CPABC

INFOCUS

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MARCH/APRIL 2015

Diversify your boardroom

Why diversity is key to competitive advantage

PM 40062742

CPA CHARTERED PROFESSIONAL ACCOUNTANTS



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

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CPABC INFOCUS

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

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About

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Notes from the Leadership

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



Brian Friedrich, CPA, FCGA



Dan Little, CPA, FCA



Simon Philp, CPA, FCMA

Spring is just over a month away at the time of this writing, and a number of premiere events, networking opportunities, and professional development offerings are on the horizon.

The imminence of spring also means that BC's legislature is back in session, and we were excited to see the *Chartered Professional Accountants Act* introduced on February 11! We expect the legislation to move through the house quickly, and if all goes well, it should be passed this spring and enacted later this year, which would finalize the merger and formally establish the Chartered Professional Accountants of British Columbia (CPABC) as a regulator in the province. We know how passionate our members are about the profession, and we're eager to establish a new regulatory CPA body that will meet the diverse needs of CPAs across BC. We will keep you informed throughout the process.

With diversity comes strength, and in this issue of the magazine we delve into the importance of diversity at the board and senior management level (page 12)—specifically, what it can mean to your company's bottom line. The accounting profession has long recognized the merits of having a broad range of experiences, skills, and perspectives at the table—this diversity ensures a balanced approach that creates a strong foundation for decision-making.

Of course, any organization is only as strong as its team members. To that end, we are pleased to profile CPABC's Certification and Operations team (page 18) in the fourth and final instalment of our senior management profile series.

Like our professional staff, our volunteer complement is hard at work—not just at the board and committee level, but also at the chapter level, with CPABC chapters active across the province. Chapter involvement provides an excellent opportunity to network with peers, make community connections, and interact with potential CPA candidates who are interested in learning what the profession has to offer. This issue's member profile (page 42) highlights the benefits of participating in your local chapter's activities.

Another great way to get involved in the profession is to join a CPABC forum. Some recent forum events are recapped in our Notes & News section (page 7).

Also in Notes & News, you'll find a call for nominations for the BIV CFO of the Year Awards (page 6). CPABC regularly sponsors events that celebrate excellence and recognize those who've had a positive impact on the profession and the business community at large, and we're the presenting sponsor of this year's CFO of the Year Awards. We encourage you to nominate a CFO for this prestigious award, which recognizes the important role chief financial officers play in an organization's success.

We also encourage you to make time for the CPABC Spring Leadership Conference (page 22), which will showcase leading speakers in business, leadership, and technology, and provide professional development sessions on strategic management.

Our last word on leadership relates to the final group of legacy award winners—our newest CPA, FCAs, Lifetime Achievement Award winners, and Honorary CA (page 36). For full profiles, please check out the second edition of our Member Recognition Supplement online at **bccpa.ca/members/member-recognition**. And stay tuned for details on the new CPABC member recognition program, which will bring us one step closer to integration.

Sponsorships & Events

In January and February 2015, CPABC sponsored or attended a number of industry events to promote the CPA designation. These included the Richmond Chamber of Commerce's Post Budget Breakfast (February 20) and the Vancouver Board of Trade's BC Budget Recap (February 23).

To promote the profession at the post-secondary level, CPABC sponsored or attended a variety of events on and off campus, including the JDC West Business Competition in Victoria, Camosun College's Accounting Week, the UVic Business Banquet, the CPA Case Competition, and the SFU Business Administration Student Society Banquet, as well as career fairs for Trinity Western University, Okanagan College, UBC Okanagan, Royal Roads University, Thompson Rivers University, Selkirk College, the College of New Caledonia & the University of Northern BC (Northworks Career Fair), and North Island College. Upcoming events include the BCIT Career Fair (March 23).

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

Do You Know a CFO Superstar?

CPABC has once again partnered with *Business in Vancouver* to recognize and celebrate the top CFOs in British Columbia, with the intention of giving worthy individuals the recognition they deserve and using their example to inspire others.

This is a great opportunity to honour a CFO close to you. Honourees are chosen based on their performance relating to corporate growth through strategic decision-making, as well as overall performance and execution, sound business principles, and reporting.



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CFOs will be awarded in the following categories:

- Large Public (revenues more than $50 million)
- Small Public (revenues less than $50 million)
- Large Private (revenues more than $50 million)
- Small Private (revenues less than $50 million)
- Publicly Accountable
- Non-Profit
- Transformation Agent*

The deadline to nominate a CFO for this award is midnight on **March 27, 2015**. Information about the awards and a link to the nomination form can be found at **www.biv.com/events/cfo**.

Winning CFOs will be profiled in a special issue of *Business in Vancouver* on April 28 and celebrated at a gala dinner on June 2, 2015, at which each winner will have a few minutes to share their success with an audience of Vancouver's elite business community.

Please note: All nomination information is confidential, and only winners will be announced. Winners will be notified in advance of the event.

**There can be more than one recipient for this category (i.e. one for non-profit, emerging leader, or a Crown corporation).*

Join a CPABC Forum and Share Your Views on Standards with the AcSB

At the beginning of the standard-setting process, when a new standard is being proposed, the Accounting Standards Board (AcSB) performs its due process by issuing an exposure draft (ED) and inviting stakeholders to comment. When a proposed new standard is expected to have a significant impact on stakeholders, the AcSB may conduct webinars, surveys, and in-person roundtable discussions to gather vital feedback from stakeholders.

CPABC's Member Services team helps to facilitate roundtable discussions for members of various CPABC forums—giving members a key opportunity to share their views with the AcSB. If you're interested in getting involved in the consultation process, be sure to sign up for one of our member forums by contacting us at **memberservices@bccpa.ca**. A listing of the various member forums can be found at: **bccpa.ca/members/connect/member-forums**.



Greg Edwards, CPA, CA (principal with the AcSB), and Linda Mezon, FCPA, FCA, CPA (MI) (AcSB chair), were in Vancouver on November 24, 2014, to conduct a post-implementation review of Section 3856 Financial Instruments and gather stakeholder feedback on the new ED, "Redeemable Preferred Shares Issued in a Tax Planning Arrangement."

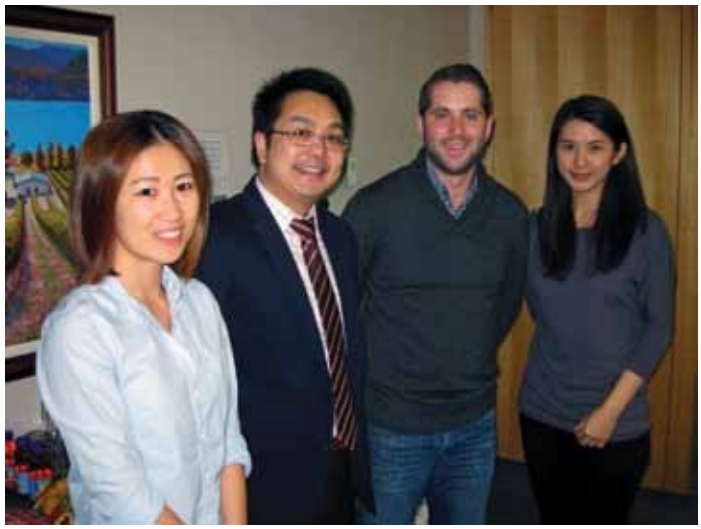
CPA Young Professionals and Management Forum events

The CPA Young Professionals Forum (YPF) wrapped up its 2014 event calendar with two events held in December. The annual "Holiday Affair" social event was held on December 10 at Mahony & Sons Public House. Co-hosted by the Lower Mainland contingent of the Young Lawyers – Canadian Bar Association (YLCBA), the event attracted more than 60 professionals and provided a wonderful opportunity to celebrate the holiday season while making new connections. Another annual joint event with the YLCBA is anticipated for the summer. Watch for details!

The second YPF event, held on December 12, was a breakfast session on "Careers in a Small Practice" presented by Jeremy Pierce, CPA, CA, a partner with Vohora & Company Chartered Accountants. Pierce shared his career insights, offered advice for those considering becoming a partner in a small firm, and described the benefits he has experienced from working at his firm.

The YPF kicked off its 2015 event calendar with a breakfast session co-organized with the CPABC Management Forum. The event, held on February 4, featured the CEO of TransLink, Ian Jarvis, CPA, CA, as guest speaker. Drawing on his personal and professional experience, Jarvis spoke about "the courage of leadership" and discussed a range of topics, including the upcoming transit and transportation referendum and other issues affecting TransLink.

To join the Young Professionals Forum or the Management Forum, please email CPABC's Member Services department at **memberservices@bccpa.ca**. (A listing of the various member forums can be found at **bccpa.ca/members/connect/member-forums**.)





Top photo: Breakfast session speaker Jeremy Pierce, CPA, CA (second from right), with YPF members (l to r): Han Shu, CPA, CA, Edward Ho, CPA, CA (YPF chair), and Jenny Wong, CPA, CMA. Bottom photo: TransLink CEO Ian Jarvis, CPA, CA, fields questions from members of the CPABC Young Professionals and Management forums.

Upcoming Events

2015 CA Convocation Ceremony

All colleagues, family, and friends of convocating students are invited to attend the 2015 Convocation Ceremony and Gala to celebrate the profession's newest members.

