CPABC

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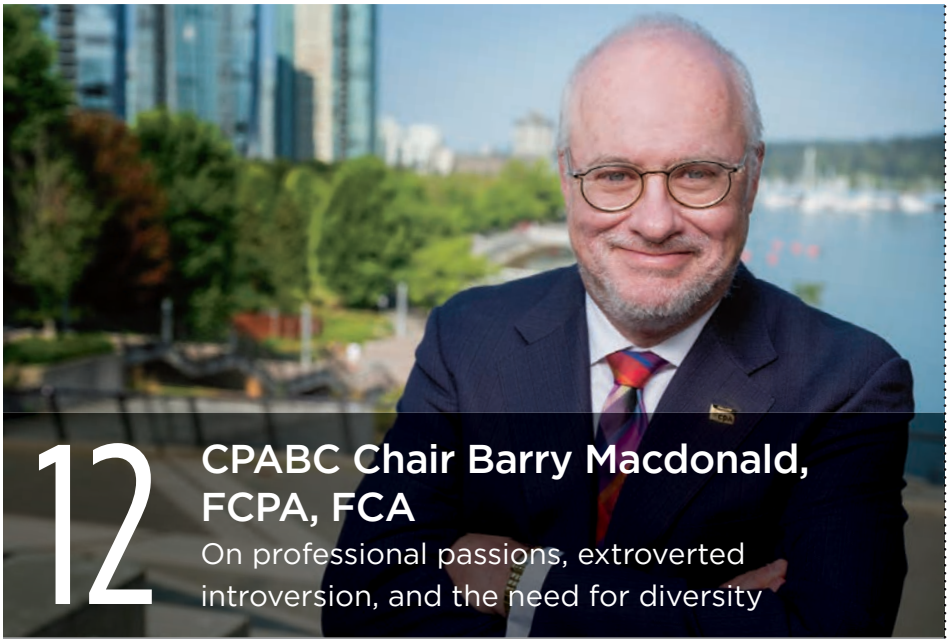
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CPABC INFOCUS

September/October 2018, Vol. 6, No. 5

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About

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Planning for an Exciting and Productive Year Ahead



Barry Macdonald, FCPA, FCA
CPABC Chair

This summer, we kicked off our 2018-2019 strategic planning cycle at our annual board retreat. This strategy will inform the operational plan and budget for the next fiscal year. We also welcomed the CPABC board's four newest directors: Lisa Ethans, FCPA, FCA; Karen Horcher, FCPA, FCGA; John Mackenzie, CPA, CA; and Martha Thomas, CPA, CA (see page 17 for headshots of all 2018-2019 board members, including Sheila Nelson, CPA, CA, who was re-elected by acclamation on June 27).

During the retreat, the board had energizing discussions about our plans for the coming year. We're excited about the opportunities ahead, and we're also readying ourselves for the challenges that are on the horizon, working with CPABC's executive team to help the membership effectively navigate these challenges as well. We remain focused on ensuring the organization's sustainability and supporting the profession's strategic goals, both nationally and provincially.

One of our key goals is to promote the value and desirability of the CPA designation. Another is to highlight CPABC's thought leadership initiatives. This fall, our key government relations pieces will include CPABC's *BC Check-Up* report, our *Business Outlook Survey*, and our sixth budget submission to the BC Government's Select Standing Committee on Finance and Government Services. Insight gleaned from these publications will be featured in editorial commentary and submitted to media, and will also appear in this (see page 30) and future issues of *CPABC in Focus*.

We know that many of our members are doing impressive work to promote and contribute to the profession. I encourage you to please give some thought to your peers' accomplishments and consider nominating them for CPABC's Member Recognition Program. Nominations for 2018 close on September 14.

Lastly, I encourage you to register for the Fall Pacific Summit, which is being held in Victoria from September 26 to 28. Themed "Going Beyond Boundaries," the program includes keynote and PD sessions on globalization, disruptive innovation, managing diversity, and applying new technologies. I hope to see you there, as well as on the 2018 Member Engagement Tour—this year's MET will include some new elements. See page 8!

As your chair, I welcome hearing from you. You can reach me at **chair@bccpa.ca**. ■

Gathering Insights on the Future of Our Profession



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

I hope you enjoy reading this revamped issue of *CPABC in Focus*. As you flip through these pages, you'll notice some slight changes to design and content—these changes reflect the valuable feedback received from our summer 2017 readership survey about CPABC's flagship member publication.

One new element is the column you're reading right now. This is the first instalment of my new regular column, which I'll use to update the membership on matters important to the profession. You'll find it here with the chair's notes in each issue of the magazine.

Provincially, our focus for the fall is the Member Engagement Tour, which is taking place in October and November (see page 8). This annual event is a critical opportunity for our board executive and senior staff to connect with members in communities across the province. Stops along the tour will be organized through local chapters, and a calendar will be available shortly at **bccpa.ca/met**.

Nationally, we've launched a new project: CPA Canada Foresight: Reimagining the Profession (Foresight). This initiative builds on CPA Canada's *Drivers of Change: Navigating the Future* report, which was the product of an earlier multi-year research project focused on five disruptors that are creating challenges and opportunities for the profession (the project also included extensive outreach).

Foresight, the new project, will resume this conversation and focus on the profession's most pressing issues. The consultation for this project includes a series of roundtables for invited participants, scheduled for this fall. It also includes an online platform open to all CPAs, members of the business community, regulators, and other domestic and global stakeholders who want to join in the conversation. Through the roundtables and the online platform, we'll gather insights and ideas that will help shape the profession's future.

Participation in the online conversation, in particular, is critical to the success of this initiative, and I encourage you to participate by sharing your thoughts at **foresight.cpacanada.ca**. ■

EDITOR'S NOTE

More of What You're Looking for, Easier to Find



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My thanks to all of the members who participated in our 2017 readership survey. As we set about revamping *CPABC in Focus* in 2018, we kept your feedback top of mind. We know you're busy and that there are many demands for your attention, so our goal in updating the magazine is to give you more of what you're looking for, in a format that makes it even easier to find. We hope you like the result, and we welcome your feedback at **infocusmag@bccpa.ca**.
—Michelle McRae, Managing Editor

AGM UPDATE

Motions Confirmed at CPABC's 2018 AGM

At the third annual general meeting of the Chartered Professional Accountants of British Columbia (CPABC), held in Vancouver on June 27, 2018, motions regarding the *CPABC Bylaws* and the *CPABC Code of Professional Conduct*, as approved by the CPABC board, were presented to and confirmed by the membership to come into force in accordance with the *Chartered Professional Accountants Act*.

MEMBER RECOGNITION

Last Call: Nominations for Member Recognition Program Close September 14, 2018

Did you know that there are still a few days left to nominate a colleague for CPABC's Member Recognition Program?

Each year, this program recognizes members who exemplify the best of what the CPA profession has to offer through their leadership, professional excellence, contributions to the business and accounting sectors, and service in the community.

Don't miss this opportunity to champion a colleague—submit your nomination before 4:00 p.m. on September 14! Visit the Members section of **bccpa.ca** for more information.



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REGULATORY NEWS

Highlights of Amendments to CPABC Bylaws and Code of Professional Conduct Pursuant to the 2018 AGM

CPABC Bylaws

August 2018

Part 2 CPABC Board, General Meetings, and Officers and Part 3 Committees

Sound succession planning generally protects board members on the leadership ladder. Amendments to the following CPABC bylaws were made to enable the continuity of the board's leadership:*

- **Composition of the Board Bylaw 200**
- **Ceasing to Hold Office Bylaw 202**
- **Extension of Term of Office of Board Vice Chair or Board Chair Bylaw 202.1 (*new*)**
- **Executive Committee Bylaw 300**

*On April 4, 2018, the CPABC Board of Directors also approved amendments to the following bylaw regulations, which will come into effect at the same time as the above bylaw amendments:

- **Number of Elected Board Members Bylaw Regulation 200/1**
- **Electoral Regions Bylaw Regulation 200/2**

Annual General Meetings Bylaw 203 – To develop more effective board voting and election processes, Bylaw 203 was amended to give the membership additional notice time regarding the candidates nominated for election.

CPABC Code of Professional Conduct

August 2018

Rule 201.2 – This housekeeping amendment to the *CPABC Code of Professional Conduct* deletes an unnecessary reference and is not considered substantive.

EXPOSURE DRAFT

Standards Update: Exposure Draft on S9200—Compilation Engagements

As of this writing, the Auditing and Assurance Standards Board (AASB) is expected to issue an exposure draft in September 2018 that details the nature and scope of proposed revisions to Section 9200—Compilation Engagements of the *CPA Canada Handbook*.

Canadian practitioners have indicated the need for a clarified standard that spells out the requirements and provides guidance on specific matters involved in performing compilation engagements—matters around which there is some ambiguity.

The exposure draft is expected to address the following:

- Marketplace perception – How the level of assurance expected by the public compares to the level of assurance provided by the practitioner; and
- The usefulness of financial statements – How financial statements compiled using a generally accepted financial reporting framework compare to those compiled using a less rigorous framework or no framework at all.

Details about this project, including its objective and scope, are available on the Financial Reporting and Assurance Standards Canada website at **frascanada.ca**. There you'll also find summaries of AASB board decisions and other project news.

Your input on this important standards change is wanted

CPABC will be hosting roundtable consultations this fall to gather members' feedback on the exposure draft. Invitations to attend consultation sessions will be sent through the practitioner forums and will also be posted on the Public Practice News & Views Knowledge Base at **bccpa.ca/news-views-kb**. You can also contact David Chiang, CPA, CA, vice-president of member advice and programs, directly at **dchiang@bccpa.ca** to express your interest in attending a roundtable session.

GOVERNMENT INITIATIVE

Registered Disability Savings Plan Awareness Month: October 2018

Did you know that October 2018 marks the fifth annual Registered Disability Savings Plan (RDSP) Awareness Month? The RDSP is a long-term savings plan designed by the Government of Canada for people with disabilities. RDSP Awareness Month is part of the BC government's initiative, *Building a Better B.C. for People with Disabilities*, which aims to make British Columbia a truly inclusive province for people with disabilities by 2024.

BC was the first province to support the RDSP program. By October 2017, more than 22,000 British Columbians with disabilities had an RDSP, but an estimated 45,000 eligible residents still hadn't signed up.

Throughout the month of October 2018, the RDSP program will be promoted across the province to ensure that every British Columbian with a disability, and the friends and family members of those with disabilities, are aware of this savings plan. The provincial government, disability service organizations, and members of the RDSP Action Group (an advisory committee appointed by the BC government) will once again be organizing events, issuing news releases, and providing other resources to raise awareness about the benefits of the RDSP program. They will also be providing information on eligibility requirements and the application process.

One such resource is the step-by-step guide *How to Start and Manage a Registered Disability Savings Plan in British Columbia*, created by the RDSP Action Group. A PDF copy of this guide is available at **gov.bc.ca** under Family & Social Supports > Services for People with Disabilities > Supports & Services > RDSP how-to guide (under the "Financial Programs" heading).

Download the step-by-step RDSP guide from **gov.bc.ca**



MEMBER ENGAGEMENT TOUR

Exciting Addition to CPABC's 2018 Member Engagement Tour: Recognizing Membership Milestones

The annual Member Engagement Tour (MET) gives CPABC members, candidates, and students across BC a unique opportunity to connect face to face with CPABC's board members, chapter leaders, and senior staff. The 2018 MET will provide this same opportunity, but its revised format will also include acknowledgments of membership milestones.

Planning is now underway for the 2018 tour, which will kick off in early October and continue through November. This year's roster of presenters will include CPABC Board Chair Barry Macdonald, FCPA, FCA, and senior CPABC staff members, including President & CEO Lori Mathison, FCPA, FCGA, LLB.

As mentioned, the MET format will be slightly different this year—most notably, in that each stop will now recognize local-area members who are celebrating 10-, 25-, and 50-year membership milestones. This new MET format will enable CPABC to acknowledge its long-standing members across the province and thank them for their contributions to the profession.

Stay tuned for more details!






Photos from the 2017 MET stop in Vancouver. Photos by Anthony Chopin/44th Element Films.

