, Vancouver

NEW TITLES THIS SPRING

Tax Changes to Estates & Trusts Effective January 1, 2016

This seminar will review the legislative changes to the taxation of estates and trusts, including the loss of graduated rate taxation and non-calendar year-end selection; the taxation of deemed gains realized in alter-ego, joint-partner, and spousal trusts; and the rules to allow increased flexibility in the use of donation credits between a deceased individual and their estate.
May 21, 8-10am, Vancouver

Fundamentals of Receipting for Canadian Registered Charities

According to the CRA, 89% of registered charities that are audited by the CRA are not correctly issuing official donation receipts. This half-day seminar will examine the rules regarding the issuance of "official donation receipts" by Canadian registered charities.

June 8, 1:30-5pm, Vancouver

M&A Divestitures – Covering Your Bases

This seminar will provide practical advice on how to prepare for a divestiture from an accounting and legal perspective, and will review the accounting and legal factors that need to be considered during various phases of a divestiture process.

June 9, 9am-5pm, Vancouver

Fundamentals of Management

Consistently successful managers are those who create supportive work environments and motivate others to be their best selves. This interactive course will take an action-learning approach to help participants understand what is "best practice" in management and how to apply it in the workplace to achieve success.

June 24, 9am-5pm, Vancouver

Upstream Loans: Recent Developments

This seminar will cover the income tax and GST/HST issues that arise as a result of transactions within a group of related, privately held corporations. Reorganization and restructuring issues will be covered, as will issues such as the sale of assets between group members.

June 25, 7:30-9:30am, Vancouver

IFRS: Revenue Recognition Standards (IFRS 15)

This seminar will provide participants with an understanding of the new five-step revenue recognition framework under IFRS 15, including how to determine the amount of revenue to recognize. It will benefit supervisors, partners, financial analysts, and controllers responsible for revenue recognition and the accounting thereof.

June 26, 9am-12:30pm, Vancouver

Powerful Financial Analysis

Does your role, or the roles of those you supervise, involve financial analysis? This seminar will cover the key facets of a financial analyst's role within an accounting department, and will help analysts provide meaningful information to those around them. Topics to be covered include month-end, quarter-end, and year-end analyses; budget analysis; variance analysis; and overall financial statement analysis.

July 6, 9am-5pm, Vancouver

Excel Anywhere: Taking Excel to the Web

With versions of Excel available for the PC, iPad, Android, and web browser, the program is truly becoming accessible everywhere. By the end of this seminar, participants will be able to create and upload a workbook into the Excel web client; edit the file from almost any device; collect data via a web form; and share the key parts of the file with others.

July 9, 9am-5pm, Vancouver

PD CONFERENCE DAYS

For detailed information on sessions and speakers, please visit us online at pd.bccpa.ca/conferences.

Members in Business & Industry PD Day *June 16, 8:30am-5pm, Van Conv Ctr West*
Information Technology Conference *June 23-24, 8:30am-4:30pm, Van Conv Ctr West*
Victoria PD Day *June 25, 8:30am-5pm, Westin Bear Mountain Resort*
Work/Life Balance Conference *July 23, 8:30am-5pm, Van Conv Ctr West*

Shades of Grey – Ethics in the Workforce

This workshop aims to develop and enhance participants' understanding and application of professional ethics. Numerous case studies and ethical dilemmas will be presented to encourage discussion and explore moral philosophy in the workplace.

July 14, 9am-5pm, Vancouver

Effective Teams and "Teamworking"

The climate created by a manager in their working environment factors significantly into their team's performance, and ultimately into the results of their organization. This highly interactive seminar will provide managers with the tools and techniques needed to help their teams and their organizations achieve desired results.

July 16, 9am-5pm, Vancouver

Managing Diverse Personalities and Culturally Diverse Teams

In the increasingly complex workplace of the 21st century, personality conflicts and cultural differences can hinder productivity and hurt morale. To maintain a productive work environment, managers need to be adept at handling the challenges of diversity. This highly interactive seminar will provide tools and techniques to help managers improve relationships within diverse groups.