Convocation Event Information – Saturday, May 30, 2015
Vancouver Convention & Exhibition Centre, West Building

Ceremony – 2:30 p.m. start

- No admission is charged; however, you must register with Vivian Tse.
- Doors open at 1:00 p.m.
- Guest seating is on a first-come, first-served basis.
- Students are asked to limit their guests to five. However, additional seating may be available (see online registration form for details).

Gala – 6:30 p.m. start

- Dinner, entertainment, and dancing.
- Guests must be 19 years of age or over.
- If possible, please order Gala tickets through your firm.
- Please advise of any dietary restrictions.

Please direct all requests and inquiries to Vivian Tse at **vtse@bccpa.ca**.

Deadlines for Purchase and Cancellation
Gala tickets can be purchased until Friday, April 10, 2015.
Cancellations must be received in writing 10 business days prior to the event to be eligible for a refund (no exceptions).

For more information and updates on upcoming events, click on the Members tab at **bccpa.ca**.

Auditing and Assurance Standards Board Invitation to Comment on Exposure Draft

The Auditing and Assurance Standards Board (AASB) and the JPS Review Committee of the Canadian Bar Association have issued an exposure draft that proposes a revised joint policy statement (JPS) concerning communications with law firms regarding claims and possible claims in connection with the preparation and audit of financial statements. Auditors, financial statement preparers, law firms, and legal counsels will be affected by the new JPS. Stakeholders are encouraged to submit their comments by **April 6, 2015**.

Visit: **www.frascanada.ca/assurance-and-related-services-standards/documents-for-comment/item80711.pdf**.



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The Next Generation Needs Your Expertise

Want to make a difference in your profession? Become a CPA mentor and share your expertise with aspiring CPA students and candidates!

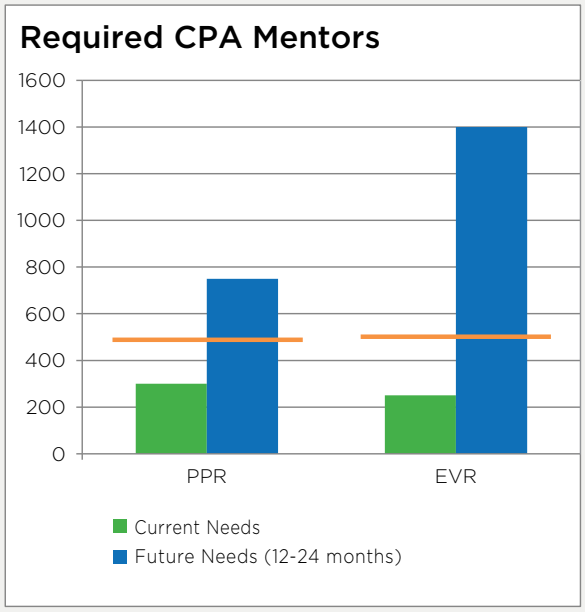
We're very pleased to note that mentor numbers have grown over the last few months,* and we want to keep this momentum going. As the accompanying graph illustrates, we still have a way to go before reaching our future needs targets.

We encourage you to get involved and help shape the profession's future. For more information, visit bccpa.ca/mentor.

*Already registered? If you've registered as an EVR mentor but have not yet been matched with a student/candidate, don't worry—the mentorship program was only recently launched, and students/candidates are still getting familiar with the process. In the coming months, we expect that many more of you will either be contacted directly by a student/candidate or contacted by CPABC on a student/candidate's behalf.



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Please note the new pathway names, effective January 2015:
PPR = Pre-Approved Program Route
EVR = Experience Verification Route

Orange lines indicate estimated breakdown between PPR and EVR mentors registered to date.

"Future needs" figures will be lower if mentors take on more than one candidate.

Notes on Licensing

Pursuant to its meeting of December 5, 2014, the ICABC's Practice Review & Licensing Committee announces that the following offices are no longer in public practice under these names and locations:

Firm Name	City
Carson Wu & Co	Richmond
Chan & Associates	Victoria (Cloverdale Avenue)
Chris Reid, CA	Gibsons
Chris Reid, CA	Sechelt
Dale R. Carter Inc.	Richmond
Daniel F. Huber Corporation	Vancouver
Edward L. Fitch, CA	Vancouver
Jodie Watts, CA	Peachland
Keith Watson Ltd.	West Vancouver
Pateman & Company Chartered Accountant	Courtenay
Richard McCallum, CA	Vancouver
Robert Kell, CA	Richmond
T.A. Wiltse CA	Penticton
Wolf & Associates	Vancouver

CPABC's New Home

As we mentioned in the last issue of the magazine, CPABC will have a new home this summer, at 555 West Hastings Street in downtown Vancouver. Staff currently located at the Burrard and West Hastings offices will move to the new Harbour Centre location in July, and the team at the West Broadway building will move to the new location in August. Stay tuned for more information.



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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**.

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CPABC in Focus



Industry Update

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

Student & Candidate Resources



CPA Prerequisite Education Program (PREP)
Winter 2014 intake
Module 10: Strategy and Governance
• *Exam – March 21*

Summer 2014 intake
Module 8: Tax
• *Exam – April 18*

Module 9: Intermediate and Adv. Mgmt Accounting
• *Classes begin – April 20, 21, and 25*

Winter 2015 intake
Module 5: Intermediate and Adv. Financial Accounting
• *Exam 1 – March 21*

Summary schedule at **goCPAbc.ca**.

CPA Professional Education Program (PEP)
Winter 2015 term – key dates:
Core Module 1
• *Exam – March 26*

Core Module 2
• *Exam › Performance Mgmt and Assurance – March 26*
• *Exam › Finance and Tax – March 27*

Spring 2015 term – key dates:
Core Module 1
- *Module start – May 2*
- *Withdrawal deadline – May 29*
- *Exam – July 2*

Core Module 2
- *Module start – May 2*
- *Withdrawal deadline – May 29*
- *Exam › Performance Mgmt and Assurance – July 2*

Capstone 1
- *Module start – May 9*
- *Withdrawal deadline – June 5*

Summary schedule at **cpasb.ca**.

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Looking for a competitive advantage?

Diversify your boardroom

By Fiona Macfarlane, LLM, CA (Hon.)



Smart business leaders understand the competitive advantages of diversity. Building diverse teams is more than a nice thing to do; it makes a difference to the bottom line.

Diverse views—whether they stem from differences in gender, ethnicity, culture, age, or experience—promote creativity and innovation, attract clients and partners, and encourage greater diligence in decision-making and risk management. Companies looking to drive measurable growth should examine whether their boards and their senior leadership teams embody the full range of experience, expertise, and perspectives that today's fast-changing economic environment demands.

With the recent adoption of disclosure requirements[1] by most Canadian securities administrators, gender diversity at the board level is a hot topic. Does adding more women to the board really make that much of a difference?

Studies from all over the world have confirmed that there's a correlation between strong performance and a high representation of women on a company's board and in senior management (see sidebar on page 14). Companies with higher gender diversity around the boardroom table have been shown to produce better return on equity, operating results, and stock price growth, and even lower risk of bankruptcy.

Leading companies are rethinking their diversity and inclusion practices as leverage to differentiate themselves from their competitors. As organizations grapple with an increasingly competitive environment for both market share and talent, they must tap into the largest and deepest talent pool available.

According to ManpowerGroup's 2014 *Talent Shortage Survey*, 31% of Canadian employers report having difficulty filling jobs—many of them in management.[2] And for several years in a row, managing talent and skills shortage has been identified as a top 10 risk for the global organizations surveyed in EY's *Business Pulse* survey.[3] As skills shortages become more pronounced, the Canadian economy will suffer if we continue to exclude women and other under-represented groups from our leadership talent pool.

[1] Canadian Securities Administrators, National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

[2] ManpowerGroup, *Talent Shortage Survey, 2014* (a white paper and interactive tools are available at **www.manpowergroup.com**).

[3] EY, *Business Pulse: Exploring dual perspectives on the top 10 risks and opportunities in 2013 and beyond (Global report)*, 2013 (available as a downloadable PDF at **www.ey.com**).

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Progress is slow

The Ontario Securities Commission's 2013 survey of 1,000 TSX issuers showed a low level of representation of women on boards and in executive officer positions at responding companies. For example:

- 57% had no women directors;
- 28% had one woman director;
- 3% had three women directors;
- Only 3% had a woman chair of the board;
- 53% reported that women held fewer than 10% of executive officer positions; and
- Among 40% of organizations that filled a board position in the previous year, only 12% of positions were filled by women.

Canada also lags behind global competitors in terms of female corporate leadership on boards and in senior management, suggesting that we're missing out on opportunities to optimize the economic benefits of an engaged, diverse workforce.

Consider that equal numbers of men and women enter most companies in the early stage of their careers, yet very few women make it anywhere near the top of the corporate ladder. This can't be chalked up to education levels—for every 100 Canadian women aged 25 to 64 who have completed tertiary education, only 83 Canadian men have done so.[4] And considering that more than 40% of Canada's immigrants have a bachelor's degree or higher,[5] it's not that we're short of qualified candidates.