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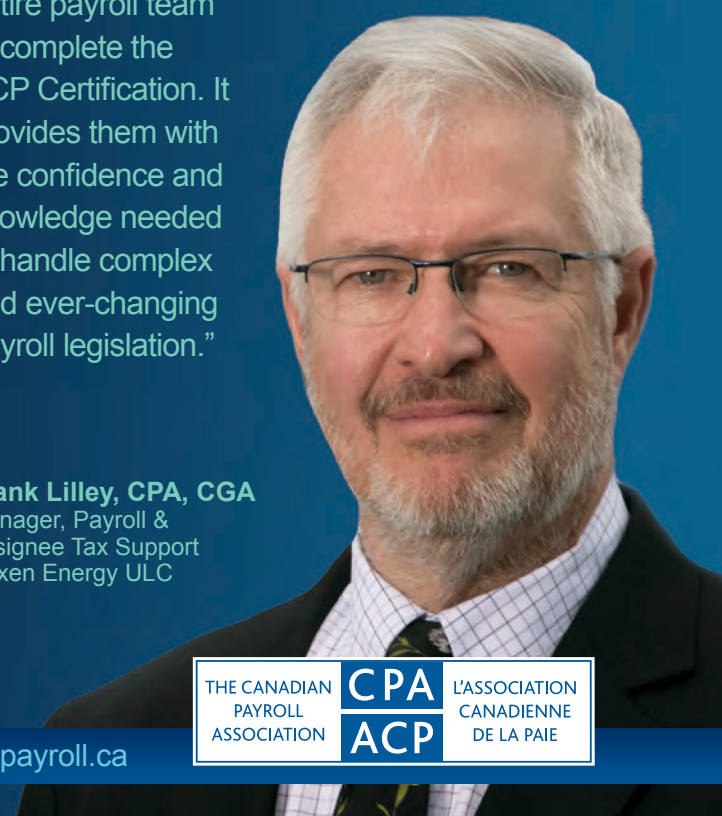
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REMINDER: PUBLIC PRACTICE FEES

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

On July 18, 2018, CPABC sent an email notification to all practitioners indicating that the deadline for the 2018-2019 licence fees and firm renewal fees was September 1, 2018. Any licensee or firm that has not renewed and paid by October 31, 2018, will have an administrative fee applied to their billing.

To view your licence notice and, if applicable, your firm renewal notice, please visit CPABC's website at **bccpa.ca** and select "Online Services" in the top right-hand corner of the homepage.

Questions?

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



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REMINDER: CPD REPORTING

CPD 2018 Reporting Requirements for CPABC Members

For CPABC members, it's that time of year again—time to check that you're on track to meet your CPD requirement for the year *and* for the rolling three-calendar-year period ending December 31, 2018. This is a reminder that members must complete their CPD activities before December 31, 2018, and report their compliance by January 31, 2019.

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

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

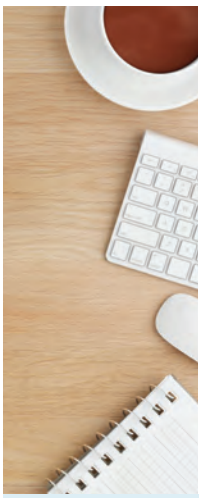
Verifiable CPD includes learning activities relevant to your professional role, for which there is satisfactory evidence to objectively verify your participation.

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

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

Members are required to complete and report a minimum of four hours of verifiable professional ethics as part of their 60-verifiable-hour requirement in each rolling three-calendar-year period. These four hours can be obtained in a single program or accumulated through various separate activities over the three-year period.

More information about the verifiable professional ethics CPD requirement is available online at **bccpa.ca/cpd-ethics-requirement**.



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Additional information

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

NEW WEBINAR TOOL

CPA Program Overview Training Resource – Webinar Version Now Available

In the March/April 2018 issue of *CPABC in Focus*, we announced that CPABC had launched the CPA Program Overview, a free one-hour information session that provides an overview of the CPA Professional Education Program (CPA PEP).

We are now pleased to announce that a new, on-demand webinar version of the CPA Program Overview will be available to members as of September 28, 2018, on CPABC's Professional Development website at **pd.bccpa.ca**. This online version gives all members an opportunity to gain an understanding of the path to membership taken by the next generation of CPAs, and, as with the in-person sessions, it is designed to enable members to answer questions about CPA PEP accurately and with confidence. The CPA Program Overview webinar is free and eligible for one hour of verifiable CPD.

REMINDER: CPAEF BURSARIES

Deadline for CPAEF Bursaries Is November 15

The CPA Education Foundation (CPAEF) offers bursaries for candidates in the CPA Western School of Business (CPAWSB) Professional Education Program, students taking preparatory courses through CPAWSB, and students enrolled in the Advanced Certificate in Accounting and Finance program. Bursaries are open to all CPABC candidates and students who require financial assistance.

Applications can be found on the CPAEF website at **bccpa.ca/cpaef** under the Helping Students tab. The deadline to submit applications for bursaries is November 15, 2018.

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

M&A TRANSACTION ANNOUNCEMENT



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-Dave Andrews / Director of Penguin Meats

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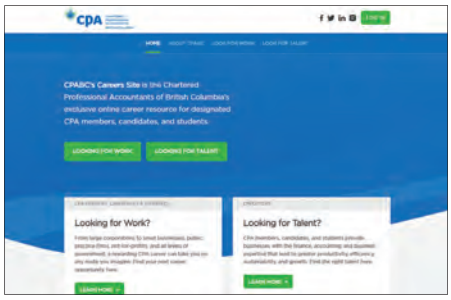
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CPABC Chair Barry Macdonald, FCPA, FCA

On professional passions, extroverted introversion, and the need for diversity

By Michelle McRae



Photo by Kent Kallberg Studios

"... you really have to have a passion for it."

If you've ever wondered if anyone is truly passionate about tax accounting, talk to Barry Macdonald.

"To be a successful tax accountant, you really have to have a passion for it," he says. "Because it's complicated. It takes years of training. You're dealing with 2,000 pages of the *Income Tax Act*, court cases, interpretations.... You have to integrate complex areas that aren't meant to be integrated."

But, *why* tax accounting?

"I have a passion for the intellectual rigour of it all," he explains, making it sound decidedly more interesting. "What tax accountants do is solve problems. We're very forward-looking—we help businesses grow and expand. It all comes back to the idea of problem-solving with intellectual rigour… that's why I enjoy it."

Long before he became an internationally respected tax expert giving lectures and presentations around the world, Barry was a business major at Simon Fraser University. Accounting was not in his sights.

"I was planning to study law," he says. "But then my friends in business started landing great articling jobs with accounting firms, and I realized the accounting profession offered a structured way to progress in your career and the ability to work anywhere in the world as an advisor to diverse clients."

So Barry switched tacks and landed an articling position with PwC (then Coopers & Lybrand), where he soon earned the nickname "BMac"—which he still goes by today. It was at PwC that BMac discovered his affinity for both tax and public practice.

"There were times when I was tempted to work in industry," he says of his 34-year career with PwC, "but within my firm, we were offered a lot of career diversity. We got exposed to all industries and were given tremendous opportunities for growth."

For Barry that meant the ability to become a specialist and a generalist at the same time. While honing his expertise in international tax planning and transfer pricing (a highly specialized field), he was able to work with a broad range of clients from a variety of sectors *and* take on increasing responsibilities within the firm.

"I was able to build a multidisciplinary transfer pricing team within PwC that included accountants, lawyers, economists, business valuators, and people coming out of university with generalist degrees," he says. "We had a major impact on the bottom line of global companies. I was going to the CRA in Ottawa and the IRS in Washington, DC. I was an expert witness in a court case on transfer pricing. And in my later years, I moved more into executive roles. I had the opportunity to lead our HR department and the chance to work in marketing and sales—all while managing some of our firm's largest client relationships. Almost every role involved project teams—bringing teams together and running them."

One pivotal opportunity was the offer to work with PwC's office in Hong Kong in the 1990s.

"I'd never been to Asia, I didn't know Hong Kong's history, and I barely knew how to use chopsticks," he recounts, "but the firm wanted to put a senior Canadian tax person in the Hong Kong office to work with Asian clients who were investing in Canada, so I said yes. And my wife Anne and I just *loved* it."

A two-year secondment turned into a seven-year stay, with the firm making Barry a local partner—the only partner in the Hong Kong office who was born and raised in North America. In 1993, he qualified as a Hong Kong Certified Public Accountant.

"When I moved there, I basically hit the job running from day one, but it wasn't a steep learning curve because although the business cultures were different, the firm cultures were similar," he says. "After I became a partner, I was running teams on projects, and I had people from China, Japan, England, Australia, and the US working together on the same teams. To work in a first-class city, with a team of people from different countries who are like-minded but approach problems in a different way, in a different culture—I learned a lot. It was fantastic."

Barry also furthered his leadership skills while volunteering in Hong Kong's business community. In addition to serving as a member of the Hong Kong Chief Secretary's International Business Advisory Committee, he served as chair of the Canadian Chamber of Commerce in Hong Kong, the largest Canadian chamber outside of Canada. The latter role enabled him to network with prominent senior businesspeople from around the world, all focused on bilateral trade between Canada and Hong Kong, and gave him the chance to have breakfast with then-prime minister Jean Chrétien.

"It was Hong Kong in the 1990s," he says. "The whole world was watching."

Barry has maintained his connection to Hong Kong ever since. Soon after he and Anne returned to Canada in 1997, the Hong Kong Canada Business Association (HKCBA) tapped Barry on the shoulder.

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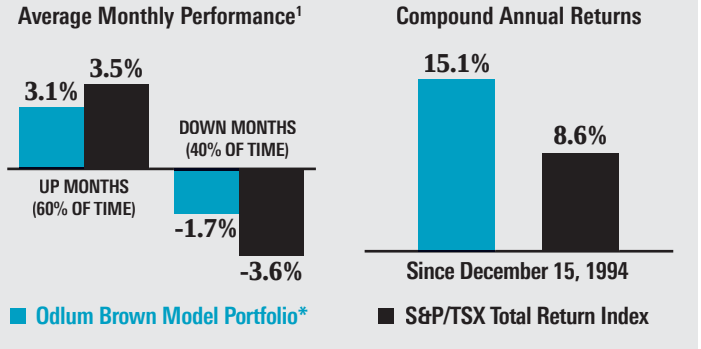
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Odlum Brown Model Portfolio: A Proven Track Record



[1] Performance measured mid-month from December 1994 - July 2018. *The Odlum Brown Model Portfolio is a hypothetical all-equity portfolio that was established by the Odlum Brown Equity Research Department on December 15, 1994 with a hypothetical investment of $250,000. It showcases how we believe individual security recommendations may be used within the context of a client portfolio. The Model also provides a basis with which to measure the quality of our advice and the effectiveness of our disciplined investment strategy. Trades are made using the closing price on the day a change is announced. Performance figures do not include any allowance for fees. Past performance is not indicative of future performance.

He served as treasurer and president of its Vancouver Section and later became its national chair.

"I had a very good progression with HKCBA," he says. "We're 1,500 members in eight cities across Canada, and we help members connect to do business in both jurisdictions."

Barry was subsequently elected for four years (2006-2010) to serve as chair of the Federation of Hong Kong Business Associations Worldwide, of which Canada is one of 31 member countries. Barry describes it as a "United Nations," tasked with ensuring that each country has a voice.

Though the Federation's overarching goal is to make Hong Kong relevant, Barry was also tasked during his tenure with leading three different delegations in China. PwC supported him in all of these efforts.

"It was good business," he says. "My job was connecting people—Asian clients investing in Canada and Canadians and other clients doing business in Asia—so my role as chair was a natural fit. But it's more than that—I find that professional firms are very good about having their people give back to the community."

Barry also gave back as an early governor of the Canadian International School of Hong Kong. Education is another of his passions, and he continues to spend a great deal of time giving back to his alma mater, Simon Fraser University.

"I tend to get involved with educational things because it's education that gives us the opportunity to have a good life," he says. "And the professors and students at SFU are great."

"My job was connecting people..."

It's worth noting at this point that Barry's wife Anne (also a CPABC member) is a senior lecturer in accounting for the Beedie School of Business and has been teaching at SFU for 20 years.

"The SFU connection runs through our marriage," he says, laughing. "We met in math class there, and we had our wedding reception at the Diamond Alumni Club."

Barry served on SFU's Board of Governors for three years and was also a member of the university's $250-million fundraising cabinet. He currently chairs SFU's UniverCity Real Estate Development Trust and the Dean's External Advisory Board for the Beedie Business School. In October 2018, his service will be recognized with the Chancellor's Distinguished Service Award.

"The CPA profession gives us opportunities to have great lives, so I think it's important for us to give back and give others those opportunities too," he says of his contributions. "I can trace some of my best career progression opportunities to individuals who reached out and helped me when they didn't have to. Those are sometimes the best rewards."



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Since retiring from PwC in 2016, Barry has turned board service into a full-time gig. A qualified director with the Institute of Corporate Directors, he now works as a corporate director and consultant for businesses and not-for-profit organizations. Currently on his roster are TMF Group (a global business services provider), Truvera Trust Corporation, EasyPark, Frontfundr, and Arts Umbrella, as well as SFU.