July 17, 9am-5pm, Vancouver

Advanced Data Magic with Excel

Ready to take your Excel skills to the next level? This seminar will start by clarifying some of the key misunderstandings that typically affect Excel workbooks, and then show you how advanced Excel functions can improve your calculating skills. You will learn how to use Excel's data analysis tools, array formulas, and PowerPivot—a tool in Excel 2010 and 2013 that enables you to work with large amounts of data.

July 17, 9am-5pm, Vancouver

Kudos!



Ken Carmichael, CPA, CA, a partner in accounting and audit with BDO Canada, became president of the Kelowna Chamber of Commerce for 2015-2016 in April.



Brian Friedrich, CPA, FCGA, a principal with Friedrich + Friedrich and co-chair of CPABC's Transitional Steering Committee, has been appointed as a director adviser to the Real Estate Board of Greater Vancouver and as a member of the education committee of the BC Council of Administrative Tribunals. In addition to his accounting credentials, Brian holds a C.Dir. (chartered director) designation from McMaster University and a master of education from UBC.



Pat Kennedy, CPA, FCMA, chief financial officer of the Pacific Flying Club, was recently appointed to the board of the Canadian Air Transport Security Authority for a three-year term.



Farnaz Riahi, CPA, CA, has been appointed CFO of the Industry Training Authority (ITA), and will lead ITA's financial strategy as the organization focuses on implementing priority actions. Farnaz has over 12 years of experience in senior financial management roles in both the public and private sector. Before accepting the role at ITA, she was VP of finance at Canada Wide Media.



Linda Tynan, CPA, CGA, was recently appointed chief administrative officer for the District of Summerland. Linda has held senior management positions with the City of Nelson, the Village of Nakusp, and the Regional District of Central Kootenay. She started her local government career with the City of North Vancouver. Linda is currently president of the CivicInfo BC Society and VP of the Government Finance Officers Association of BC.

Members appointed to Victoria Foundation

In February, **Kyman Chan, CPA, FCA**, joined the board of directors of the Victoria Foundation, and **Mike Cridge, CPA, CGA**, and **Sang-Kiet Ly, CPA, CA**, joined the Foundation's finance and audit committee. Kyman is a partner with Hayes Stewart Little & Co.; Mike is a director & senior private banker at BMO Harris Private Banking; and Sang is a partner at KPMG.


Kyman Chan


Mike Cridge


Sang Ly

Members appointed to COEDC Advisory Board

Jim Grant, CPA, CA, a partner at Grant Thornton, has been appointed to the advisory board of the Central Okanagan Economic Development Commission. Also new to the board is **David McDougall, CPA, CMA**, founder and principal of Blenz Coffee, BC Interior Region. **Paul Maarschalk, CPA, CA, CBV**, of Maarschalk Valuations Inc., is also a member of the advisory board, and served as board chair in 2014.


Jim Grant


David McDougall


Paul Maarschalk

Two members recognized with PEAK awards

Lana Kirk, CPA, CA, and **Cathy McLay, CPA, CMA**, were both recognized by the Association of Women in Finance in 2015. Lana, a partner in PwC's BC Region mining group specializing in assurance, won a 2015 PEAK Award in the "Rising Star" category. Cathy, the CFO and executive VP of finance and corporate services at TransLink, won a 2015 PEAK Award in the "Excellence in the Public Sector" category.


Lana Kirk


Cathy McLay

In Memoriam



We wish to send our condolences to the family and friends of Gerry F. McKinnon, CGA (Hon.). Gerry passed away on February 13, 2015, at his home in Comox. He was 94 years old.

Gerry was the first executive director of CGA-BC. He is credited with having played a pivotal role in the Association's growth and development, and is said to have helped it establish a sense of identity in the late 1960s. For his outstanding contributions, he received an honorary CGA designation in 1981.