In a 2012 study, Catalyst (a non-profit, research-based organization that aims to expand opportunities for women *and* business) focused exclusively on one source of potential directors for boards—active senior officers of Financial Post 500 companies—to determine if there were simply too few women ready to serve on Financial Post 500 boards.[6] Their research showed that the problem is not one of supply, as they identified 799 senior-ranked women, ranging from company heads to senior staff, who could be potential directors.

The full pool of qualified candidates across all Canadian companies would be vastly bigger, especially when functional experts are considered as well. Propelling women onto Canadian boards is just one of many ways to unlock the competitive advantage represented by our diverse workforce.

Regulatory pressure is growing

The gender diversity conversation isn't unique to Canada. To address the glacial progress of women's participation in senior roles globally, various countries have been exploring the introduction of quotas, "comply or explain" regimes, and other techniques to drive change and promote gender balance on company boards.

[4] The Conference Board of Canada, *Gender Gap in Tertiary Education*, March 2013. (**www.conferenceboard.ca/hcp/details/education/gender-gap-tertiary**)

[5] RBC Economics, *Immigrant labour market outcomes in Canada: The benefits of addressing wage and employment gaps*, December 2011. (**www.rbc.com/newsroom/pdf/1219-2011-immigration.pdf**)

[6] Catalyst, *The Supply Problem Myth: Financial Post 500 Boards*, September 27, 2012. (**www.catalyst.org/knowledge/supply-problem-myth-financial-post-500-boards**)

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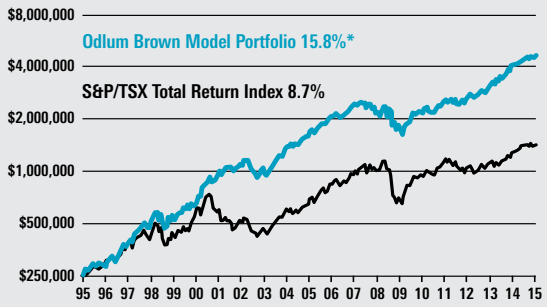


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OB Model Portfolio vs S&P/TSX Total Return Index



*Compound annual returns are from inception December 15, 1994 to January 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.

Women's impact in the boardroom

There's undeniable evidence that women's presence in the boardroom is returning solid business results.

A 2012 worldwide study from Credit Suisse found that, between 2005 and 2011, the average return on equity (ROE) for companies with at least one woman on the board was 16%—four percentage points higher than the ROE for companies with no women on their boards.[1]

This is borne out by Catalyst's research, which revealed that Fortune 500 companies with three or more women board directors achieved return on equity of 16.7% compared to the average of 11.5%, and that companies with more women board directors outperformed those with the fewest by 53%.[2]

Analysis by UK academics Nick Wilson and Ali Altanlar in 2009 found that having just one female director on the board cuts the risk of bankruptcy by 20%.[3]

Moreover, further UK research found that when female directors are appointed, boards are quicker to adopt new governance practices, such as director training, board evaluations, and director-succession planning structures.[4] Consider that eight out of the 13 Silicon Valley companies that undertook an IPO between January and October 2013 had no women on their boards[5]—this was precisely the time when these companies faced significant risks and needed board members who were equipped with a variety of skills and experiences to help them make the best strategic decisions.

The evidence is compelling: Gender diversity at the board level is better for business. The question is: Why aren't shareholders demanding that there be more women—and more diversity in general—on boards?

[1] Credit Suisse Research Institute, *Gender diversity and corporate performance*, August 2012 (available at **www.credit-suisse.com/newsletter/doc/gender_diversity.pdf**).

[2] Catalyst, *The Bottom Line: Corporate Performance and Women's Representation on Boards*, October 15, 2007. (**www.catalyst.org/knowledge/bottom-line-corporate-performance-and-womens-representation-boards**)

[3] Nick Wilson and Ali Altanlar, *Director Characteristics, Gender Balance and Insolvency Risk: An Empirical Study*, May 30, 2009 (available on the Social Science Research Network at **ssrn.com/abstract=1414224**).

[4] Val Singh and Susan Vinnicombe, "The 2002 female FTSE index and women directors," *Women in Management Review*, Vol. 18, No. 7, 2002, pp.349–358.

[5] Lauren Hepler and Shana Lynch, "Twitter's not alone — 8 other Silicon Valley IPO companies have no women on board," *Silicon Valley Business Journal*, October 8, 2013. (**www.bizjournals.com**)

With the adoption of "comply or explain" disclosure requirements in most Canadian jurisdictions[7] in late 2014, it's time for organizations to embrace change. The rules regarding the representation of women on boards and in executive officer positions are intended to make public companies more transparent so that shareholders, employees, and customers will be able to assess quickly which organizations are genuinely embracing the strategic advantages of more diverse leadership—and which are choosing to ignore it.

Although British Columbia (and Alberta) haven't adopted the rules, BC-based companies listed on the TSX will have to comply with the requirements and disclose the following:

- Director term limits and other mechanisms of renewal of the board of directors;
- Policies regarding the representation of women on the board;
- The board's or nominating committee's consideration of representation of women in the director identification and selection process;
- The issuer's consideration of the representation of women in executive officer positions when making executive officer appointments;
- Targets regarding the representation of women on the board and in executive officer positions.

This isn't about fairness or doing the right thing—it's about better decision-making that benefits investors and capital markets. Non-listed and local companies still face the same war for talent—male or female. Those who don't see the opportunity in diversifying their senior ranks are likely to find themselves out of touch with their customer base and having to fight harder to attract the best people.

[7] CSA, National Instrument 58-101 *Disclosure of Corporate Governance Practices.*

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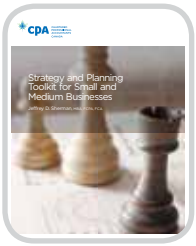
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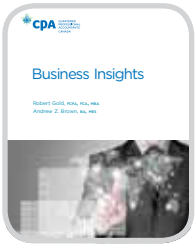
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What can boards do to increase their diversity?

While some organizations may be driven by compliance requirements, the real opportunity lies in recognizing and capitalizing on the transformative potential of a diverse group of talent. The organizations that will gain competitive advantage are those that embrace an authentic commitment to a diversity and inclusiveness agenda that starts at the very top of the organization and is propagated at every level.

In my experience, it really is a case of "what gets measured gets done." Genuine commitment and measurable targets drive real change to the business processes that shape recruitment and talent development and succession strategies, and they ensure that companies can leverage the talents of all of their people.

Leaders can foster a higher-performing and more diverse corporate culture and mindset by undertaking these steps:

1. **Take stock of organizational barriers to progress, and challenge assumptions –** Examine your selection criteria; re-evaluate whether CEO experience is really necessary for all board positions; go beyond traditional services to consider those with operational, public sector, not-for-profit, and other leadership experience—in short, remove the conventional biases and barriers that stand in the way of a broader talent pool.
2. **Set the tone from the top with visible and explicit commitment –** Define the mix of skills and diversity you want to achieve on your board and create a boardroom environment where different perspectives are encouraged and valued.
3. **Measure and articulate progress, pivoting as necessary –** Set clear goals that are relevant for your board and organization. Check progress at regular intervals, and take action when plans aren't working.
4. **Celebrate success –** Recognize and reward positive and inclusive behaviours.
5. **Embed inclusive practices into business processes –** Ensure that leading practices are written into the board's process, charter, mission statement, etc. to help embed inclusiveness into the culture itself.

Embracing greater diversity on Canadian boards goes beyond the realm of corporate social responsibility—it's about ensuring that our organizations are equipped with the *full* range of talent and capacity they need to meet the profound challenges we face in an increasingly competitive market. Our national economic competitiveness depends on it. ■

***Fiona Macfarlane, LLM, CA (Hon.)**, is EY's managing partner for British Columbia and the firm's Canadian chief inclusiveness officer. She is a governor of the Business Council of British Columbia and a board member of the University of British Columbia, Shawnigan Lake School, and the Immigrant Employment Council of BC. Macfarlane received the Honorary CA designation from the ICABC in 2011 in recognition of her contributions to the accounting profession—particularly her committee work at the national level. She was named one of Canada's Top 100 Most Powerful Women by the Women's Executive Network in 2014, named one of 2015's Top 25 Canadian Women of Influence, and received a 2015 Influential Women in Business Award from* Business in Vancouver.

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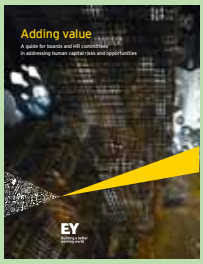
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Adding value
A guide for boards and HR committees in addressing human capital risks and opportunities



No more excuses
The case for bold action to move women onto boards and into senior executive roles

CPA profession weighs in on diversity disclosure requirements

On July 30, 2013, the Ontario Securities Commission issued a Request for Comment: OSC Staff Consultation Paper 58-401, *Disclosure Requirements Regarding Women on Boards and in Senior Management*.

The Chartered Professional Accountants of Canada and the Chartered Professional Accountants of Ontario issued a joint response on October 2, 2013 on behalf of Canada's professional accountants, and made several recommendations. They expressed support for the OSC's proposal, stating that it would encourage representation by women on boards and in senior management, but also requested that the OSC consider other diversity issues as well: "We recommend that the OSC evaluate the effectiveness of this approach within three years, assessing whether gender statistics improve and whether further action should be considered. Further we recommend that the OSC consider developing a consultation paper that deals with diversity issues more broadly."