"I call it a 'repositioning,' not a retirement," he says. "And I'm learning more now and in different ways than I did when I started in the profession. In my board work—including with CPABC—we're dealing with HR, strategy, innovation, and expansion into different sectors, so it's fascinating. I love learning new things and meeting new people—especially young people, because I'm learning what's important to them and what the business world is going to look like 10 years from now. I'm trying to bring younger people onto the boards that I'm involved with, including CPABC, because diversity is critical to a board."

Diversity, he says, also forces you out of your comfort zone.

"That's what's great about board work," he says. "It enables you to develop new skills—you're listening and learning how to communicate effectively with people from diverse backgrounds who don't necessarily speak the same business language. You're helping them understand the financial picture. It takes you out of your normal environment, and you're having fun."

Given his passion for collaboration, it might surprise some to learn that Barry considers himself an introvert.

"I'm not an extrovert at all, but I *do* like spending time with people and connecting people—it's what drives me," he says. "It's a myth that introverts are inherently shy or anti-social. It's not about who's outgoing—it's about how you recharge your batteries. I think introverts are attracted to our profession, and some of them worry that they'll get overlooked when it comes to promotion, especially at the leadership level. But I believe introverts just need to pick up a few extrovert traits to be successful. When I was the HR leader at PwC, I said this to our team, and there was a collective sigh of relief."

Barry has applied this same philosophy to his service in the accounting profession, which dates back to the late 1980s. His involvement has always been motivated by a desire to contribute and collaborate, but there was an additional draw when he joined his legacy council as third vice-president in 2013: talks of a potential merger on the horizon. It was an idea he very much supported.

"After living in Hong Kong and dealing with accounting bodies around the world, I realized a strong, unified body was much more powerful," he says.

As merger talks progressed, Barry segued into a leadership role on the Transitional Steering Committee.

"It involved a lot of listening, because each of the three legacy organizations had their own issues," he says of the experience. "It was fast-moving. Sometimes it meant being proactive, but often we had to be reactive—we had to be nimble."

Having experienced PwC's successful merger in 1998, Barry knew the kind of mindset needed.

"When you have the chance to create something almost from scratch, you have to check your biases at the door," he explains. "Collectively, you need to figure out which organization has the best practice and then use that practice going forward. And if there's a better one out there, you use that instead. For CPABC, we revamped many things, including at the governance level."

This includes implementing new board election procedures.

"The CPABC Board Renewal Committee now works with an independent external consultant to consider and interview board candidates not just in terms of the skills they bring to the board but also in terms of the balance they bring," he says. "The committee is then able to identify for the membership those candidates who most aptly align with the skills and competences being sought. It goes back to governance and sustainability. We're not relevant to our members unless we're diverse, and that means gender diversity, ethnic diversity, geographic diversity,



"Canadian CPAs are viewed as high quality, low risk. That's a powerful brand."

occupational diversity, etc. These are new best practices we brought in post-merger at the board level, and I'm very proud of them."

Governance is clearly another of his passions.

"I love governance," he admits with a laugh. "It won't translate well in writing, but governance is exciting! Governance is what makes an organization sustainable. It leads to long-term success."

So how successful is CPABC now, roughly three years after proclamation?

"One of the things that I'm very proud of is that Canadian CPAs are viewed as high quality, low risk," says Barry. "And by that I mean ethical and trustworthy, with a solid business background and an obligation to do things right. That's a powerful brand."

With that said, he's mindful of the need to keep evolving, and one of his personal goals during his tenure as CPABC chair is to help support members in dealing with disruptive change.

"Blockchain, for example, is going to change how *all* of our members do business," he says. "So I want to support them in learning—particularly the small firm owners. They'll need to be able to adapt to blockchain in some of their procedures. And this ties into another cause for me, which is ensuring that our financial statement information remains relevant to users, because the public does look to CPAs to provide validity on a lot of financial information. Determining what information is financially relevant to company shareholders, investor analysts, government, tax authorities… that is very important. We also have to think about *how* we communicate this information—no one's going to read an 80-page prospectus on their phone, but that's the direction we're headed in. So we have to figure out how to adapt and change and stay relevant."

Time to put those problem-solving skills to work. ■



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Addressing Labour Shortages in Construction—Why Diversity Is Key

By Chad Chang, CPA, CMA; Celeste Munger, CPA, CMA; and Craig Abbott, CPA, CGA



Jevtic/iStock/Getty Images Plus

Here's the good news: The construction industry in BC is very healthy, especially in Metro Vancouver and the Okanagan. Here's the bad news: The vast majority of workers involved in the building trades are men, and a significant portion of them are set to retire in the near future. A skills shortage is imminent, and professionals who understand supply and demand should be concerned.

A shortage of labour, nationally and provincially

In Canada, more than 1.4 million people work in the construction industry.[1] It's expected that 247,900 of these workers will retire over the next 10 years and only 215,700 new entrants will be available to fill the gap, creating a national deficit of 32,200 workers.[2] And that figure could climb even higher due to an expected increase in construction activity as Canada's population continues to grow.[3]

Women's participation in construction is the lowest of any industry in Canada, coming in at roughly 12%.[4] By contrast, women make up roughly 44% of workers in business administration—and that includes within the construction industry, where women are more likely to be found in administrative roles than in the field.

When you dig deeper, women's participation in field-oriented roles (such as electrical work, welding, and carpentry) makes up only 3% to 7% of the workforce, depending on the trade and the territory.[5]

In British Columbia, the construction industry currently employs approximately 225,000 people. When you look at forecast labour shortages, the province will need roughly 15,000 new workers between now and 2026 due to natural demographic shifts, such as retirement and attrition.[6]

Labour shortages of any kind have a tremendous effect on any company's bottom line. Some of the adverse effects include rising labour costs as competition increases for talent and an inability to grow due to an insufficient number of workers. BC is already experiencing labour shortages in the construction industry, and it makes the business case for diversity—including gender diversity, which is the focus of this article—obvious.

1 "Canada Faces Construction Labour Crunch," *Equipment Journal*, March 23, 2018. (**equipmentjournal.com**)

2 BuildForce Canada, *National Summary – Construction and Maintenance Looking Forward*, January 2018.

3 Ibid.

4 BuildForce Canada (originally the Construction Sector Council), *The State of Women in Construction in Canada*, February 2010. (**buildforce.ca**)

5 Statistics Canada, Table: 37-10-0024-01 – Number of Certificates Granted to Registered Apprentices. Accessed August 5, 2018.

6 British Columbia Construction Association, *BC Construction Stat Pack Fall 2017*. (**bccassn.com**)

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Making the business case for diversity

One of the greatest benefits to employing a diverse workforce is that you immediately have a larger pool of candidates from which to draw. The construction industry would definitely benefit by widening its pool to include women—and not just women who are already in the workforce. According to a 2018 report on women and work published by the Business Council of British Columbia, 20% of BC women aged 20 to 49 currently do not participate in the labour market.[7] That's a lot of potential workers.

A number of other benefits are detailed in *The Competitive Advantage: A Business Case for Hiring Women in the Skilled Trades and Technical Professions*, a report compiled by the Canadian Apprenticeship Forum (CAF) in 2015. Through an extensive review of literature undertaken for this report, the CAF found that companies that had increased gender diversity had reaped numerous benefits, including better employee morale, improved team functioning, increased innovation, and more advanced problem-solving capabilities, as well as a reduction in the number of workdays lost due to illness or injury.[8]

The International Finance Corporation (IFC) of the World Bank Group took a comprehensive look at investing in women's employment in 2013 and found that companies that have already increased women's representation have posted increased sales revenue.[9] Moreover, the increased presence of women was shown to improve labour stability—defusing labour unrest in factories in Vietnam and increasing the lifespan of heavy equipment in mining operations in Namibia (through improved maintenance).[10]

In the construction industry, where margins are ever narrowing and bids are becoming increasingly competitive, these benefits are hard to ignore. As CPAs, we tend to look at the profit margin first, but we must also consider how hiring conscientious employees—those who increase the lifespan of equipment, lower the risk of accidents, lessen the need for re-work, and decrease the likelihood of costly labour actions—mitigates risk and adds value.

So why aren't we there yet?

In addition to the perceived requirement of physical strength, many recent studies have found other adverse factors affecting women's interest and participation in the construction industry, including the perception that the work environment/culture is not hospitable to women or remotely close to being equitable. Moreover, the promotion of construction and trades as a career choice for young women in secondary schools and post-secondary institutions is, arguably, non-existent.[11]

To make matters worse, women who do enter the trades often do not stay in the industry for long. Reasons include family pressures, harassment, and/or a general lack of encouragement from management. Consider, for example, that at least one report showed that less than 2% of female apprentices in Canada complete their training.[12]

There are numerous organizations in BC that in some way help or encourage women to work and *stay* in trades, but some of these organizations are difficult to access and they offer only a patchwork of coverage in terms of services.[13] The net result is that both recruitment and retention are problematic.

In the work environment, there are not enough leaders or owners who create places for women or recognize the need for women in their workplace. One common barrier in the construction industry is an inflexible work schedule that doesn't allow for childcare—work hours rarely coincide with daycare hours, which can make it an impossible proposition for parents who are the primary caregivers.

Initiatives that are paving the way forward

Recognizing the value of diversity and the need to reach out to an untapped pool of talent, several organizations are currently working together to spread the word about opportunities for women in construction and trades. Build TogetHER BC is a recruitment initiative launched by BC's Building Trades Council to increase women's representation in the construction industry. Build TogetHER BC recently partnered with the BC Federation of Labour (BCFL) and several other organizations[14] to set up the BC Centre for Women in the Trades, which officially launched in June 2018. The organization's overarching goal is to enable women to pursue stable and well-paid careers in the trades. To that end, it provides scholarships, presents at information sessions and career fairs, collects construction gear for donation, and conducts outreach and mentorship.[15]

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7 Denise Mullen, Business Council of British Columbia, *Women and Work: An Analysis of the Changing British Columbia Labour Market*, June 2018.

8 *The Competitive Advantage: A Business Case for Hiring Women in the Skilled Trades and Technical Professions* was compiled by the Canadian Apprenticeship Forum on behalf of the Forum of Federal-Provincial-Territorial Ministers responsible for the Status of Women in 2015. (**SW21-163-2015-eng.pdf**)

9 International Finance Corporation, Investing in Women's Employment: Good for Business, Good for Development, October 2013. (**ifc.org**)

10 Ibid.

11 M.J. Whitemarsh, *Services to Support Tradeswomen: A BC Environmental Scan*, October 2017. (**workbc.ca**)

12 BuildForce Canada (originally the Construction Sector Council), *The State of Women in Construction in Canada*, February 2010. (**buildforce.ca**)

13 Ibid.

14 The BC Centre for Women in the Trades was created with the assistance of the BC Tradeswomen Society, the Construction Labour Relations Association of BC, and the BC LNG Alliance. See: Warren Frey, "New Centre Aimed at Retaining B.C. Women Within the Trades," *Journal of Commerce*, July 5, 2018. (**canada.constructconnect.com**)

15 **buildtogetherbc.ca**.

"Speaking from experience, for women who are the primary caregivers of children, the construction workday of 7 a.m. to 3 p.m. is untenable." – Celeste Munger, CPA, CMA, vice-chair of the CPABC Construction Sector Forum

In addition, there are a number of educational programs throughout BC geared towards women. For example, the Industry Training Authority set up the Women in Trades Training initiative to provide support for women who are entering pre-apprenticeship and apprenticeship programs at Camosun College, Okanagan College, and Thompson Rivers University, as well as the not-for-profit organization Open Door Group.[16] At the same time, BCIT offers its own Trades Discovery Program for women, which gives participants the chance to explore 15 different trade disciplines.[17]

To eliminate any disconnect between training and actual on-the-job experience, the BC Construction Association (BCCA) created the Skilled Trades Employment Program in 2006—simply known as STEP.[18] STEP participants come from trade schools and foundational skills programs, and they benefit from the staff's industry experience, which enables them to get an insider's view of the real-life situation for someone employed in trades. In addition to providing job market information, staff at STEP assist participants with job placements—prioritizing employers with inclusive practices.

To help create a more hospitable work environment for women, Premier John Horgan announced on March 8, 2018 (International Women's Day) that the BCCA and BCFL will develop programs to remove barriers for women in trades, thus furthering both recruitment and retention efforts.[19] The mandates for these programs include providing mentorship for women in trades, improving workplace culture by reducing bullying and harassment, providing increased human resources support, and recognizing exemplary employers.

NEW INITIATIVE

In July 2018, as this article was being written, the BC government announced the creation of the Community Benefits Agreement, which will give local, Indigenous, female, and apprentice workers priority on provincial projects. The first agreement is connected to the $1.4B Pattullo Bridge replacement.
Source: Simon Little, digital reporter for CKNW, globalnews.ca, August 9, 2018.