Gerry was born on October 3, 1920, in Peterborough, Ontario. He became a decorated war veteran after serving in the Second World War, during which he was wounded during the Normandy invasion. Back on home soil, a career in industry followed, along with years of dedicated volunteer service. His early retirement, taken in 1967, was short-lived. The following year, while looking for part-time work to occupy his time, Gerry accepted a "temporary" role as executive director of CGA-BC. He ended up holding the position for almost 15 years.

Gerry's tremendous impact on CGA-BC was the focus of a profile in the summer 2012 issue of *Outlook* magazine.

FCA Dinner 2015

On February 18, the ICABC recognized its final roster of legacy award winners, celebrating the achievements of its new Fellows, Lifetime Achievement Award winners, and Honorary CA recipient at an awards dinner held at the Vancouver Club.



The final roster of ICABC award winners – Standing, back row (l to r): Gerry Humphries, CPA, FCA; George Mason, CPA, FCA; Laird Miller, CPA, FCA; Tara Benham, CPA, FCA; Peter Barnes, CPA, FCA; Bill Cox, CPA, FCA; Keri Norrie, CPA, FCA; Russ Jones, CPA, FCA; Sandy Hilton, CPA, FCA; Shelagh Rinald, CPA, FCA; Andrew Jackson, CPA, FCA; David Gandossi, CPA, FCA; Les Squire, CPA, FCA; and Rob Watts, CPA, FCA. Standing, middle row (l to r): Rod Barr, CPA, FCA; Bruce Sinclair, CPA, FCA; Cal Buss, CPA, FCA; Eric Watt, CPA, CA; Olin Anton, CPA, FCA; Carrie Yu, CPA, FCA; Doug Parkhurst, CPA, FCA; John Desjardins, CPA, FCA: Katherine Angus, CPA, FCA; Dave Brownlie, CPA, FCA; and Kelly Lohn, CPA, FCA. Seated (l to r): Barbara Brink, CA (Hon.); Richard Rees, CPA, FCA (Lifetime Achievement); Robin Elliott, CPA, FCA (Lifetime Achievement); Ken Mahon, CPA, FCA (Lifetime Achievement); Bruce Flexman, CPA, FCA (Lifetime Achievement); and Rozmin Sayani, CPA, FCA. Not photographed: John Crawford, CPA, FCA; Ann Cameron Scott, CPA, FCA; and Nolan Watson, CPA, FCA. Photo by Kent Kallberg Studios.

Financial Security

Dream It! Plan It! Live It!



John S. Clark, CA, CFA, CFP - President
Personalized Fee-Only Portfolio Management &
Comprehensive Financial Planning Since 1994

Pacific Spirit | Investment Management Inc
1100 - 800 West Pender Street, Vancouver, BC V6C 2V6
Phone: 604-687-0123 • 1-800-337-1388 (in BC) • Fax: 604-687-0128

www.pacificspirit.ca **Email: johnsclark@pacificspirit.ca**

Need to update your CaseWare software skills?

Join us for classroom or web based training in CaseWare Working Papers, CaseView Fundamentals or CaseView Advanced.

There are 'hands on' classroom sessions coming to an area close to you. Don't delay, register today!

To register online visit **www.bankaco.com** or **www.caseware.com**

CASEWARE

*denotes a Professional Corporation

Gabriele Banka,
DAcc., BApplBA, P.Mgr., CPA, CGA
CaseWare Qualified Instructor - BC Region
Banka & Company*
Certified General Accountant
Phone: 250-763-4528



KvdB

KOTLER van den BRINK & COMPANY
U.S. & Cross-Border Tax Consultants

- U.S. Federal and State Compliance
- Cross-Border Tax Structures
- Corporations • Partnerships • LLC's
- Individuals • Estates • Trusts

SERVING OTHER PROFESSIONALS SINCE 1988
Wes van den Brink, CPA, CGA, MS Tax
T (604) 531-6207 ■ **F** (604) 538-9713 ■ **E** wes@kvdb.com
www.kvdb.com

Trade consulting

Our team provides trade compliance solutions to importers and exporters doing business globally

- Compliance reviews
- NAFTA & FTA qualification and solicitation
- Tariff classification and valuation
- Customs audit assistance
- Appeals and rulings

Wyatt S. Holyk
For more information, call 604-685-3555 (8042)
Email wholyk@livingstonintl.com
Visit www.livingstonintl.com/BN

LIVINGSTON Trade up

PROGROUP Sales and Leasing Inc.