On October 3, 2013, Richard Rees, CPA, FCA, issued a letter to the OSC on behalf of the CPABC joint venture to serve as an endorsement of CPA Canada and CPA Ontario's feedback and formal submission. In this letter, Rees stated:

"To be clear, we support the following CPA Canada recommendations:

- "Companies should set measurable objectives for their diversity policies in order to gauge success, and that targets should also be set for senior management to ensure companies adequately mentor the next generation of women leaders;
- "Working with search firms to enhance gender diversity, and researching international best practices can create a practical framework that builds on success;
- "Disclosure requirements regarding women in senior management positions will create corporate accountability; and
- "Caution should be used when contemplating the requirement of 'comply and explain' disclosure, as this could create de facto quotas for gender diversity, which could be ill timed at this stage.

"We also support the recommendation that the OSC expand the scope of this initiative beyond that of gender, to include board policies regarding gender, racial, and ethnic diversity."

On October 15, 2014, the securities regulatory authorities in Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Quebec, and Saskatchewan announced that they were implementing amendments to National Instrument 58-101 *Disclosure of Corporate Governance Practices* and Form 58-101F1 *Corporate Governance Disclosure*, with the intention of increasing transparency for investors and other stakeholders regarding the representation of women on boards and in senior management of non-venture issuers.

To get the BC perspective on this issue, we contacted the British Columbia Securities Commission, which had this to say: "The BCSC is monitoring the changes implemented by other jurisdictions, which it believes highlight an important issue. However, the BCSC regards this as a corporate governance issue, and is reluctant to impose new requirements without considering local factors such as whether the costs of compliance are justified by benefits to local investors."

Five Stats on Board Diversity in Canada

15.9% Percentage of board seats held by women at Financial Post 500 companies in 2013, an increase of 1.5 percentage points since 2011

~40% Percentage of companies with no women board directors in both 2011 and 2013

1/5 Number of companies with 25% or more women on their boards

>1/3 Number of companies with zero women on their boards

In last place Public companies, which continue to have the lowest representation of women on their boards

Data source: Liz Mulligan-Ferry, Mark J. Bartkiewicz, Rachel Soares, Amrita Singh, and Imogene Winkleman, 2013 Catalyst Census: Financial Post 500 Women Board Directors, *New York: Catalyst, 2014.*

Introducing CPABC's Certification and Operations Team

In the fourth and final instalment of our four-part series on the different functional areas of CPABC's senior management team, we shine the spotlight on the Certification and Operations team.

The purview of the Certification and Operations team includes managing the financial operations of the legacy entities through the transition, as well as the human resources and administrative functions of the new CPABC organization. This team is also tasked with delivery of student programs and services in conjunction with the CPA Western School of Business, and the run-out of legacy education programs.

Here are the individuals tasked with these responsibilities:



Gordon Ruth, CPA, FGCA –Executive VP, Certifications & Operations

In this role, Gordon is responsible for CPABC's financial performance, managing operations, and the delivery of student programs and services in conjunction with the CPA Western School of Business. He also serves on the national CPA Professional Education Management Committee.

In addition, Gordon continues to serve as the CEO of CGA-BC, and will carry out his legacy responsibilities until new CPA legislation is enacted.

Before joining CGA-BC, Gordon held several positions with organizations in the public sector, ranging from the federal government to BC Hydro. He spent 15 years with the Greater Vancouver Regional District (now Metro Vancouver), and ultimately became its chief financial officer, helping to steward the financial affairs of this regional federation of municipalities.

Gordon has an extensive background of volunteerism with the CGA Association at the provincial, national, and chapter levels. He served on the CGA-BC Board of Governors from 1998 to 2005. During that time, he was elected to the Executive Committee (2000) and then served as president of the Association (2002). Nationally, he served on the CGA-Canada Board of Directors from 2000-2004 as well as on the CGA-Canada Executive Committee. At the local level, he was active with both the Vancouver and Southern Vancouver Island chapters.

Gordon continues to serve as a member of CGA-BC's Board of Governors and Executive Committee, and as the Association's secretary.

He has received various awards recognizing his contributions to the Association, including the J.M. Macbeth Award, the FCGA designation, and Life Membership.

Those reporting to Gordon include: Dan Cheetham, CPA, FCGA; Bob Gautama, CPA, CMA; Bill Johnson, CPA, FCGA; Simone Leonard, CPA, CGA; and Marlyn Won, CPA, CA, CMA.



Dan Cheetham, CPA, FCGA – VP, Human Resources and Administration

In this role, Dan is responsible for managing CPABC's human resources and administrative requirements. This includes managing the staff compensation and benefits programs, office policies and procedures, staff communication, in-house training programs, performance assessment processes, staff recruitment, business continuity planning, and internal administrative services.

Dan was admitted to membership as a CGA in 1976 and became a partner of a public practice firm that grew to be one of the largest CGA firms in the province. In 1984, he began his career with CGA-BC as the director of professional services. In this role, Dan was heavily involved in the development of mandatory continuing professional development and the expansion of the PD program to areas outside of the Lower Mainland.

Dan assumed the role of director of administration and human resources for CGA-BC in 1995, and led the implementation of many new initiatives, including the establishment of a local area network, the development and launch of the Association's first website, the option to pay member dues by credit card, and the acquisition of the CGA-BC building on West Broadway.

For his myriad contributions, Dan received the FCGA designation in 2013.



Bob Gautama, CPA, CMA – VP, Curriculum and Education Delivery

In this role, Bob is responsible for developing, directing, and delivering all CPABC curriculum and education programs. He is also responsible for the continuing delivery of the CMABC education programs during the transition to CPA, and oversees CMABC's public practice licensing.

Bob is a member of several CPA education oversight and development committees at both the national and regional levels, and is leading the transition of the CPA Prerequisite Education Program (CPA PREP) to regional delivery for Western Canada.

Bob obtained his CMA designation in 2006, while working as the marketing manager for CMABC. He transitioned into education in 2009, serving as the director of programs, and was promoted to vice president of programs and accreditation in 2013.

Bob is a member of the CMABC executive team and is the secretary for its Accreditation Review Committee and Public Accounting Licensing Committee. He also volunteers actively within the community, and currently serves on several public and private sector boards. His past contributions include serving on the City of Coquitlam Economic Development Advisory Committee and on various academic advisory committees.



Bill Johnson, CPA, FCGA – VP, CGA Certification

In this role, Bill is responsible for directing and delivering all CGA legacy education services programs, including enrolment, education programs, practical experience, and graduation processes. He is also responsible for overseeing the budget for the CGA legacy program, adjudicating legacy CGA student education appeals, and working with the CGA National Education Committee.

Bill obtained his CGA designation in 1974 and joined the CGA-BC Association in 1980, initially as director of admissions. From 1984 to 1995, he served as director of administration, responsible for the financial and administrative operations of CGA-BC, as well as the ethics, bylaws, and government relations programs. Bill moved back into education as director of education and student services in 1995, and became responsible for all recruitment, admission, and education programs.

Bill has served on a variety of provincial and national education committees and task forces during his time with CGA-BC. In recognition of his numerous contributions to the accounting profession, he was awarded the FCGA designation in 2001.

Prior to working for CGA-BC, Bill spent four years in the financial services field, nine years in the forest products industry, and one year in the wholesale/retail industry.



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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.

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Simone Leonard, CPA, CGA – VP, Education Standards and Assessment

In this role, Simone is responsible for overseeing the assessment of credentials for entry into CPA PREP and the assessment of practical experience required for certification. She is also responsible for articulating the courses and programs of post-secondary institutions against the defined entry competency requirements outlined for the new CPA education programs.

Simone serves on a number of CPA national, provincial, and regional workgroups and committees working on the development and implementation of the education and practical experience standards, policies, and procedures for the CPA profession.

Simone joined CGA-BC in 2006, shortly after obtaining her CGA designation. She served as manager of education, responsible for overseeing the delivery of the CGA education program in BC, for two years, before becoming CGA-BC's manager of business projects & evaluations. Her responsibilities in this latter role grew to include the development and implementation of products and services geared to supporting the success of both domestically and foreign-educated students, with a special focus on the foreign-educated market. By 2013, she'd been promoted to a director position within the education division.

Prior to joining CGA-BC, Simone was the controller for a publicly traded, service-based Canadian company. She has over 15 years of experience in industry, having held a variety of accounting and finance positions in privately held and publicly traded companies, and also worked within public practice for KPMG. In addition to her CPA, CGA designation, Simone holds an MBA from SFU's Executive MBA Program (2011).



Marlyn Won, CPA, CA, CMA – Director, Finance, Integration and Transformation (Acting)

In this role, Marlyn provides project management leadership for the integration of the three legacy financial systems and finance teams, and provides finance support for enterprise-wide initiatives. She also serves on the Western Regional CFO Working Group (its members represent the four western provinces and the CPA Western School of Business).

Among her previous projects with the ICABC, Marlyn worked on a number of initiatives for members in industry and initiatives on climate change—both at the provincial and national levels. She also developed financial models and learning frameworks, conducted interviews, and wrote articles for the ICABC's magazine, industry e-newsletter, and PD brochure. In addition, she worked on various IT projects related to business process improvements, automation, and compliance.