"... there are a number of educational programs throughout BC geared towards women."

[16] itabc.ca/women-trades/overview.

[17] bcit.ca/study/programs/1190acert.

[18] stepbc.ca.

[19] BC Government – Office of the Premier, "Premier Unveils Supports for Women Building a Career in the Trades," news release, March 8, 2018, news.gov.bc.ca.



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At a grassroots level, companies that want to create a welcoming environment for women can do so on an individual basis, by taking the following steps:

- Increasing flexibility. Flexibility is inexpensive, and it can be a draw to both women and men with primary childcare responsibilities.
- Assigning women into workgroups with known champions of inclusivity and diversity in the industry. This will make women feel more welcome and at ease despite being isolated by gender, increase the likelihood of retention, and improve their odds of success.
- Allowing, encouraging, and sponsoring female employees to join trade organizations specifically geared toward women in the construction industry. This kind of networking and support can further reduce feelings of isolation and promote retention.
- Setting up a formalized in-house system of mentoring for all young and/or new employees, as described in Guideline G3.23 of the *Workers Compensation Act*: "Young or new worker orientation and training."[20]
- Giving pioneering young women someone to turn to for career guidance and support within the organization. This will help them keep their careers on track so they're more likely to stay in the field and follow a path to success within the industry.

Diversity is a necessity, not a "nice to have"

BC faces a serious labour shortage in multiple sectors, and it's a particularly acute problem when looking at the construction industry. Thankfully, the BC government and various industry associations are paying more than just lip service to the notion that women can and will have a significant impact in this industry. Attitudes are changing, training organizations are recruiting, and jobs are becoming more accessible for anyone with the skills and motivation to do a good day's work. ■

Chad Chang is a principal with Converge Business Advisory in Burnaby, specializing in business transformations, particularly through technology-based strategies. He is the chair of CPABC's Construction Sector Forum.

Celeste Munger is a controller with MEC Mechanical Inc. in Vancouver, specializing in small business growth, organization, and cash flow management. She is a vice-chair of CPABC's Construction Sector Forum.

Craig Abbott is an assistant controller with Axiom Builders Inc. in Vancouver and a vice-chair of CPABC's Construction Sector Forum.

[20] WorkSafeBC, OHS Guidelines – Part 3 – Rights and Responsibilities: Young or New Workers, G3.23: Young or New Worker Orientation and Training, *Workers Compensation Act*. (**worksafebc.com**)





Tempura/E+/Getty Images

Bringing change to an "unchangeable" industry

Construction is often seen as a rough and tough industry—arguably because of the serious risk factors and stringent safety precautions involved, but also because of its insular and sometimes aggressive culture. Fortunately, however, forces at both the national and provincial levels are currently bringing change to an industry once thought of as unchangeable.

At the national level, BuildForce Canada stands out as a collaborative industry/government alliance putting forward best-practice initiatives. These include:

- Initiatives to improve productivity – Construction is among the lowest of all industries in terms of productivity due to resource inefficiency and excess build costs.[1]
- The "Respectful Workplaces Project" – This initiative aims to increase equality in construction and other trades.[2]
- A performance benchmarking self-assessment tool – Companies can use this online tool to evaluate areas for performance improvement and to draw comparisons to peer companies.[3]

At the provincial level, the BC government made a pledge in the summer of 2012 to create legislation and resources designed to prevent workplace bullying and harassment.[4] By the summer of 2013, WorkSafeBC had implemented these regulations and created a variety of resources—including a prevention tool kit—for use by employers and workers.[5] After responding to more than 4,800 inquiries and complaints related to bullying, harassment, and discriminatory action in 2017, WorkSafeBC announced that it would combine all three areas in one initiative: the 2018 Bullying, Harassment, and Discriminatory Action Initiative. This initiative will place "a particular emphasis … on small businesses and vulnerable industry sectors."[6]

1 John O'Grady, BuildForce Construction Productivity Series, Episode 2: *Measuring Productivity in the Construction Industry: Challenges, Opportunities and Dead Ends*, webcast. (**buildforce.ca**)

2 BuildForce, *Building a Foundation of Respect*, PowerPoint presentation, May 2018. (**buildforce.ca**)

3 **benchmarkingtool.ca**.

4 BC Government, "New Measures Address Workplace Bullying and Prevention," *BC Gov News*, May 2, 2012. (**news.gov.bc.ca**)

5 WorkSafeBC, "Bullying & Harassment." (**worksafebc.com**)

6 WorkSafeBC, "2018 Industry Initiative Overview – Bullying, Harassment, and Discriminatory Action," information sheet, January 2018. (**worksafebc.com**)



Left to Right:
Farida Sukhia, Gary Mynett, Kiu Ghanavizchian, Rob Mackay, Cheryl Shearer, Lucas Terpkosh, Vern Blair, Andrew Mackenzie, Andy Shaw, Jeff Matthews, Jessica Jiang

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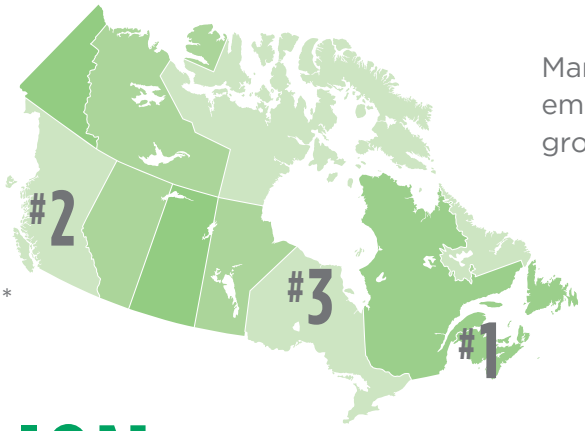
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By the Numbers: BC's Manufacturing Sector

Manufacturing sector's contribution to GDP in 2017* **7.3%**

174,000 manufacturing jobs in 2017*

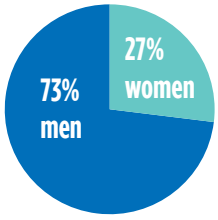
2nd place for manufacturing sales growth in Canada (2012-2017)*



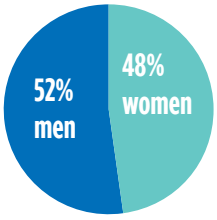
Manufacturing employment growth in 2017^ **+ 2.3%**

>$50 BILLION in manufacturing sales in 2017*

Workforce employment by gender in 2015**



manufacturing sector



provincial average

Top manufacturing sales by sub-industry in 2017*



Softwood lumber exports in 2017^^

US $4.1B
China $1.06B
Japan $738M
Other $507M

Top 5 agrifood and seafood export markets in 2016***

US $2.7B
China $407M
Japan $207M
South Korea $64M
Hong Kong $55M

Pulp exports by market in 2017^^

China $2B
US $346M
Japan $267M
Other $700M

Sources:

* *Business Council of British Columbia, "B.C.'s Manufacturing Sector Is Growing... but Faces Competitiveness Challenges," Policy Perspectives, Vol. 25, Issue 1, March 2018.*

^ *Canadian Manufacturers & Exporters, 2017 Year in Review & 2018 Economic Outlook, February 2018.*

** *WorkBC, Industry Profiles – Manufacturing,* workbc.ca/Labour-Market-Information/Industry-Profiles/Manufacturing, *accessed July 18, 2018.*

^^ *Trade and Invest British Columbia,* Innovative, Sustainable: Forestry Products and Innovation, *April 2018.*

*** *Trade and Invest British Columbia,* Quality, Diversity: B.C.'s Agrifoods Sector, *July 2017.*

Visit **industryupdate.ca** for a summary of the Business Council of British Columbia's 2018 report on BC's manufacturing sector.

Job Search: Hitting the Pavement

By Suzanne Berry

The following article by CPABC Career Advisor Suzanne Berry is the second in a three-part series aimed at helping any CPA job seeker find their next employment opportunity—whether they're just beginning their career, embarking on a mid-career transition, or starting a new life in Canada. Part 1 of the series appeared in the July/August 2018 issue of *CPABC in Focus*.



z_wei/iStock/Getty Images Plus

Article one in this series was about becoming your own marketing team—a "business of one," as it were—and using "pride stories" to help you understand and then convey your unique combination of skills, abilities, talents, and character traits to potential employers.

This second article focuses on the next leg of the journey: "hitting the pavement." Let's explore the mindset and the strategies that will help you find meaningful job opportunities.

Take the proverbial road less travelled

The first step I encourage people to take on the next leg of the journey is to rid themselves of the idea that the *only* way to find a job is through the formal process of applying to advertised jobs. I'm not suggesting that anybody abandon this practice altogether—just that you shouldn't rely on it alone. To broaden your range of opportunities, you must remain open to incorporating different methods into your job search—even more importantly, you must invite chance into the process as well. If that sounds flaky, consider that inviting chance is what you do when you take the road less travelled.

In research on vocational behaviour conducted in 2009, 82.3% of people said a chance event had played a role in their careers.[1] Think about the people you know—have they ever mentioned chance events in their own career trajectories?

It takes courage to step into the unknown in pursuit of learning and connection—professionally, personally, and even mentally. Taking the road less travelled also requires you to look at the patterns in your life and find the common threads. What do you keep gravitating towards? What interests you most? What are you passionate about? The same kind of analysis is needed when accessing the hidden job market.

Recognizing patterns

Organizational psychologist Jim Bright, PhD, is the co-founder of the "Chaos Theory of Careers" (and co-author of a book of the same name).[2] He summarized this theory in a 2010 blog post, saying "… individuals are complex systems subject to the influence of complex influences and chance events. However, over time patterns emerge in our behaviour that are self-similar but also subject to change. Career trajectories/histories/stories are examples of such complex fractal patterns."[3]

According to Bright, many patterns are indeed fractal—"patterns that repeat in self-similar but not identical manner and that are subject to unpredictable change."[4] (To put this in tangible terms, seashells, snowflakes, and leaves are all examples of fractal patterns in nature.) In the context of the ever-changing and unpredictable job landscape, he encourages job seekers to step back and examine the patterns in their lives,[5] think about how open they are to chance events, and assess how well they're leveraging these events.[6]

Interesting concepts, but how does this actually translate into action?

1 Jim E.H. Bright, Robert G.L. Pryor, Eva Wing Man Chan, and Jeniyanti Rijanto, "Chance Events in Career Development: Influence, Control and Multiplicity," *Journal of Vocational Behavior*, 2009, Volume 75, Issue 1 (pp 14-25).

2 Robert Pryor and Jim Bright, *The Chaos Theory of Careers: A New Perspective on Working in the Twenty-First Century*, 2001, Routledge: New York.

3 Jim Bright, "Applied Chaos" (blogpost), **careersintheory.wordpress.com**, September 21, 2010.

4 Jim Bright, "Transform Your Career by Shifting: Shift 1 From Prediction to Pattern Making," *The Factory*, January 11, 2011.

5 Ibid.

Broaden your opportunities by stepping off the beaten path

Setting your intentions

To help you establish specific targets for your job search, I recommend you start with the following exercise to zero in on what's most important to you (because how can you hit your targets if you aren't clear on what they are?).

Start by finding a place where you can either be in nature or look out at nature. Why is being in nature important? Because nature is full of fractal patterns, and the human brain has a fractal organization. When we observe the fractal patterns in nature, it allows our neural networks and the different regions of the brain to work synchronously, allowing blood flow throughout the brain to function at an optimal level.[7] This is a fancy way of saying that being in nature helps you think clearly.

Now ask yourself the following questions:

- What do I want my next opportunity to bring? Do I want more support or more autonomy? Advancement? Better work-life balance? Do I want to explore a niche area?
- What do I excel at right now?
- What do I find exciting and fulfilling?
- What would I like to do more or less of?
- What type of companies could benefit most from my skills and talents? Where could I make the most positive impact?
- Are there any common themes in my pride stories?
- What type of work environment enables me to perform my best?
- Am I energized by working with others or by working alone?
- What kind of leadership inspires me?

The more thoughtfully you answer these questions, the greater the chances that you'll find what you're looking for. And keep these answers in mind as you hit the pavement—they should inform every step you take.

Research, network, and share

In the context of a job search, the road less travelled yields the greatest potential for chance to occur. But the same fundamentals are required.

Research

Research is an all-around sound practice when it comes to searching for a job, especially because it opens doors to potential opportunities. I recommend starting with the basics:

- Company websites, social media sites, and annual reports
- **ic.gc.ca** (Innovation, Science and Economic Development Canada)
- **bcbusiness.ca**
- **glassdoor.ca**

I also recommend that you conduct some informational interviews and reach out to your network of friends, recruiters, and business associates.