"The Way Professionals Buy Cars"

Tel: 604-270-4466
Fax: 604-270-8355
Toll Free: 1-888-385-4466
390 Howard Avenue
Burnaby, BC V5B 3P8

visit us on-line:

NEW CAR PURCHASE PLANS
All Makes & Models

member benefit
for Chartered Professional Accountants of BC

www.progroupbc.ca



SHAUN RAYMOND
U.S. TAX SERVICES INC

U.S. | Cross Border | International

Individual | Corporate | Tax Returns | Consulting

Proactive advice, practical approach, personalized service

Shaun R. Mohammed, MS (Tax), CPA, CA, CPA (WA)

#270–1385 W. 8th Ave, Vancouver, BC, V6H 3V9 | Tel: +1-604-676-4463

Email: shaun@shaunraymondtax.com | Web: www.shaunraymondtax.com

Private Cloud Office

welcome networks
www.welcomenetworks.com
info@welcomenetworks.com

- Servicing Accounting Professionals over 15 years.
- Run all tax and accounting software in a private cloud.
- Reliable and affordable IT support with visible results.
- Free evaluation of your existing network.

Call 800-466-0073 or 604-515-1700
Private Cloud provider for CPA firms in Canada & USA

BRANCHING OUT ON YOUR OWN?

Padgett offers a fresh yet proven alternative to the challenges of going it alone.

As a Padgett franchise owner, you will have access to time-tested systems, marketing techniques, highly qualified professional support team in taxation, technology and marketing as well as ongoing courses and seminars.

Since 1966, we're helping to grow success stories, one entrepreneur at a time. It's time you start accounting for yourself.

Call us: 1-888-723-4388, ext. 222
www.padgettfranchises.ca

PADGETT

No. 1 Accounting & Tax Franchise - a network of 400 offices.

quinellaauto.com
Save on the purchase and lease of new and used vehicles

Call **Greg Huynh** for your **best possible price**
WE MAKE YOUR VEHICLE PURCHASES HASSLE-FREE



Phone: 604.929.GREG (4734) or 1.800.300.GREG (4734)
www.quinellaauto.com
Dealer: 8262

Serving BC Professional Associations since 1973

Managed Portfolios: The Best of Both Worlds

The highest level of investment management & the freedom to enjoy your success.



For Advice and Solutions, contact:
The Greenard Group
Professional Investment Advice
Kevin Greenard, CA, FMA, CFP, CIM
Portfolio Manager,
Associate Director, Wealth Management

(250) 389-2138 • 1-800-986-4043 • greenardgroup.com

® Registered trademark of The Bank of Nova Scotia, used by ScotiaMcLeod. ScotiaMcLeod is a division of Scotia Capital Inc. ("SCI"). SCI is a member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund.

ScotiaMcLeod®

Experienced CA serving the needs of Chartered Accountants



Services include:
- Consulting & Mediation Services
- Quality Assurance Reviews
- Special Projects

Contact me today to find out how I can help you!
Bill Huxham, CA

CA

Tel: 250-203-2989
Email: bill@billhuxham.ca
Web: http://billhuxham.ca

Use this space to deliver your message to members, students and stakeholders of the ICABC, CGA-BC and CMABC.

Your Ad Here!

CPABC in Focus magazine is printed 6x per year. To reach 34,000 readers, call to book your space.

AdvertisingInPrint • 604-681-1811

Classifieds

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

Victoria BC – CPA Partner Wanted in Public Practice
The Victoria office of McLean, Lizotte, Wheadon and Company is looking for a new partner. Extensive public practice experience required. All enquiries to Catherine McLean at 250-475-3000 or cmclean@mlwaccounting.ca.