Marlyn obtained both a master of accounting and the CA designation in 1990, and earned the CMA designation in 1991.

After working for 10 years in public practice with KPMG in Toronto and Vancouver, Marlyn launched her own consulting practice in 2000. For the past 15 years, she has been providing project management and consulting services to a number of organizations, including the BC Transmission Corporation (now BC Hydro), Vancouver Community College, Xantrex Technology, Inc., and the BC Paraplegic Association (now Spinal Cord Injury BC). ■

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diately recall the names of clients (as well as their interests and hobbies), quote prices and product numbers, keep track of myriad business appointments, and deliver presentations—all without ever having to refer to notes or other resources.

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Leadership: Robert Tucker

When was the last time you focused on upgrading your ability to conceive of and introduce new products, services, processes, and strategy ideas? The need for innovative thinking has become acute in today's hypercompetitive world, and companies and organizations around the globe are desperate to recruit and retain employees who exhibit *creativity*.

Robert Tucker founded The Innovation Resource, a global consulting and executive development firm devoted exclusively to strategic innovation, 25 years ago to help individuals and organizations profit—not suffer—from change.

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Technology: Jeremy Gutsche

Jeremy Gutsche is the founder and CEO of TrendHunter.com, the world's largest, most popular trend website, boasting 60,000,000 monthly views. A self-described "cowboy entrepreneur at heart," the Alberta-born Gutsche is a world-renowned expert in chaos and change. His research focuses on big data to help people create a culture of innovation and effect meaningful change.

Gutsche, as he explains it, is on the hunt for what's cool: "Cool hunting isn't the search for what's popular. Cool hunting is the search for what's NOT popular yet. Once something becomes mainstream, its novelty and appeal is lost. Cool is unique, cutting edge and viral. Because cool is viral, marketers and product designers seek to attain it."

Participants in this year's Spring Leadership Conference will find out why Gutsche has been called an "intellectual can of Red Bull." His colourful and inspiring presentation will provide thought-provoking, ready-to-use advice that will enhance your skills as an investor, innovator, and creator, as well as strengthening your ability to adapt.

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Stephen Antle is a dispute strategist, with experience as both an arbitrator and as arbitration counsel. He is a partner with Borden Ladner Gervais LLP in Vancouver.

Commercial Arbitration – Making It Work

By Stephen Antle, C.Arb.

When your clients are involved in a commercial dispute and the parties are unable to negotiate or mediate a resolution, there are only two dispute resolution mechanisms left: litigation and arbitration. This article sets out practical tips for getting the most out of the commercial arbitration process.

Arbitration is a welcome alternative in a business world that fears endless, complicated, public, and costly litigation. Often, disputes can be resolved more quickly and with greater cost-efficiency, privacy, and confidentiality, while providing some certainty of result, access to decision-makers with subject matter expertise, and international enforceability. However, too often we hear horror stories about arbitrations that were more complex, more drawn out, and more costly than litigation likely would have been. Why? Many times, it's because the parties involved did not enlist counsel with expertise in arbitration to assist them.

Avoiding the pitfalls of a poorly drafted arbitration agreement

There are two times when you can select a dispute resolution mechanism: when you set up a contractual relationship and when a dispute arises. Either way, ensuring that a dispute is resolved by arbitration, rather than through the court system, requires an arbitration agreement. As this agreement sets out a legally binding dispute resolution mechanism, drafting it requires specific expertise. A poorly written agreement can lead to several problems , but here are two of the most common:

1. A convoluted process of negotiation and mediation

It's vital that the agreement give the parties a clear right to resolve disputes by arbitration. This may sound obvious, but it's actually quite common to see "tiered" dispute resolution provisions instead—ones that require the parties to negotiate first (often at several levels) and then mediate before they can even start arbitration. These provisions can be both time consuming and costly. Moreover, they're usually unnecessary. If a dispute arises and both parties genuinely want to negotiate or mediate a solution, they can and will, regardless of whether their agreement requires them to do so. On the other hand, if one or both parties don't want to negotiate or mediate, they won't. And if that's the case, requiring the parties to go through the motions of negotiation and/or mediation will just be a waste of time.





There is another inherent challenge here, as it is technically very difficult to draft tiered dispute resolution provisions that aren't, in themselves, dispute generators—usually about whether a party is entitled to escalate the dispute from one mechanism to another. Subjective language is commonly used in such provisions—like requirements to negotiate "in good faith" or to use "best efforts" to mediate—and it provides the party uninterested in resolving the dispute with an easy excuse to delay.

It's important to understand that any such disputes about how the dispute resolution mechanism works generally have to be resolved through litigation. Thus, most of the benefits the choice of arbitration was designed to achieve end up being forfeited.

2. An unworkable arbitration process

Another common practical problem is the failure to draft the arbitration agreement so that it actually sets up a workable process. It is particularly critical to have the assistance of counsel with arbitration expertise to deal with the scope of the dispute(s) to be arbitrated, the number and qualifications of arbitrators involved, the decision as to whether the arbitration will be administered or conducted ad hoc, and the procedural rules that are to be used.

But perhaps the most important point on which experienced counsel can advise is the "seat" of arbitration—this is not where the arbitration takes place physically, but where it takes place legally. And it is crucial. First, the law of the seat governs the arbitration, so you need to know what that law is and what it provides. Second, if it becomes necessary to go to court during the arbitration process, the parties must go to the courts of the seat. So you want the seat to be "arbitration friendly" and you need a good relationship with experienced arbitration counsel in that jurisdiction.

Choosing an arbitrator

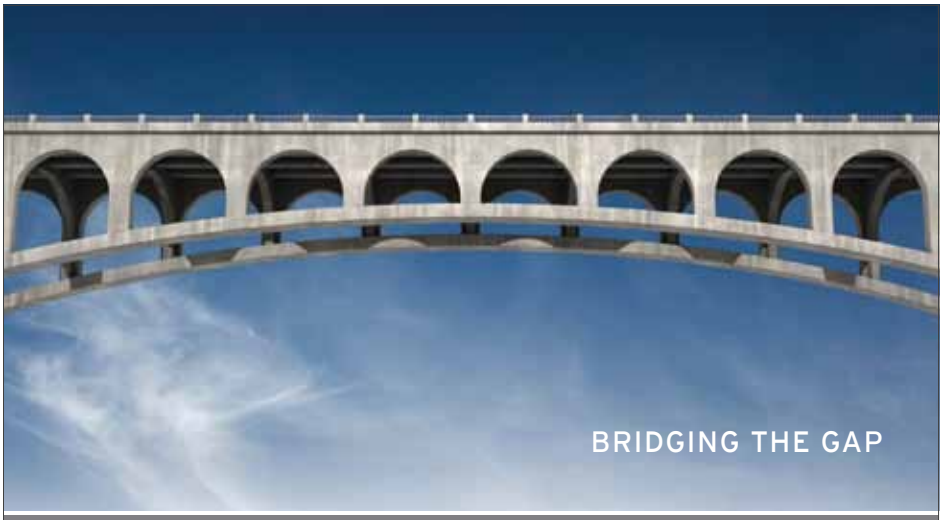
Perhaps the most important step in the whole arbitration process is choosing the arbitrator. In fact, having the ability to even make that choice is one of the key potential advantages of choosing arbitration over litigation. So, how do you choose the right individual?



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There are some basic criteria. The arbitrator is going to be determining the parties' legal rights and obligations, so you want someone with legal training. But you don't just want a retired judge, or you'd have opted for private litigation. In this case, you want someone who has been trained as an arbitrator and has some experience in the arbitration process.

Clients often seek out an arbitrator who understands the subject of their dispute—such as engineering bridges or manufacturing widgets—more so than the law. But this can be dangerous, because there's a risk that the arbitrator could decide the parties' rights and obligations based on personal experience, rather than on the facts. Instead, it's advisable to choose an arbitrator who has experience in the legal field the dispute concerns—for example, commercial leasing or asset purchases and sales.



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But more important than any of these criteria are the intangibles. You want an arbitrator who has the right personality to deal with the issues and parties involved in this particular dispute. You want someone who is prepared to take control of the process if the parties don't agree on how it should proceed.

Finding an arbitrator like this takes a bit of research. You can review arbitrators' biographies online, read their publications in legal journals, attend their presentations at conferences—you may even be able to get your hands on an arbitration award they've written or interview them (to a point!). But the best way to choose an arbitrator is to seek the advice of counsel who have appeared before them or have served on arbitration tribunals with them.

Seeking proper advice

Despite its conceptual similarities to litigation, arbitration can be a very different animal. It has significant potential benefits compared to litigation, but to realize these benefits, it's vital that you involve counsel with arbitration expertise to draft the arbitration agreement, serve as counsel in the arbitration, and—most importantly—help you choose an arbitrator with arbitration expertise. This expertise can ensure that the potential benefits of arbitration are actually realized, and that the process doesn't turn into another horror story. ■

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George D. Kondopulos is a tax partner with KPMG in Vancouver, where he specializes in providing services to a wide variety of public and private film and media companies on domestic and foreign tax and business matters.