[6] Jim Bright, "In the Space Between Chaos and Shape There Is Another Chance," keynote speech, BC Career Development Conference 2018, March 5, 2018.

[7] David Pincus, "Fractal Brains: Fractal Thoughts," *Psychology Today*, September 5, 2009.

Think of networking as an ongoing activity that's integral to the health of your career

Informational interviews

One of the most powerful career development tools is the informational interview. In fact, I think no job search is complete without informational interviews, so I urge you to give this a try.

An informational interview is a conversation with the purpose of obtaining more information about a particular industry, position, or career path. It is not about asking for a job, but about *information gathering* to gain insights so you can make more-informed decisions. Ideally, you should interview multiple people to gather different perspectives and experiences.

What is the process?[8]

1. Identify who you'll contact and why.
2. Ask to make an appointment for a 30-minute informational interview.
3. Plan the questions you'll ask (aim for five to 10) and be prepared to answer questions that may be asked of *you*.
4. Be professional and respectful of the individual's time.
5. Show interest and enthusiasm.
6. Ask for a referral to another potential interviewee.
7. Follow up with a thank-you letter.
8. Stay connected.

Even though the purpose of informational interviews is not to ask for a job, it's not uncommon for a job seeker to find themselves in the right place at the right time. You never know—you could be offered a position through this process. Just don't go in with that expectation. Be sincere about your intentions.

Networking

According to a report published by LinkedIn, 39% of successful hires surveyed in 2016 landed their jobs through referrals.[9]

Building a strong professional network is often known as "playing the long game" because it takes time to develop and nurture lasting professional relationships. Take the time to get to know your accounting community and find ways to contribute and give back. Become a familiar face who is helpful and eager to add value so that when opportunities arise, your name comes to mind.

Think of networking as an ongoing activity that's integral to maintaining a healthy career—not something you turn to only when you need something. Help others with their career transitions, and they will help you with yours.

Through the lens of Bright's chaos theory, "… networking is really the act of capitalizing on chance."[10] You just never know what connections can be made through networking.

Start a new networking habit

A common cop-out when it comes to networking is: "I'll network when my work is done." To which I ask "When is your work *ever really* done?" I encourage you to retire this excuse and make networking a priority. In fact, try making the following steps a part of your weekly routine:[11]

- Connect with three new people *in* your industry;
- Connect with three new people *outside* your industry; and
- Reconnect with three people you already know who could introduce you to someone you *should* know.

You can also become an active member of your local CPABC chapter, as the chapters offer numerous networking opportunities (**bccpa.ca/members/chapters**).

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[8] Carole Martin, "Informational Interviewing," **monster.com**.

[9] Allison Schnidman, Esther Lee Cruz, Maria Ignatova, Lorraine Hester, Akansha Agrawal, and Sabrina Fruehauf, *2016 Global Talent Trends: Data on How Candidates Want to be Recruited*, **business.linkedin.com**, June 2016. Suzanne Berry would like to credit Kristin Vandegriend, career coach and marketing expert, for sharing this statistic in her webinar, "What Career Professionals Should Know About LinkedIn," hosted by the BC Career Development Association on February 7, 2017.

[10] Jim Bright, "In the Space Between Chaos and Shape There Is Another Chance," keynote speech, BC Career Development Conference 2018, March 5, 2018.

[11] Suzanne thanks Margaret Morford, CEO of The HR Edge, Inc., for sharing these steps in "The Hidden Language of Business: Workplace Power, Politics, and Influence," presented at the 2018 CPHRBC & Yukon Annual Conference on May 2, 2018.

Share

Sharing in this context means being willing to share your pride stories whenever and wherever appropriate, including during formal interviews, where you may be asked behavioural questions like "Tell me about a time when you…" or "Describe a situation in which you…." It might also be appropriate to share one or more stories during an informational interview, at a networking event, and on social media. And if you're concerned that exhibiting your talents in this way will make you seem arrogant, remember that the point in sharing this information is to get the opportunity *to have a positive impact and produce your best work*—because when you produce your best work, everyone wins.

Travelling to the deep end of the fishing hole

Chaos theory, fractal patterns, and off-roading probably aren't what you were expecting to find in an article on job searching, but I promise that there are great rewards to be reaped when you take the road less travelled.

Consider this aphorism, popular among career counsellors (with my apologies for the mixed metaphor): If you're fishing for work, you have two options. 1) You can fish at the shallow end where it's easier and safer, but that's where you'll find the rest of the crowd. 2) You can go where the waters are a little rougher and deeper—there, you'll find fewer people and more fish.

In the third and final instalment of this series, coming up in the November/December issue of *CPABC in Focus*, I'll explore how to excel in the workplace once you've landed the job. Stay tuned! ■

Suzanne Berry is the career advisor for CPABC.

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Lori Mathison, FCPA, FCGA, LLB, is the president and CEO of CPABC. More information about the upcoming CPABC Fall Pacific Summit can be found at **bccpa.ca/pacificsummit**.

Thriving in Times of Disruptive Change:
CPAs who are driving success for local companies

By Lori Mathison, FCPA, FCGA, LLB

From the rise of the sharing economy to new ways of shopping, the speed of disruption across many industries continues to increase. More and more, the ability to effectively capitalize on the opportunities created by disruptive change can make the difference between becoming a leader in your industry and getting left behind.

At the 2018 CPABC Spring Pacific Summit in Vancouver, we heard from three CPAs who are at the forefront of managing change in their respective industries: Carey Dillen, CPA, CA, president of YYOGA; Karm Sumal, CPA, CGA, co-founder and CEO of Daily Hive; and Morgan Whitney, CPA, CA, CFO of Indochino. In our panel discussion, "Mastering Disruptive Change," each shared how they've embraced and leveraged change to help drive their organization's success.

Morgan Whitney described how Indochino, one of the world's leading made-to-measure menswear companies, began seeking new customer acquisition channels after growth slowed. Originally an online-only company, Indochino experimented with opening pop-up stores to increase consumer exposure to the brand. The strategy paid off, and the retailer has since opened more than 30 permanent showrooms across North America.

Whitney noted that this is not a typical retail model and that Indochino's customers don't necessarily visit the retailer's showrooms to buy merchandise—instead, many come for the experience: to see and feel the clothes they've viewed online or to have their measurements taken by an expert. Many then complete their shopping online rather than in the showroom. Some may even decide to make all future purchases from the comfort of home.

Karm Sumal has also leveraged disruption to find success in a traditional industry. He explained that Daily Hive, one of Western Canada's largest digital media publications, is thriving due to the elimination of traditional barriers to the news media market, such as the need for a printing press. Sumal's team can quickly publish content to the masses through the company's website and then leverage their social media channels to further broaden their reach. Daily Hive continues to expand its digital footprint, with no intention of incorporating traditional print elements.

Embracing and implementing trends can affect existing revenue streams. This was top of mind for Carey Dillen when it came to partnering YYOGA, a community of yoga studios currently with 12 locations in BC and Ontario, with ClassPass, a fitness app that allows its users to take classes from participating fitness studios without a membership commitment of any kind.

To measure the risks, opportunities, and potential impact of this partnership on YYOGA's membership base, Dillen conducted a trial run at two of her company's locations. She was pleased to discover that the ClassPass community had users who were eager to try different experiences and new studios, and YYOGA had the opportunity to welcome new guests into the community.

Overall, this panel discussion highlighted the reality that businesses must be open to change and innovation to thrive in the current environment—whether that means combining brick-and-mortar retail shops with digital platforms, capitalizing on digital and social trends, or embracing the habits of different customers.

Disruptive change can present new and unique opportunities. While it may seem intimidating, those who exercise sound business strategy and have a creative and entrepreneurial spirit will likely emerge as successful leaders, helping to shape this new era. ■

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Shane Onufrechuk is a partner in tax services at KPMG LLP in Vancouver and the chair of both the CPABC Taxation Forum and the CPABC Professional Development Tax Advisory Group.

Note to readers: As noted in the lead-in to our July/August 2018 tax article, "Holding Passive Investments in a Private Corporation — Impact on the Small Business Deduction," by Maninder Dhadda, CPA, CGA, the proposed legislation described in this article generated considerable concern among many in the profession in the summer and fall of 2017. You can review CPA Canada's response to the proposed legislation by visiting the Members' Area of the **cpacanada.ca** website and choosing "Taxation of private corporations" under News from the profession.

Private Corporation TOSI Rules

"Episode III: Revenge of the Fisc"

By Shane Onufrechuk, FCPA, FCA

Star Wars fans might be able to draw some parallels between the famed franchise and the federal government's recent advances against private companies.

Episode I: The saga begins on July 18, 2017, when the government releases a number of proposed amendments to the *Income Tax Act* (ITA), including amendments to create the tax on split income (TOSI) regime.

Episode II: Almost immediately after the release of the draft legislation, there's an uprising of interested parties who rebel against the proposals as originally drafted. Now on the defensive, the federal government releases a revamped version of the TOSI regime on December 13, 2017, by way of amendments to the original proposals. While Episode II of this saga is an improvement over Episode I, the "rebels" are still not satisfied.

Episode III: The federal government's latest response to the backlash comes out with little fanfare by way of a notice of ways and means motion dated March 22, 2018. It receives royal assent on June 21, 2018.

All of these changes to the original proposals have made it difficult for taxpayers to follow the plot—specifically, with regard to the potential implications for their businesses and the income-splitting opportunities (if any) that still exist.

The balance of this article will attempt to address some of these issues, and without further allusion to Star Wars.

TOSI overview

At a macro level, the expressed purpose of the TOSI regime is to improve the fairness of the Canadian tax system and ensure that all Canadians pay their "fair share" of taxes. At a micro level, the purpose is to expand the scope of the "kiddie tax" regime to apply to all related individuals, so that a private company business owner cannot split income with low-income, related family members who have not made significant contributions to the business (something not possible for salaried employees, as noted by the government).

The first and, to a lesser extent, second versions of the TOSI rules were seen by many business owners and their advisors as highly ambiguous and open to subjective interpretation; additionally, in certain instances, both were seen to put business owners at a disadvantage to salaried employees with regard to income-splitting opportunities.

The third version of the TOSI rules was intended to respond to these criticisms and remedy the noted problems. Although it achieved this objective in some instances, it did not address a number of concerns expressed by taxpayers, and these areas of concern continue to create potential traps for the unwary.

Discussed below are some of the improvements made since the original legislation was drafted and some of the issues that remain problematic.

What has improved?

It appears that the TOSI rules cease to apply once business activities stop.

Based on the revised TOSI rules, it appears that in cases where an adult individual receives income that is not derived directly or indirectly from a related business *for the year*,[1] such income will be an excluded amount, and, therefore, it will *not* be subject to TOSI. This suggests that even if an individual is subject to TOSI on income that is received from a corporation and derived from a related business, once this related business ceases to exist, any future income paid by the corporation to the individual will not be subject to TOSI.

The possible practical application of this change to the TOSI rules is that it may make sense to continue having low-income, related family members retain an equity interest in a corporation, even if the TOSI rules apply to income received by these individuals, on the off chance that the related business ceases to exist in the future, since future income allocations paid to such individuals will not be subject to TOSI.

[1] With the addition of "for the year," the legislation now makes it an annual test. If there is no business for the year, the rules won't apply.

A business owner might also consider having their low-income, related spouse retain an equity interest in a corporation even if the TOSI rules apply, because when a business owner reaches the age of 65, their spouse will have income from a corporation treated as an excluded amount in cases where this same amount would constitute an excluded amount if received by the business owner themselves. This means that business owners will be able to split income from a related business with their spouse once they reach the age of 65, regardless of the spouse's investment in said business.

The criteria for the "excluded share" exemption from TOSI is easier to meet.