Independent Chartered Business Valuator
Looking to expand contacts with small and medium-size accounting firms throughout BC. Please contact Paul Maarschalk CPA, CA, CBV at Maarschalk Valuations Inc.: 778-484-5572 or pmaarschalk@shaw.ca, www.valuationsandplanning.com, or https://www.linkedin.com/in/paulmaarschalk
Objective Insightful Articulate

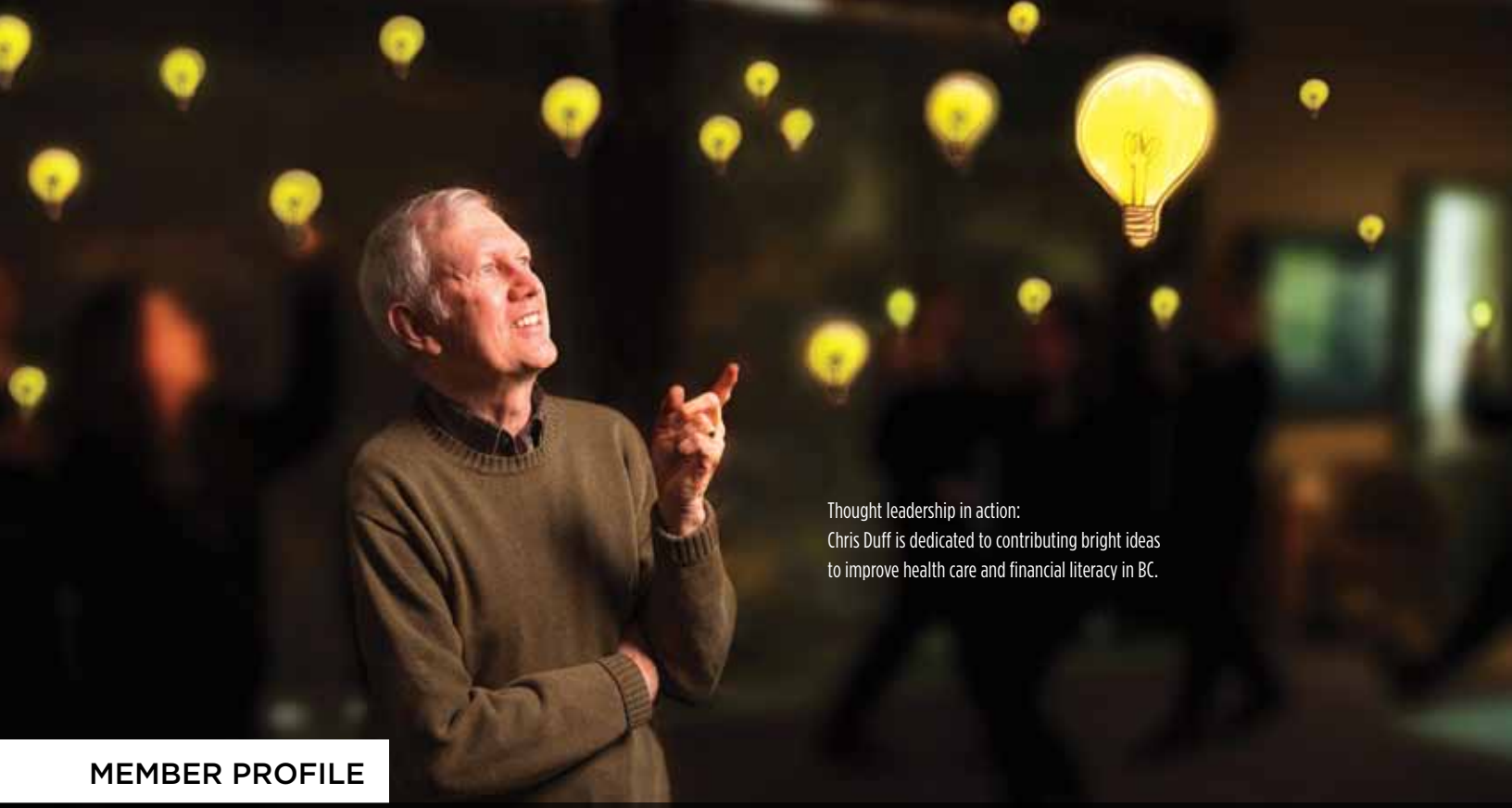
Purchase of Accounting Practice
CA sole practitioner is looking to purchase an accounting practice or a block of clients in the Lower Mainland. Please reply in total confidence to email: r_h20081113@yahoo.ca or telephone number: 604-817-4337.