An Overview of Film and Television Tax Incentives in BC

By George D. Kondopulos, CPA, CA

Note to readers: *The tax legislation in this area is very technical, and is amended by administrative guidelines (known as public notices) published by the Minister of Canadian Heritage and the equivalent provincial agencies. To determine whether a taxpayer qualifies for one or more of the tax credits discussed in this article, a detailed analysis should be conducted.*

Canada's refundable film and television tax incentives are one of the many forms of government support provided to the film and television industry to promote investment in the development and distribution of film and television productions in Canada. Such government support has helped both Vancouver and Toronto earn the title of "Hollywood North."

The first incentive—the Canadian Film or Video Production Tax Credit—was introduced by the federal government in its February 27, 1995 budget. A second incentive—the Canadian Film or Video Production Services Tax Credit—followed in 1997. Since the initial introduction of these incentives by the federal government, all of the provinces, as well as the Yukon, have followed suit, introducing equivalent tax incentives to promote investment in their particular area.

This article provides a high-level summary of the federal and provincial tax incentives available in British Columbia and discusses some important considerations for those seeking to access these incentives. It does not review the many loans, grants, equity investments, and other sources of funding that are available from government (see note to readers).

Each of the tax incentives described below provides a refundable tax credit that is generally computed based on a percentage of "qualifying labour expenditure." Eligible taxpayers claim the refundable tax credits by filing the appropriate schedules with the applicable federal and/or provincial income tax return. Before submitting a claim, taxpayers must first obtain specific government certificates and appropriate supporting documentation. The discussion that follows highlights the circumstances in which a taxpayer can qualify for each particular tax credit.

Federal incentives

Canadian Film or Video Production Tax Credit (CPTC)

The CPTC provides a refundable tax credit equal to 25% of the qualified labour expenditure (to a maximum credit of 60% of certified production costs) to a taxable Canadian corporation whose primary business activity is the production of Canadian certified films or videos carried on through a permanent establishment in Canada.

A film or video production must meet a number of criteria to receive a certificate from the Minister of Canadian Heritage (the minister). Among the criteria:

- The producer must be Canadian;
- A certain number of the production's other key personnel must be Canadian;
- At least 75% of the costs for production-related services must be payable to Canadian individuals;
- At least 75% of the costs incurred for post-production services must be provided in Canada;
- The corporation must have copyright ownership of the certified production for at least 25 years;
- The corporation must retain an acceptable share of revenues from the production's exploitation in non-Canadian markets; and,
- The corporation must have control of the initial licensing of the production's commercial exploitation.

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Canadian Film or Video Production Services Tax Credit (PSTC)

The PSTC provides a refundable tax credit equal to 16% of the qualified labour expenditure to a corporation whose primary business is a production business or production services business carried on through a permanent establishment in Canada.

Unlike the CPTC, the PSTC can be claimed by a foreign corporation for a film or video production as long as:

- The film or video production is an accredited production (evidenced by obtaining an accreditation certificate from the minister); and,
- The corporation is an eligible production corporation. To be eligible, the corporation must either own the copyright in the accredited production throughout the period during which the production is produced in Canada, or contract directly with the owner of the copyright in the accredited production to provide production services.

A production that receives CPTC is not eligible for PSTC; however, a corporation that is claiming CPTC for one production can claim PSTC for another (assuming all other conditions to qualify for the PSTC are met).

BC incentives

BC Film and Television Tax Credit (FTTC)

The FTTC legislation provides five different refundable tax credits to BC-based, Canadian-controlled, taxable Canadian corporations, whose primary business is a film or video production business carried on through a permanent establishment in Canada. These refundable tax credits range from 35% of the qualified BC labour expenditure for the basic tax credit to in excess of 50% of the qualified BC labour expenditure when the basic tax credit is accessed together with the regional, distant location, or film training tax credits, or the digital animation or visual effects ("DAVE") tax credits.[1]

[1] 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 before March 1, 2015.



fergregory/iStock/Thinkstock

While the FTTC has similar criteria to the CPTC in many respects, it is more restrictive. With the FTTC:

- The eligible production corporation must have a permanent establishment in BC;
- The labour expenditure qualifying for the credit must be paid to BC-based individuals;
- The producer must be a BC resident; and,
- At least 75% of the production costs must be paid to BC individuals or corporations.

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BC Production Services Tax Credit (BCPSTC)

The BCPSTC provides a refundable tax credit equal to 33% of the qualified BC labour expenditure to a corporation whose primary business is a production business or production services business carried on through a permanent establishment in BC. There are also regional (6%), distant location (6%), and DAVE (17.5%) production services tax credits that may be accessed together with the BCPSTC.

The criteria for claiming this tax credit are similar to those for the PSTC.

AdvantageBC International Business Centre (AdvantageBC)

BC has a unique program legislated by the *International Business Activity Act* (IBAA) and promoted and managed by a not-for-profit society known as AdvantageBC. Under the IBAA, corporations that are registered in this program and carry on various qualifying activities with non-residents through a permanent establishment in BC may be eligible for a full refund of the BC taxes paid on the net income earned from these qualifying activities. Revenues derived from the selling, assigning, or licensing of rights to a non-resident person to distribute a film or television production outside of Canada, or revenues derived from exploiting anything related to the production outside of Canada (including, for example, merchandise), may qualify under the IBAA. Corporations undertaking such activities should consider registering for this program.

Matters to consider in structuring a production

Numerous questions need to be asked before structuring a production to qualify for the tax incentives highlighted above and before performing an analysis of the exposure to Canadian or foreign income and indirect taxes. The following are some of the items that need to be considered:

- Who will own the worldwide copyright of the production and control the initial licensing of the production rights?
- Who will be the producer and other key personnel of the production?
- How will the production be financed?
- How will the production rights to both the Canadian and non-Canadian markets be exploited?
- Where will the production be filmed and for how many days, and where will services relating to the production be performed?
- What expenditures will be incurred on the production, and to whom will these costs be payable?
- What peripheral goods or merchandise could be manufactured and sold with respect to this production, and where would such activities occur?

Consider, for example, that the sale or licensing of distribution rights could result in income taxes being payable to a foreign country, or taxes being withheld by a foreign country. Consider that if you have non-resident persons rendering services in Canada with respect to a production, you may need to deduct or withhold taxes on the payments to such persons. And if you are filming part or all of your production in a foreign country, you must understand the exposure this will create to income taxes in that country.

The fine print

The lucrative tax incentives and programs offered by Canada's federal and provincial governments have helped make the Canadian film and television production industry the vibrant industry that it is today. However, the rules related to this kind of support are complex. A thorough tax analysis should be conducted to understand both the incentives available and the tax liabilities that could arise to both the production company and its personnel. ■




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UPCOMING PD SEMINARS IN SPRING/SUMMER 2015

Our spring/summer program, providing seminars between May and the end of July, is now available for registration. Watch your mail for a copy of the latest PD catalogue or check our website at **pd.bccpa.ca** for an updated schedule of titles and programs, as well as detailed course descriptions. To register, call the PD department at 604-681-3264.

PD CONFERENCE DAYS

Our popular PD conference days include a keynote presentation in the morning, breakout sessions throughout the day, and a plenary session in the afternoon. For detailed information on sessions and speakers, please watch for future flyers and emails or check our website.

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 Professional Development Day
June 25, 8:30am-5pm, Van Conv Ctr West
Work/Life Balance Conference
July 23, 8:30am-5pm, Van Conv Ctr West

MANAGEMENT & PERSONAL DEVELOPMENT

Clinic on Supervision – Getting Grounded as a Supervisor

Great employees do not always make great supervisors, particularly when they are thrown into the job with little or no training. When they learn to bring out the best in their subordinates, while still being effective producers themselves, they become doubly valuable to their organizations.

This clinic provides an opportunity for participants to focus on specific and concrete techniques to help them become more effective as managers of others.
March 17, 9am-5pm, Vancouver

Clear Thinking/Clear Speaking

In this course, you will learn to speak clearly and succinctly even when you've had little or no time to prepare. It will help you respond to questions, speak up at meetings, and even feel more comfortable in social situations.
June 3, 9am-5pm, Vancouver

Managing Yourself – Quantum Leaps

This seminar will show you how you can dramatically improve your self-management skills—mentally, physically, emotionally, and spiritually. Research in disparate fields has identified fascinating possibilities on how to do just that. The seminar will draw from quantum physics, neuroscience, positive psychology, and management theory.
March 18, 9am-5pm, Vancouver

Leading Change

This seminar will provide you with practical approaches to help you lead change effectively—whether at an organizational, departmental, team, or individual level—so you can make a greater positive impact on the success of your organization. ***Note:*** *This seminar qualifies for the Certificate in Executive Leadership.*
March 19, 9am-5pm, Vancouver

Dealing with Difficult Behaviours and Situations Involving Colleagues and Customers

Some people are quite skilled at responding effectively to challenging or upsetting behaviour—whether this behaviour is being exhibited by a customer, client, colleague, or direct report. Others simply have not yet developed the same skills. This seminar will help participants develop these skills and learn how to exercise them with ease so that they can turn their results around.
March 19, 9am-5pm, Vancouver

Sharpening Your Business Writing Skills

Good writing skills are essential for business success today. Are yours holding you back? This one-day seminar will help you dramatically improve your writing skills by showing you how to communicate faster and more effectively using plain English.
May 22, 9am-5pm, Vancouver