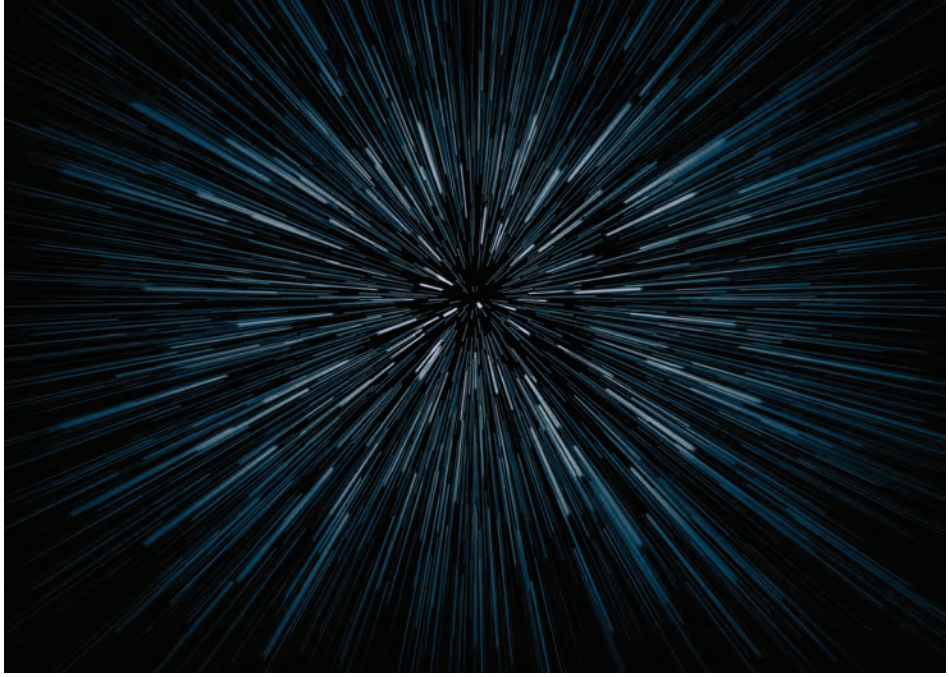
Earlier versions of the rules exempted individuals from TOSI on income received on "*excluded shares*" as long as this income met several conditions. One condition was that the shares on which the income was paid had to represent 10% or more of the corporation's voting rights and 10% or more of the fair market value (FMV) of all issued and outstanding shares.

The third version of the TOSI rules simplified this requirement, making it so that the shares will be considered excluded shares in regard to a particular individual if the shares represent 10% or more of the corporation's voting rights and FMV, *but* the individual in question need not meet this test entirely through the particular class of shares to which the income relates.

These particular changes to the TOSI rules will make it easier for taxpayers to meet the excluded share exemption test in situations where multiple classes of a corporation's shares are issued—in many cases, multiple classes are issued for non-income-tax purposes. One example of such a case is where voting rights are retained in a voting non-participating share, separate from other classes of participating shares.

The TOSI rules are less likely to apply after a marital breakdown.

The third version of the TOSI rules includes an additional paragraph, which states that an individual will not be deemed to be related to their spouse or common-law partner at any time in the year if, at the end of said year, the individual is living separate from their spouse because of the breakdown of the marriage.



Max2611/iStock/Getty Images Plus

These changes should reduce the number of instances in which TOSI will apply to income that is: a) paid to individuals and b) directly or indirectly related to corporate businesses that are transferred necessarily between former spouses pursuant to their family-law commitments.

What hasn't improved?

TOSI cannot be avoided in multi-tier structures.

One of the perceived flaws in the first two versions of the TOSI legislation was that the definition of excluded shares never seemed to apply in cases where a business was carried on in an operating entity ("Opco") and the shares of Opco were held indirectly by an individual through a holding company ("Holdco"). Unfortunately, the third version of the TOSI rules did nothing to resolve this issue.

As a result, individuals who want to rely on the excluded share exemption in the TOSI rules will not be able to receive dividends from a Holdco that indirectly owns shares of an Opco. Where such structures currently exist, taxpayers should consider the non-tax implications of merging their Opco and Holdco in order to be eligible for the excluded share exemption.

The definition of "provision of services" remains ambiguous.

One of the other conditions of the excluded share definition in the TOSI rules is that less than 90% of the corporation's business income can be from the "*provision of services*." What constitutes the provision of services is not defined in the original draft legislation, leaving the term subject to interpretation. Unfortunately, the third version of the TOSI rules did nothing to clarify this definition. What this means for the many businesses that provide their customers with a bundle of goods and services is that, in some instances, the apportionment of "*income*" between these goods and services is going to be somewhat arbitrary and/or challenging.

It's important to note that in cases where a related group carries on multiple businesses that include the provision of services and the sale of goods, the overall corporate structure associated with these businesses may need to be reorganized to ensure that certain shares meet the definition of excluded shares for TOSI purposes.

Opportunity amid uncertainty

As illustrated in the examples above, the new TOSI regime is incredibly complicated. The recent changes made in version III of the rules improved the rules to an extent, but these rules could still have many unexpected ramifications.

However, despite its complexity, the TOSI regime still offers opportunities to accomplish income splitting between related family members in a tax-efficient manner. As the TOSI rules have been finalized (at least, for the moment), now is the time for advisors to review the circumstances of their private company clients and help these clients determine the implications for their businesses. ■

PD EXPERTS

Tumultuous Times: The Case for Focusing an Organization's Ethics Resources on Strategy Rather Than Compliance

By Laura Friedrich, FCPA, FCGA, and Brian Friedrich, FCPA, FCGA

Machine learning, big data, cybersecurity
Artificial intelligence, cryptocurrencies
Sentient robots, blockchain, ransomware, distributed ledgers
Initial coin offerings, data analytics…

If this list rhymed better, it could work for a revamp of Billy Joel's "We Didn't Start the Fire." Rhythm and metre aside, it would fit thematically, given that many people find the new technology landscape daunting.

When speaking with CPAs about how this new technology relates to our professional ethical obligations, two common themes emerge. The first relates to the principle of competence. These new technologies require us to stay informed and develop and/or hire for additional skills and expertise. Distributed ledgers, cryptocurrencies, data analytics, and more advanced cybersecurity have garnered a particular amount of attention in the accounting world. Accordingly, the national and provincial CPA bodies have developed publications and courses to help us wrap our heads around these emerging trends.

In addressing the changing landscape, professional accountants rely more and more on diverse teams. For example, auditors in larger firms call on programmers to apply robust data analytics to help guide the audit. Meanwhile, inside large corporations, CFOs and their teams increasingly call on engineers and mathematicians to create innovative tools that will enhance the bottom line and secure a competitive advantage. In smaller organizations, the effects may be less obvious, but the challenges are just as significant. Many smaller organizations wrestle with ways to safely harness digital tools and maximize stakeholder engagement, as well as exploring technologies such as virtual assistants in their quest for efficiency gains.

The second connection between technology and ethics centres on confidentiality, with obvious ties to cybersecurity, privacy, and data protection. In fact, Patricia Harned, PhD, CEO of the Ethics and Compliance Initiative (ECI), believes that one of the critical technology-related areas corporations will struggle with is the fallout from the Equifax data breach. To refresh your memory, hackers successfully hacked Equifax's servers in 2017, comprising the private data of 145 million US customers and 152 million UK customers.[1] This data remains "in the wind," and only time will tell where it will show up and how it will be abused. The fear is that the stolen information will be used to extort influential people in powerful organizations—an insider threat that will be relatively difficult to mitigate, as both the perpetrators and the victims will want it to remain hidden from view.

These types of fears leave many professional accountants feeling unsettled. Our nature is to measure, monitor, analyze, and control, and these new technologies are often dynamic and nebulous, pushing many of us out of our comfort zones. We face questions of how to value technology assets, how to safeguard intellectual property, and how to protect our stakeholders and the public from new threats that are outside our traditional scope of responsibility.





Laura Friedrich and Brian Friedrich are principals of friedrich & friedrich corp., a professional research, standards, and education consultancy firm in D'Arcy, BC, focusing on capacity development. Laura currently serves on CPABC's Bylaws Committee, and Brian serves on the International Ethics Standards Board for Accountants. Together, they have facilitated a broad range of PD seminars for CPABC.

To perform well in this arena, we need to draw on another set of professional competencies: those related to strategic and ethical leadership. It is easy to let ourselves be overwhelmed by technical details and complex algorithms, but—fundamentally—these new technologies represent *risk*, and risk management is nothing new to us. As with any risk scenario, we need to ensure that our conservative nature doesn't overinflate the potential downside and cause us to miss opportunities to use emerging technologies to our advantage. For example, the ECI is currently researching whether data analytics can be used to predict which parts of an organization are at higher risk for ethical non-compliance.

We also need to be prepared to help our organizations—and society as a whole—debate the tougher issue of where we want technology to take us. As trusted business leaders whose key mandate is to protect the public interest, we have an important voice to bring to the larger conversation about fascinating topics such as the future role of sentient robots. In 2017, "Sophia," the first robot to be granted

[1] Richard Priday, "Equifax Q3 Results: Not As Bad As You Might Have Hoped—Hack Only Cost Biz About $87m," November 10, 2017. (**theregister.co.uk**)

citizenship of a country (Saudi Arabia), expressed the opinion that robots could become more ethical than humans due to the potential for them to "be built without the more problematic emotions, like rage, jealousy, hatred and so on."[2] If an opinionated robot citizenry sounds too far-fetched to be a legitimate concern, consider that there are already some virtual devices sophisticated enough to convincingly mimic the human voice.[3] Shouldn't this make us uncomfortable?

When confronted with the ethical issues that new technologies raise, it's imperative that we shift the focus from the technical to the strategic. This is an opportunity we cannot let pass by. Evaluating the opportunities offered by emerging technology will require—now more than ever before—that we ask the right questions of the right people, that we apply professional skepticism and a questioning and critical mindset, and that we demonstrate the moral courage needed to guide our organizations to excel responsibly. ■

[2] Sarwat Nasir, "Video: Sophia the Robot Wants to Start a Family," *Khaleej Times*, November 23, 2017.

[3] Google Duplex: A.I. Assistant Calls Local Businesses to Make Appointments: **https://www.youtube.com/watch?v=D5VN56jQMWM**.

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The Ethics and Compliance Initiative (ECI) is the oldest ethics and compliance organization in the US, dating back to 1922. ECI describes itself as a "best practice community of organizations that are committed to creating and sustaining high quality ethics & compliance programs." You can find them at **ethics.org**. The full interview with Dr. Harned forms part of the authors' ProDio mobile CPD course entitled *Conversations in the Boardroom, Conversations in the Hallway*, available through **pd.bccpa.ca**.

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November 18-21, 2018 | Victoria

EMAIL pdreg@bccpa.ca
WEB pd.bccpa.ca/pd-in-depth

PD PROGRAM HIGHLIGHTS – UPCOMING TITLES FOR THE FALL SEASON

See the full roster of CPABC PD titles (including dates and locations) at **pd.bccpa.ca**.

ACCOUNTING & ASSURANCE

Assurance—Compliance with Agreements, Statutes & Regulations

This seminar will provide an overview of the two new Canadian standards on assurance engagements (CSAE): CSAE 3530 Special Considerations – Attestation Engagements to Report on Compliance and CSAE 3531 Special Considerations – Direct Engagements to Report on Compliance. It will highlight the changes in procedural requirements and in the wording of the new reports, explain the difference between CSAE 3530 and 3531, and explain how to integrate the new standards within the existing framework of CSAE 3000 and 3001.

Audit Engagements—Application of the Standards Using PEG

This course will provide practical guidance on how to perform effective and efficient small to medium-sized audit engagements using the audit methodology contained in Volume 2 of the Professional Engagement Guide (PEG). Using real-world examples and exercises, participants will unlock the full potential of PEG and its practical aids to reduce engagement time and improve results.

Review Engagements—Specific Topics

This course will discuss (in detail) the common application issues for review engagements under the new CSRE 2400 standard. Participants will learn how to quickly identify incomplete review engagement documentation and determine the procedures and documentation required to resolve outstanding issues.

Introduction to Financial Reporting Concepts

This seminar will serve as an introduction to the financial reporting concepts in the *CPA Handbook – Accounting*. Course content includes a discussion of the general requirements that must be met to prepare financial statements that are suitable for use in preparing a corporate tax return.

FINANCE

Business Valuation—Purchase Price Allocation

In this advanced seminar, participants will learn the approaches to purchase price allocation and the main methods used in practice to assess intangible assets arising from transactions.

Treasury & Finance for Accountants

This highly interactive workshop will review the business side of finance, hedging, and treasury transactions. It will provide accountants with a solid understanding of some key financial principles.

PEOPLE MANAGEMENT & PERSONAL DEVELOPMENT

Becoming an Ethical Leader

This workshop will give participants insights on ethical leadership. It will enable them to identify unethical leadership practices and improve their own morals-based decision-making skills.

Ethics at Our Core

This seminar will provide participants with an opportunity to update their knowledge of the *CPABC Code of Professional Conduct* (CPA Code) and build competence in interpreting and applying the CPA Code to resolve a variety of realistic scenarios. Participants will also explore the current workplace environment and assess the implications for ethical leadership.

TAXATION

Corporate Tax—Section 55: How Safe Are Your Dividends?

The new reality is that practitioners need to consider section 55 on all intercorporate dividends to avoid unexpected tax. This half-day seminar will give participants a basic understanding of how to apply these rules to private corporations.