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

Merger or Succession Opportunity
Smythe Ratcliffe Chartered Accountants, a successful, mid-size, Vancouver-based firm, is looking to expand through practice purchase, succession, or affiliation opportunities throughout the Lower Mainland or Fraser Valley. Reply in confidence to the managing partner: vicic@smytheratcliffe.com.

Practice Purchase
Two chartered accountants with existing practices and access to financing, looking to purchase a practice in the Thompson-Okanagan Region. Please send responses to OkanaganCAs@gmail.com.

CA Practice for Sale
Established practice for sale in the Southern Interior of BC. Clientele consists of compilations and personal and corporate tax returns. Firm does a few reviews and no audits. Volume $225K. Please reply to: CA4sale@yahoo.ca.



Thought leadership in action:
Chris Duff is dedicated to contributing bright ideas to improve health care and financial literacy in BC.

MEMBER PROFILE

Christian H. Duff, CPA, CA, PhD

Professor Emeritus, Royal Roads University

Profile by Michelle McRae
Photo by Kent Kallberg Studios

"Why are things done this way? Is there a better way?"

Chris Duff had already been teaching accounting and finance full-time at Royal Roads University for about seven years when he found himself pondering such questions in 2005.

"I pursued teaching initially because I wanted to pass on my knowledge and skills to others," he says. "But as time passed, my own curiosity increased, and I became somewhat dissatisfied with aspects of my education."

This education consisted of a B.Sc. in chemistry with first-class honours from the University of Sussex and a master's degree in business from Cass Business School at City University in London, England. He'd also earned his CA in Canada and his FCA in England and Wales, and had gained experience working in senior management with organizations in the UK and Canada prior to entering academia.

"My business experience convinced me that I was more interested in the relationships between people in organizations than in the technical aspects of accounting," Chris says. "But I had never pursued the study of social science in a serious way, and I had no research training, so I couldn't effectively answer a lot of the questions I was asking. I realized that the only way I could be satisfied was to pursue a PhD."

In 2006, bolstered by the support of the Chartered Accountants' Education Foundation of BC (CAEF), which had chosen him as the first recipient of its newly launched Doctoral Support Program,* Chris began his studies at London South Bank University in England, researching cost-management techniques in BC's health-care sector.

"I recognized the challenges BC faced in funding health care with an aging population," he says. "By pursuing research in this area, I hoped to be able to contribute in some small way."

At the time, Chris had no way of knowing that his research would soon be interrupted by not one, but two life-threatening illnesses. The first arose in 2007, while he was in England presenting a conference paper.

"Shortly after the conference, I found myself in emergency," he recalls. "The following day, they concluded that I needed emergency heart surgery—a quadruple bypass."

His wife Julia, also a CPA, CA, caught the next plane to be by his side. The tables were turned in 2009, when a routine exam led to a cancer diagnosis for Julia. Chris put his research on hold to act as nurse over the 12-month period of surgery, chemotherapy, and radiation that followed.

Happily, both are now in good health. Chris became a professor emeritus at Royal Roads in 2010, completed his doctoral degree in 2013, and attended his graduation ceremony last fall. He now has two publications on health-care management under his belt, and will be presenting at the CPA Canada-sponsored conference of the Canadian Academic Accounting Association in Toronto in May.