CONTROLLERSHIP & MANAGEMENT ACCOUNTING

Documenting Your Organization's Financial Processes

This seminar will teach participants how to document their financial work processes and prepare detailed, task-based procedural manuals. A current and comprehensive manual of essential operational procedures helps ensure that an organization's processes meet required standards, that the organization can survive unexpected employee turnover, and that its financial controls meet the corporate governance and disclosure obligations for publicly traded companies.
May 21, 9am-5pm, Vancouver

Understanding the Financial Risks of Employee Benefits

Increasingly, CFOs are recognizing the financial risks related to employee benefits. However, they also recognize that this area is not well understood—nor is it managed strategically. This seminar will help participants: a) better understand the current reality of employee benefits, b) recognize that a "financial storm" is brewing around their costs and risks, and c) develop strategies that are best suited to their own unique needs.
June 26, 9am-12:30pm, Vancouver

Employment Standards Overview

This half-day seminar will provide an introductory overview of key provisions of the *BC Employment Standards Act*, with an emphasis on the requirements that are commonly misunderstood. The session will be useful to anyone who has payroll, human resources, or people management responsibilities.
June 11, 9am-12:30pm, Vancouver

INFORMATION & BUSINESS TECHNOLOGY

There's an App for That! iPad Business App & Presentation Training

This seminar will offer practical device tips to help you increase productivity and reduce your roaming fees. You'll learn about some great productivity apps and take away the perfect productivity starter kit. You'll also gain some useful tips for presentations, whether you use Microsoft PowerPoint, Apple Keynote, Prezi, or other presentation software.
March 24, 9am-12:30pm, Vancouver

Taking Charge of Your Inbox and Smartphone

This seminar will provide insights on how your email, contacts, and calendar integrate with your smartphone—whether you use a BlackBerry, iPhone, or Android. You will finally understand how things work and how they're synched! You'll also learn some tips and tricks to help you be more productive, save time, and reduce frustration and overload.
March 24, 1:30-5pm, Vancouver

Managing Financial Data With Excel

This intensive hands-on seminar will transform participants into Excel "power users." It will focus on the pertinent Excel tools required in a corporate environment to analyze and manipulate financial data efficiently, and to create compelling financial analyses.
June 8, 9am-5pm, Vancouver

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 include 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

ACCOUNTING & ASSURANCE

ASPE: Real Estate Industry

This seminar will explore the ASPE standards that are applicable to the real estate industry and make a link to REALpac (the Real Property Association of Canada) in a practical manner. We will discuss the accounting issues encountered by builders, developers, and landlords that have direct or indirect ownership of the real estate. We will also cover the ASPE disclosure requirements and other issues specific to the real estate industry.
June 3, 9am-5pm, Vancouver

ASPE: Construction Industry

This course will explore the ASPE standards that are applicable to the construction industry in a practical manner. It will also cover the disclosure requirements of ASPE and other issues specific to construction contracts.
June 4, 9am-12:30pm, Vancouver

Audit of Small Entities

This course will help professionals enhance their skills in auditing small entities effectively and efficiently by focusing on the Canadian Auditing Standards (CAS) that are most relevant to small entities. Participants will learn how to use the CAS objectives and requirements to drive the audit approach of profit and not-for-profit small entities in a cost-effective manner.
June 8, 9am-5pm, Vancouver

TAXATION

Tax Issues for Private Corporate Groups

This seminar will cover the unique taxation issues that apply to groups of privately held companies and their shareholders. It will include a detailed review of the association rules; provide a series of mini cases reviewing the issues that arise during the growth of a corporate group; examine the use of trusts and partnerships; and discuss transaction issues between group members.
June 9, 9am-12:30pm, Vancouver

Restructuring Private Corporate Groups

This seminar will review the income tax and GST/HST issues that arise as a result of transactions within a group of related privately held corporations. Issues covered will include reorganization, restructuring, and the sale of assets between group members.
June 9, 1:30-5pm, Vancouver

Getting a GRIP on RDTOH, CDA, and Other Tax Accounts

This seminar will provide a detailed review of the key tax accounts for private corporations, and explore tax planning where multiple tax accounts can be either used or impacted. A series of mini cases will be used to demonstrate the issues that need to be evaluated when dealing with these accounts.
June 10, 9am-12:30pm, Vancouver

Tax Issues for Professionals

Professional practices present many unusual tax issues and opportunities. This presentation will review some of the key tax issues for professionals in BC, including restrictions on structures for each profession in BC, alternatives for structuring the practice, annual income tax issues, and dealing with the departure of a professional.
June 10, 1:30-5pm, Vancouver

EXECUTIVE PROGRAMS FOR SPRING/SUMMER 2015

The Controller's Operational Skills Program
April 19-22 | Westin Whistler Resort
June 17-20 | Westin Whistler Resort
The CFO as Navigator: Steering the Enterprise Towards Value-Creating Growth
May 24-27 | Westin Whistler Resort
The Controller's Management Program
June 21-24 | Westin Whistler Resort
The CFO's Operational Skills Program
July 5-8 | Westin Whistler Resort

For more dates and programs, please visit our website at **pd.bccpa.ca** and check under Executive Programs.

Kudos!



Chris Burnley, CPA, CA, a member of the accounting faculty at Vancouver Island University and chair of the CA Education Foundation of BC, has authored a new introductory accounting textbook. *Understanding Financial Accounting* was recently published by John Wiley & Sons Canada, Ltd.

Crowe MacKay (Kelowna) has won a Rotary award. The Kelowna office of accounting firm Crowe MacKay has received an award from the Rotary Club of Kelowna in recognition of its long-standing commitment to community service. For many years, the firm has encouraged its employees to engage in endeavours designed to enhance the quality of life in the community and provide support to those in need. Congratulations to the team at Crowe MacKay for making such a positive impact in the community!

Have an announcement you'd like to share? Email us at: ***info@bccpa.ca***



Aaron Dodsworth, CPA, CA, was appointed to the partnership of White Kennedy in January 2015. Based out of the firm's West Kelowna office, Aaron provides accounting, auditing, taxation, and business advisory services.



Gerry Dragomir, CPA, FCMA, ChPC, owner of Pace Accounting in Vancouver, has received the 2014 Jack Donohue Coach of the Year Award from Coaches of Canada. Gerry is a chartered professional coach who has mentored athletes at all levels—from little league baseball to the Olympic Games. He is the founder of Racewalk West, and is both a medal-winning athlete and a highly successful coach in the sport of race-walking at the international level.



Jodi Hansen, CPA, CA, was appointed to the partnership of White Kennedy in January 2015. Based out of the firm's West Kelowna office, Jodi provides accounting, auditing, taxation, and business advisory services, and has a particular specialty in not-for-profits and audits.

RRSP and Tax Tips 2014 – A thank-you to our volunteers!

We would like to thank the following volunteers for their involvement in coordinating, updating, and reviewing the RRSP and tax tips for 2014:

- D&H Group: Arthur Azana, CPA, CA; and Jessica Chou, CPA, CA.
- BDO Canada: David Mueller, CPA, CA; and Kam Nat, CPA, CA.
- Ernst & Young: Larry Bell, CPA, CA.
- Grant Thornton: Derek Bennett, CPA, CGA; Trevor Goetz, CPA, CA; Connie Leung, CPA, CA; and Aliya Rawji, CPA, CA.
- KPMG: Kevin Baldwinson, CPA, CA; CASB student Sean Jordan; and Shane Onufrechuk, CPA, CA.
- PricewaterhouseCoopers: Danielle Desjardins, CPA, CA.
- Smythe Ratcliffe: CASB student Courtney Carpenter; and Tom Morton, CPA, CA.



Don McMillan, CPA, CMA, joined North Peace Savings & Credit Union as CFO this past November, and is leading the development and implementation of the organization's risk management framework. Don has over 20 years of financial experience, having held various treasury positions, and has overseen risk management for several large international and retail corporations.



Mark Patterson, CPA, CGA, recently joined DMCL Chartered Accountants as a principal in the US tax group, where he serves a wide range of clients. Mark has more than 15 years of experience specializing in US and Canadian income tax issues, primarily affecting US citizens living in Canada. Prior to joining DMCL, he was a principal with Stephen Katz Ltd. in Vancouver.



Christopher Richardson, CPA, FCA, was elected chair of the Vancouver School Board in December 2014. He has served three times as a Vancouver Park Board commissioner and was the board's vice-chair in 1990. Christopher is a charitable gift planning consultant and philanthropy adviser, and currently volunteers as president of the Mount Pleasant Community Centre Association.



Lorraine Rinfret, CPA, CA, recently joined DMCL Chartered Accountants as a partner in the private enterprise group. An independent public accountant for over 30 years, Lorraine provides accounting, taxation, and business advisory services to owner-managed businesses and individuals, including members of the legal, dental, and medical professions. Her practice specialties include estate, retirement, and succession planning.

Gary Schlenker, CPA, CGA, of Grant Thornton, was recently appointed treasurer of the Greater Westside Board of Trade for 2015.



Dereck C. Sale, CPA, CA, recently published *Exiles at Home – Jamaican Chronicles*, a book of short stories now available from major retailers. Dereck grew up in Jamaica and studied in England. He is a past president of the Institute of Chartered Accountants of Jamaica and a former partner with Touche Ross. Since 1982, he has been a sole practitioner in Prince George. Dereck has been published in the *Journal of Accountancy* (US), *Economia* (UK), and *The Bottom Line* magazine, and his non-fiction writing also includes the book *Testament of the Third Man* (2007).