Income Tax—Income Splitting, A New Era

This half-day seminar will cover the tax benefits of income splitting. It will provide a detailed review of relevant income tax legislation and an overview of remaining opportunities to accomplish income splitting. It will also cover suggestions and planning to manage, mitigate, and restructure with a view to the TOSI (tax on split income) rules.

Income Tax—Partnerships

This seminar will provide an overview of the tax issues specific to partnerships and discuss both the requirements for forming a partnership and the process for terminating one.

INFORMATION & BUSINESS TECHNOLOGY

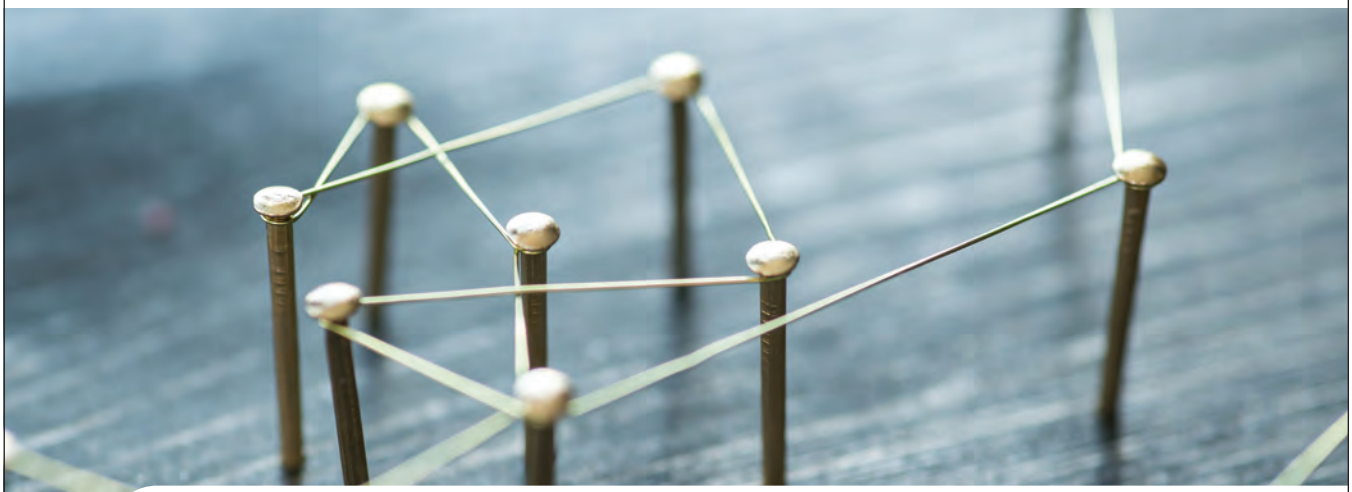
Excel Data Magic, Including Advanced PivotTables & Power Pivot

In this advanced seminar, you will learn how to use Power Pivot and CUBE formulas to streamline the process of summarizing and reporting data.
Note: This is *not* a hands-on seminar.

Mark Your Calendars! PD WEEKS 2018

Kelowna	November 5-9
Parksville	October 29-November 2
Surrey	November 26-30
Vancouver	November 19-24
	December 10-14
Victoria	October 22-26
	November 26-30

CHARTERED PROFESSIONAL ACCOUNTANTS BRITISH COLUMBIA



PD NEXUS DAYS – Learn, Connect, Engage

Our Nexus days are focused on helping you expand your knowledge base by connecting you to new information and creating environments where you can network with and learn from your peers. Our fall 2018 PD Nexus lineup includes:

PD Nexus: Scientific Research and Experimental Development Symposium

October 5, 2018 | Vancouver Convention Centre West

This symposium will review key SR&ED topics and provide updates on developments in SR&ED claims. It will be of interest to accountants and engineers who advise on SR&ED matters, technical experts, and financial executives accountable for tax filings and SR&ED compliance.

PD Nexus: Estate-Planning Insights (formerly Estate-Planning Conference Day)

October 23, 2018 | Vancouver Convention Centre West

This joint event presented by the Society of Trust and Estate Practitioners (Vancouver branch) and CPABC will provide participants with up-to-date, practical, and leading-edge estate-planning information, and give them access to highly regarded speakers covering current and relevant estate-planning issues.

PD Nexus: Public Practice Insights (formerly Practitioners' Potluck)

November 15, 2018 | Vancouver Convention Centre West

This conference will be a great opportunity to update your technical knowledge and learn best practices to address some of the key changes and challenges in BC's public practice sector today.

PD Nexus: Business Insights Vancouver (formerly Members in Business & Industry PD Day)

December 7, 2018 | Vancouver Convention Centre West

This fast-paced PD Nexus Day will bring you technical updates on accounting and tax and give you opportunities to expand and deepen your leadership skills.

EMAIL pdreg@bccpa.ca
WEB pd.bccpa.ca

EVENTS

Want Fresh Ideas on Financial Literacy? Attend the Mastering Money Conference

On November 22 and 23, CPABC will join CPA Canada in hosting the profession's annual Mastering Money Conference in Vancouver. Themed "Education to Action," this year's conference will invite attendees to explore the future of financial literacy and financial wellness through trending topics in experiential economics, fintech, and privacy. Participants will have the opportunity to participate in unique sessions that connect financial literacy to Indigenous communities, vulnerable populations, thought leadership, and small business.

Jane Rooney, financial literacy leader of the Financial Consumer Agency of Canada, will be one of three keynote speakers at the conference, along with Jeff Kreisler, co-author of *Dollars and Sense*, and Terry O'Reilly, podcaster and marketing expert, both of whom bring fresh and unique perspectives to the world of financial literacy.

For CPABC members, the Mastering Money Conference will be an excellent opportunity to connect with thought leaders and industry experts from across Canada. The conference will bring together government officials, industry experts, non-profit experts, CPA members, and many others who are directly involved in financial literacy education to share fresh ideas and new perspectives in a collaborative environment.



Come be part of the conversation. Register today at **cpacanada.ca/finlitconference**

Request a FinLit session

In addition to co-hosting the Mastering Money Conference, CPA Canada offers a variety of resources to advance financial literacy education, including more than 40 different financial literacy sessions tailored for unique audiences (new immigrants, seniors, elementary and high school students, and more).

You can arrange a free 60-minute financial literacy session by filling out an online request form at **cpacanada.ca/financialliteracy**. And if you know of any community organizations that could benefit from financial literacy sessions, encourage these organizations to request a free session as well.

The complete roster of financial literacy sessions is listed on the CPA Canada website at **cpacanada.ca/financialliteracy**. And if you would like to receive a PDF copy of the most current session catalogue, contact Brigitte Ilk, CPA, CGA, professional standards advisor at CPABC, at **bilk@bccpa.ca**.

Get Ready for CPABC's 2019 Pacific Summit Conferences

The locations and dates for CPABC's 2019 Pacific Summit conferences have been confirmed, so mark your calendars! Vancouver will host CPABC's Spring Pacific Summit in May, and Whistler will host the Fall Pacific Summit in September.

At both events, you can expect to gain valuable insights from renowned keynote speakers and access key learning through an extensive roster of CPD sessions. You'll also have the chance to connect with CPA colleagues at various networking events.

Full program details will be posted to **bccpa.ca** in the coming months. Stay tuned!



VANCOUVER | 2019 Spring Pacific Summit
May 15-17, Vancouver Convention Centre East



WHISTLER | 2019 Fall Pacific Summit
September 25-27, Fairmont Chateau Whistler

CPABC PACIFIC SUMMIT

Testimonials from past attendees:

"I've exchanged so many business cards! I've met a lot of people and learned something from all of them."
—Marissa Velarde, CPA, CGA

"Keep having the summits. They are a great way to get PD credits."
—Rosanna Yusuf, CPA, CMA

"I was very happy with my sessions and enjoyed the keynote speakers. Overall, a job very well done!"
—Anonymous

Vancouver: miroslav_1/iStock/Getty Images Plus
Whistler: EmilyNorton/iStock/Getty Images Plus



Mastering Money Conference 2018

November 22-23, 2018 | Vancouver, B.C.

CPA Canada's annual financial literacy conference, **Mastering Money: Education to Action**, is a must-attend event for those who want to learn how to improve the financial health of Canadians.

Topics include:

- Indigenous Communities
- Small Businesses and Entrepreneurs
- Financial Wellness
- Vulnerable Populations
- Trends in Financial Literacy

Keynote speakers:

- Jeff Kreisler, award-winning comedian, author, speaker and advocate for behavioural economics
- Terry O'Reilly, famous Canadian podcaster and marketing guru
- Jane Rooney, Canada's financial literacy leader

REGISTER TODAY AS SPACE IS LIMITED! cpacanada.ca/finlitconference

Presented by CPA Canada, in cooperation with CPABC.

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ANNOUNCEMENTS AND ACCOLADES

Kudos!



Amanda Jordens, CPA, CA, has been promoted to director of operations accounting for Amacon in Vancouver. Prior to this promotion, Amanda served as Amacon's operations controller for six years.



Erfan Kazemi, CPA, CA, chief financial officer of Sandstorm Gold Royalties in Vancouver, has been named one of Canada's Top 40 Under 40 for 2018. Erfan was previously recognized with a 2016 BC CFO Award from Business in Vancouver and a 2014 Early Achievement Award from his legacy accounting body.



Reshmeena Lalani, CPA, CA, a tax litigation officer with Canada Revenue Agency in Vancouver, has been recognized with a 2016-2017 Canada Revenue Agency Award of Excellence in the Commissioner's Award category. She is the first-ever recipient in this category.



Mike Norona, CPA, CGA, has been named to the International Board of Directors of the Juvenile Diabetes Research Foundation (JDRF). Mike is a former Fortune 500 CFO with 28 years of experience in high-growth retail and international business. He and his family are proud supporters of the JDRF.



Flavia Rossi Donovan, CPA, CGA, has been appointed chief financial officer of the City of Dawson Creek. Prior to this appointment, Flavia served as the chief financial officer for the District of Mackenzie.



Diana Vuong, CPA, CA, has been promoted to vice-president of finance and chief financial officer of the Vancouver Airport Authority in Richmond. Diana previously served as the organization's director of finance and controller for 11 years.

The following CPABC members have been re-elected to the board of directors of Great Panther Silver Limited in Vancouver: **Bob Garnett, CPA, CA**, corporate director (board chair); **Jeffrey Mason, CPA, CA**, independent board director; and **Elise Rees, FCPA, FCA**, corporate director (audit committee chair). All three members also hold the ICD.D designation from the Institute of Corporate Directors.



Bob Garnett



Jeffrey Mason



Elise Rees

MNP LLP is pleased to announce that three CPAs have been named to the firm's partnership. **Alan Cosgrave, CPA, CGA**, has joined the enterprise risk services team at the firm's Vancouver office; **Kali Meyer, CPA, CA**, works with First Nations communities and aboriginal-owned businesses from the firm's Nanaimo office; and **Blair Traxler, CPA, CA**, works with the forestry & forest products team from the firm's Prince George and Vanderhoof offices to serve clients across central and northern BC.



Alan Cosgrave



Kali Meyer



Blair Traxler

PwC Canada is pleased to announce that seven CPAs have been named to the firm's partnership. In the Surrey office, **Jyothi Rao, CPA, CGA**, has been named a tax partner, and **Karen Sawatsky, CPA, CA**, has been named an assurance partner. In the Vancouver office, **Will Foster, CPA, CA**; **Frans Minnaar, CPA, CA**; and **David Neale, CPA, CA**; have been named assurance partners, and **Brooke Ko, CPA, CA**, has been named a tax partner. In the Victoria office, **Shelley Gilberg, CPA, CMA**, has been named a consulting partner.


Jyothi Rao


Karen Sawatsky


Will Foster


Frans Minnaar


David Neale


Brooke Ko


Shelley Gilberg

Congratulations to all!

Share Your Good News!

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

Do We Have Your Current Email Address and Contact Info?

Members, if you've recently moved, changed employers, or created a new email address, be sure to update your contact information using CPABC's Online Services at **services.bccpa.ca**. This is a friendly reminder that CPABC bylaws require you to immediately notify the registrar of any change in your mailing and email addresses.

Candidates and students, you must update your contact information using the My CPA Portal of the CPA Western School of Business at **my.cpawsb.ca**.

Aside from staying onside, ensuring that your email address is up to date means you won't miss out on important notices.

Stay up to speed by staying up to date!


Jacob Wackerhausen/iStock/Getty Images Plus

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CHAPTERS

Chapter Leaders Explore New Ways to Engage the Membership

On June 21 and 22, CPABC held its annual Chapter Leaders' Meeting in Vancouver, bringing together more than 30 chapter chairs, vice-chairs, community engagement volunteers, and CPA candidate support volunteers, representing the leadership of CPABC's 16 chapters across the province.