Chris also volunteers his skills to CPA Canada's Financial Literacy Program, serving as an area leader and instructor in Vancouver (see page 20). He is also the president designate of Autism Community Training and a member of MOSAIC's finance committee.

So, what about the questions that set his doctoral odyssey in motion?

"I'm very happy with what I achieved in the PhD process," Chris says. "It allowed me to take a different perspective on the world. I have a whole new framework for researching problems and pursuing solutions. In that sense, I am now able to answer those questions." ■

*A new charitable education entity will be created for CPABC. Stay tuned.

CPA CHARTERED PROFESSIONAL ACCOUNTANTS CANADA
COMPTABLES PROFESSIONNELS AGRÉÉS CANADA



PROFESSIONAL LEARNING AND DEVELOPMENT

2015 LIFELONG LEARNING IN TAX

Experience the largest library of tax education learning opportunities. From tax fundamentals to advanced specialty areas, our Lifelong Learning in Tax curriculum features quality programs for general practitioners, tax professionals at all levels, and for professionals in industry.

INCOME TAX

COURSES

- **CPA Canada In-Depth Tax Course**
  Registration opens July 7, 2015
- **In-Depth International Tax**
  (previously Foundations in International Tax)
  September 26-30, Whistler, BC
- **Income Tax Practice – West**
  October 31-November 6, Banff, AB
- **Advanced International Tax**
  TBA November, ON
- **Corporate Reorganizations**
  November 7-11, Niagara Falls, ON
- **Advanced Tax Issues for the Owner-Managed Business**
  November 14-17, Saint-Sauveur, QC
- **Income Tax Practice – East**
  November 28-December 4,
  Blue Mountains, ON

Blended Learning Available Fall 2015:

- **Indirect Taxes**
- **U.S. Tax for the Canadian Tax Practitioner**
- **Accounting for Income Taxes**
- **Scientific Research and Experimental Development**

ELEARNING

- **Tax Consequences of Immediate Business Succession**
- **Tax Planning for Business Succession**
- **Estates and Trusts**
- **Income Taxes at Death**
- **Personal Tax Update 2014/15**
- **Personal Services Business**
- **Taxation Planning for Owner/Managers of Incorporated Businesses, Part 1**
- **Taxation Planning for Owner/Managers of Incorporated Businesses, Part 2**
- **Principal Residence Exemption**

INDIRECT TAX

CONFERENCES AND COURSES

- **In-Depth HST/GST Course**
  May 31-June 5, Niagara Falls, ON
- **Forum on U.S. State and Local Taxes for Canadian Companies**
  June 15-16, Toronto, ON
- **Commodity Tax Symposium**
  September 28-30, Ottawa, ON

ELEARNING

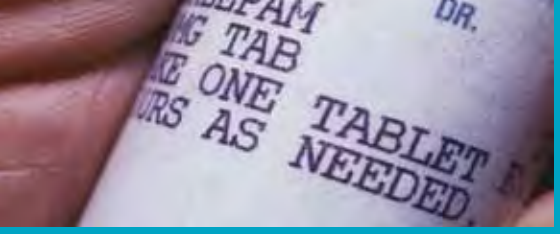
- **GST/HST**
- **Four Specialized HST/GST Courses:**
  - Cross-Border Transactions
  - Financial Services
  - Public Sector Bodies
  - Real Property (available summer 2015)

TRANSFER PRICING

ELEARNING

- **In-Depth Transfer Pricing Course**

VISIT: cpacanada.ca/2015programs



Accountants

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







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

Who qualifies?

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

What's covered?

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

What's the cost?

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

Who uses a Private Health Services Plan?

Business owners who:

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

A partial list of qualified expenses:

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

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

Why are your clients doing this with their healthcare expenses?

Healthcare Costs	$1600
(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%.





Be the one to advise your clients...or someone else will.

Trusted Advisor™
Member of Trusted Advisor Network

The John Robinson Group Inc.
June Borlé: 604.874.4429 Fax: 604.873.5600
Toll Free: 1.888.880.2266 Email: june@trustedadvisor.ca
www.trustedadvisor.ca