Mark Vernon, CPA, CA, CPA (Illinois), was recently appointed executive director and CEO of the Architectural Institute of British Columbia. Mark previously served as chief operating officer for the Faculty of Medicine at the University of British Columbia. His 27-year professional career has also included leadership roles at Capilano University, BC Hydro, and Deloitte.



Ian Wanke, CPA, CA, CBV, recently joined the private equity & infrastructure team of the British Columbia Investment Management Corporation in Victoria. Ian previously worked with Deloitte's corporate finance team in Vancouver.

In Memoriam

We wish to send our condolences to the family, friends, and colleagues of **James** (**Jim**) **Douglas Sward, CPA, CA**, who passed away on December 15, 2014 at the age of 53. Jim worked at Anglo American Cedar Products in Mission. During his career he also worked with Bellevue Hotel, Meeker Cedar Group, Winde Pacific Forest Products, and KPMG. Highly active in the community, Jim served on the boards of the Fraser Valley CA Association and Fraser Health Mission Memorial Hospital. He was also a member of Rotary, Ducks Unlimited, and the Ridgedale Rod & Gun Club, volunteered with Scouts Canada (4th Mission Scouts) for 20 years, and coached soccer, lacrosse, and basketball.

2014/2015 ICABC Award Winners

The ICABC is pleased to recognize its final group of legacy award winners: 30 Fellows, four Lifetime Achievement Award winners, and one Honorary CA. All were honoured at a dinner held on February 18. For profiles of these award winners, please read the February 2015 issue of our online CPABC Member Recognition Supplement at www.bccpa.ca/members/member-recognition. CPABC will be launching a new, integrated Member Recognition program this year. Stay tuned!

~ FELLOWS ~

The FCA designation recognizes a member's distinction in more than one of the following categories: the work of the Institute or a similar professional association, their career, community service, and research, teaching, writing, and/or speaking. Thirty individuals were chosen in 2014/2015:


Katherine Angus, CPA, FCA


Olin Anton, CPA, FCA


Peter Barnes, CPA, FCA


Rod Barr, CPA, FCA


Tara Benham, CPA, FCA


Dave Brownlie, CPA, FCA


Cal Buss, CPA, FCA


Bill Cox, CPA, FCA


John Crawford, CPA, FCA


John Desjardins, CPA, FCA


David Gandossi, CPA, FCA


Sandy Hilton, CPA, FCA


Gerry Humphries, CPA, FCA


Andrew Jackson, CPA, FCA


Russ Jones, CPA, FCA

~ FELLOWS ~


Kelly Lohn, CPA, FCA


George Mason, CPA, FCA


Laird Miller, CPA, FCA


Keri Norrie, CPA, FCA


Doug Parkhurst, CPA, FCA


Shelagh Rinald, CPA, FCA


Rozmin Sayani, CPA, FCA


Ann Cameron Scott, CPA, FCA


Bruce Sinclair, CPA, FCA


Les Squire, CPA, FCA


Peter Swinton, CPA, FCA (Deceased)


Nolan Watson, CPA, FCA


Eric Watt, CPA, FCA


Rob Watts, CPA, FCA


Carrie Yu, CPA, FCA

Photo of Rod Barr by Andre Van Vugt of Giant Vision. Photo of Dave Brownlie by Brad Kasselman of Coast Mountain Photography. Photo of Cal Buss courtesy of Deloitte Toronto. Photo of Bill Cox courtesy of BDO. Photo of Sandy Hilton by Christian Ryan Photography. Photo of Russ Jones provided by Russ Jones. Photo of George Mason courtesy of MNP. Photo of Shelagh Rinald by Melissa Welsh Photography. Photo of Peter Swinton courtesy of PwC Vancouver. Photo of Carrie Yu courtesy of PwC Hong Kong. All other photos by Kent Kallberg Studios.

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Lifetime Achievement Awards & Honorary CA

~ LIFETIME ACHIEVEMENT AWARD WINNERS ~

The ICABC established its Lifetime Achievement Award in 2001 to recognize FCAs who've made an indelible mark in BC (and beyond) through decades of professional and volunteer work. The award is the Institute's highest honour. Four individuals were chosen in 2014/2015:



Robin Elliott, CPA, FCA



Bruce Flexman, CPA, FCA



Ken Mahon, CPA, FCA



Richard Rees, CPA, FCA

~ HONORARY CA ~

The Honorary CA designation recognizes non-CAs who have made outstanding contributions to the accounting profession. One individual was chosen in 2014/2015:



Barbara Brink, CA (Hon.)

Photos of Robin Elliott, Bruce Flexman, and Richard Rees by Kent Kallberg Studios. Photo of Ken Mahon provided by Ken Mahon. Photo of Barbara Brink by Joel Chamaschuk of Painted Alley Creative.

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Congratulations to our Successful 2014 UFE Writers!



Left to Right: Jesse Bachra, Justin Wright, Jon Bradley, Sean Stapleton, Priscilla Wei, Aaron Nabata, Brett Harrison.

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We look forward to your future achievements as valuable members of our team.

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INCOME TAX

COURSES

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

CONFERENCES

- **Forum on U.S. State and Local Taxes for Canadian Companies**
  June 15-16, 2015, Toronto, ON

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  – TBA 2015
- **Scientific Research and Experimental Development**
  – TBA 2015

INDIRECT TAX

COURSES

- **In-Depth HST/GST Course**
  May 31-June 5, 2015, Niagara Falls, ON

CONFERENCES

- **Commodity Tax Symposium**
  September 28-29, 2015, Ottawa, ON

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- **Indirect Taxes for the Non-Specialist** – TBA 2015

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- **In-Depth Transfer Pricing – In-Residence Course**
  – TBA 2016

Events, dates and venues subject to change

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MEMBER PROFILE

Derek Johnson, CPA, CMA

Senior Performance Analyst, TELUS & CPABC Vancouver Chapter Chair

Profile by Michelle McRae
Photo by Kent Kallberg Studios

For busy professionals who can't imagine finding the time to attend a CPABC chapter event—never mind getting involved as volunteers—the benefits of chapter involvement may seem a bit intangible. In Derek Johnson's experience, however, the benefits have been immeasurable.

"I can't put a price on the friendships I've made, the steps I've taken in my career—which are directly correlated to the skills and experiences I acquired through volunteering—or the feeling of pride I get from seeing the chapter succeed," he says.

Derek first got involved with the Vancouver Chapter of CMABC in December 2010, just two months after earning his CMA designation, serving as the head volunteer for online communities.

"The primary reason I started volunteering was because I enjoyed my time in the CMA program and at chapter events so much that I wanted to help others have that same experience," he says. "To be honest—I didn't know I'd be taking on so many responsibilities! Thankfully, I was able to pick the brains of the more tenured members and hit the ground running."

Rather than taking a step back, Derek soon ramped up his involvement, becoming a director and then vice-chair in short order.

"I thrive on new experiences and wanted to push myself out of my comfort zone," he says. "When I was asked to be vice-chair in 2012, I hadn't yet experienced that type of leadership role in my career, so it was a great opportunity to learn new skills."

During his tenure as vice-chair, Derek left his position as a financial planner with The Art Institute of Vancouver to join TELUS as a performance analyst. Juggling volunteer responsibilities with the demands of his career required him to hone his time-management skills.

"I've become very proficient in the use of Outlook!" he says, with a laugh. "Being able to prioritize chapter tasks and set expectations with the team in advance allows everything to function efficiently."

Derek became chair of CMABC's Vancouver chapter in March 2014, and held the role until September, when he was selected as chair of the newly formed CPABC Vancouver chapter. The transition has been an exciting one.

"The opportunity to lend my experience to help shape the identity of the new chapter and really be a part of history was one I couldn't pass up," he says. "There have been some challenges along the way, but for the most part the transition has been amazing. I'm fortunate to be one part of a highly collaborative group that was assembled to transition various legacy chapters into a new CPABC Vancouver Chapter. The brilliant part of shaping a new culture, with the help of members from all legacy designations, is that you become a hybrid of the best qualities of each."

Attendance, he notes, is on the upswing.

"I'm seeing more people becoming involved as volunteers, and more getting involved at events," he says. "I can normally recognize about 50% of the members who attend events, but at our last breakfast networking event I probably couldn't even recognize 10%! That's a good sign, and it's a trend we hope continues."

Since Derek was promoted to senior performance analyst at TELUS in December, his work responsibilities have only increased. But he has no plans to stop volunteering.

"Being involved with both chapters has given me the opportunity to work with many talented people who have taught me a great deal," he says. "It has helped me immensely in my career, as well as in my personal life—100%." ■

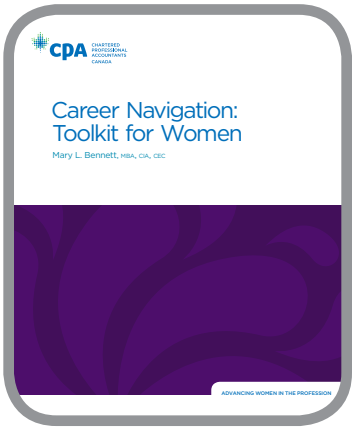
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