The annual Chapter Leaders' Meeting gives CPABC's chapter leaders the opportunity to gain up-to-date information on the profession, share best practices, build connections across chapters, brainstorm ideas for new activities to engage the membership, and hone their leadership skills. They can then use this learning to support and guide other local volunteers in fulfilling their chapter mandates through the following initiatives:

- Providing CPA members, candidates, and students with networking opportunities and professional development sessions;
- Engaging with the local community through various charitable activities;
- Assisting CPABC with recruitment; and
- Supporting candidates and students with their career development and education.

The 2018 event kicked off with a reception and dinner at the Sutton Place Hotel in Vancouver, where chapter leaders were joined by CPABC Board Chair Barry Macdonald, FCPA, FCA, who served as the evening's keynote speaker, and several CPABC support staff. Macdonald thanked the chapter leaders for their continued service and diligent efforts in connecting local members, candidates, and students.

The following day, David Chiang, CPA, CA, CPABC's vice-president of member advice and programs, welcomed attendees to the formal working sessions, which were led by the following CPABC staff members:

- Sheila Cheung, student recruitment officer, briefed chapter leaders on CPABC's student recruitment efforts at local secondary and post-secondary institutions and in the workforce, and explained how CPABC's chapters can support these activities.
- Stella Lam, CPA, CA, director of registration and privacy officer, provided an update on privacy legislation, including CASL (Canada's Anti-Spam Legislation), and described the potential impact of this legislation on chapter activities.
- Candice Lubieniecki, project manager for ACAF recruitment & market development, gave a presentation on the Advanced Certificate in Accounting and Finance (ACAF) program.
- Lori Mathison, FCPA, FCGA, LLB, president & CEO, spoke about the effects of digital transformation on the accounting profession and provided an update on CPABC's activities. She also thanked the volunteers for their service.
- Jan Sampson, FCPA, FCA, executive vice-president of member and student experience, shared her thoughts on the value of volunteerism and highlighted various CPABC and CPA Canada initiatives with which members can volunteer, including the financial literacy program, the CPA Mentorship Program, and the Member Recognition Program.
- Kerri Wilcox, vice-president of external affairs and communications, led an interactive session entitled, "Tell Your CPA Story – Connecting to your designation," which gave chapter leaders new tools to use in promoting the profession.



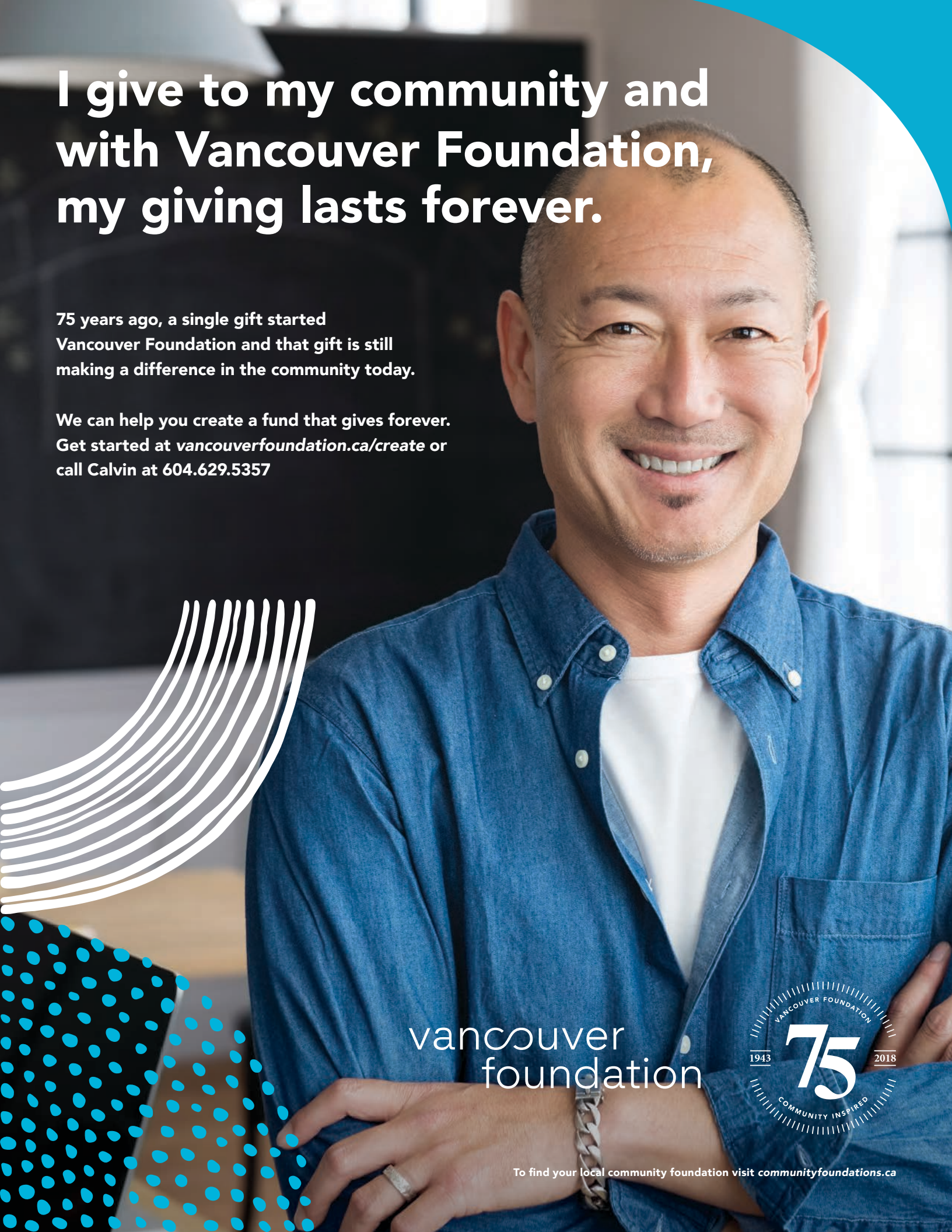
Above: CPABC Board Chair Barry Macdonald, FCPA, FCA, delivers the keynote speech at the Chapter Leaders' Dinner. Below: CPABC PD Instructor Tammy Towill, FCPA, FCMA, guides participants through the final working session, sharing her expertise on how to lead effective meetings.



The day concluded with a final session led by CPABC PD instructor Tammy Towill, FCPA, FCMA, a partner with Cordura Group, called "Leading Effective Meetings."

CPABC's chapters have many exciting events planned in 2018-2019, and chapter leaders invite all members, candidates, and students to get involved.

Visit **bccpa.ca/members/chapters** to find out more about upcoming events in your area or to contact your local chapter chair to express your interest in volunteering.


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SOCIAL EVENTS

Tee Time: CPABC's 2018 Golf Tournaments

The profession's annual golf season, organized by CPABC in collaboration with several of its local chapters, teed off in June. To date, seven golf tournaments have been held across the province, attracting more than 350 members, candidates, students, and guests for a fun round of golf followed by a celebratory dinner.

On June 8, the Surrey/Langley/North Delta and the Fraser Valley chapters co-hosted the fourth annual Fraser Valley golf tournament with the Fraser Valley CPA Association at Newlands Golf and Country Club in Langley. More than 40 golfers played this 11-hole course. On June 16, the Richmond/South Delta Chapter held its second annual golf tournament in conjunction with its annual chapter event at Quilchena Golf and Country Club in Richmond.

CPABC's Prince George Chapter hosted 20 golfers for its second annual golf tournament at Prince George Golf & Curling Club on June 22, and the North Shore/Sunshine Coast Chapter hosted 44 players at Northlands Golf Course in North Vancouver on June 28, selling out its annual golf tournament for the third year in a row.

The Victoria/South Vancouver Island Chapter held its annual golf tournament on July 7 at Cedar Hill Golf Course in Saanich, with more than 60 players tackling a challenging 18-hole course. The following week, the Okanagan Chapter held its fourth annual "Okanagan Cup" golf tournament at Pinnacle Golf Course at Gallagher's Canyon in Kelowna. More than 50 golfers attended the July 12 event.

The annual golf season will conclude on September 13 with the 59th annual CPA golf tournament at University Golf Club in Vancouver. It is the longest-running tournament in the club's history.

Thank you to all the participants and a special thank you to the organizers and the members, firms, and organizations who donated prizes (each dinner included a prize draw/presentation). Visit the chapter websites at **bccpa.ca/members/chapters** for more detailed tournament recaps and to find out how you can participate in future chapter events.



The "9-hole winners" of the North Shore/Sunshine Coast Chapter tournament (l to r): Jack Christiansen, CPA, CA; David Stratton, CPA, CA; Andrew Lee, CPA, CA; and Matthew Wright, CPA, CA.





Top: The "18-hole winners" of the North Shore/Sunshine Coast Chapter tournament (l to r): Ron Hepting, CPA, CGA; Bill Finlay, CPA, CA; Doug Blakeney, CPA, CA; and Chris Hopton, CPA, CGA. Right: The winners of the Richmond/South Delta Chapter tournament (l to r): Par Bains, CPA, CA; Mark Riddell, CPA, CGA; Mark Pfeifer, CPA, CGA; and Tiger Wu, CPA, CGA. Bottom: Ready to hit the links at the Victoria/South Vancouver Island Chapter tournament (l to r): Yvonne Blum-Gabel, CPA, CMA; Tami Zaranski, CPA, CMA; Kathy Veldhoen, CPA, CMA; and Sophie Gloy.





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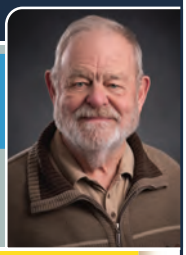
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SNAPSHOT:

Pamela Lee, CPA, CA

The job: CFO of Mr. Lube. "I liken my job as CFO to that of a crusader for our franchisees. We have 175 franchised locations across Canada. Their success is the strength behind the brand."

Leadership style: Collaborative. "Being able to navigate risks successfully means always being in tune with what matters to our franchisees. At Mr. Lube, we meet regularly with our franchisees to discuss marketing, operational, and strategic initiatives, and we challenge ourselves to drive innovation."

Communication style: Inclusive. "When the stakes are high, you need more communication, not less. Especially in an environment with many different stakeholders... it's so important to get feedback along the way to make sure decisions have the best possible outcomes."

Passionate about: Navigating change. "The industry is constantly evolving. We're industry leaders, and creating change is one of the most exciting aspects of my job."

Ethos: "My dad's mantra was always 'Do the right thing. Be a good person.' These are simple words and ones that I hold dear. At the end of the day, that's what life's about."

Read the full interview at **industryupdate.ca**.



Photo by Kent Kallberg Studios

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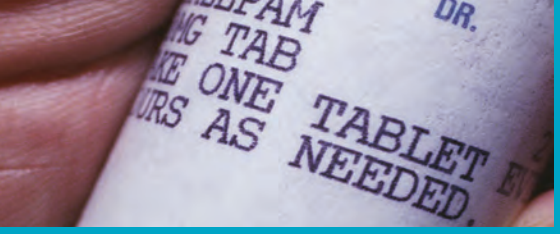




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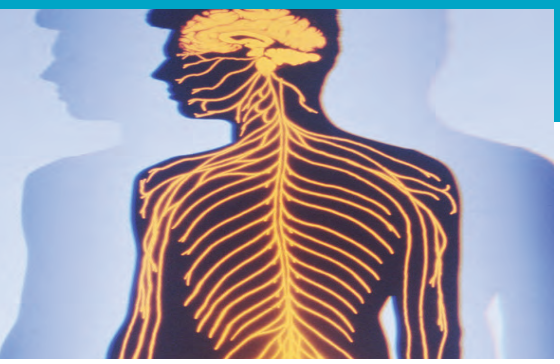
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Canada Revenue Agency (CRA) Federal Legislation allows business owners to fully tax deduct 100% of their healthcare costs as a business expense using a Private Health Services Plan.

Who qualifies?

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

What's covered?

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

What's the cost?

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

Who uses a Private Health Services Plan?

Business owners who:

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

A partial list of qualified expenses:

Acupuncture
Alcoholism Treatment
Ambulance
Anesthetist
Attendant Care
Birth Control Pills
Blood tests
Catscan
Chinese medicine
Chiropractor
Crowns
Dental Treatment
Dental Implants
Dental X-rays
Dentures
Dermatologist
Detoxification Clinic
Diagnostic Fees
Dietitian
Drug Addiction Therapy
Eyeglasses
Fertility Treatments
Guide Dog
Hair Transplant
Hearing Aid and Batteries
Hospital Bills
Insulin Treatments
Lab Tests
Laser Eye Surgery
Lodging (away from home for outpatient care)
MRI
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%.





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