CPABC

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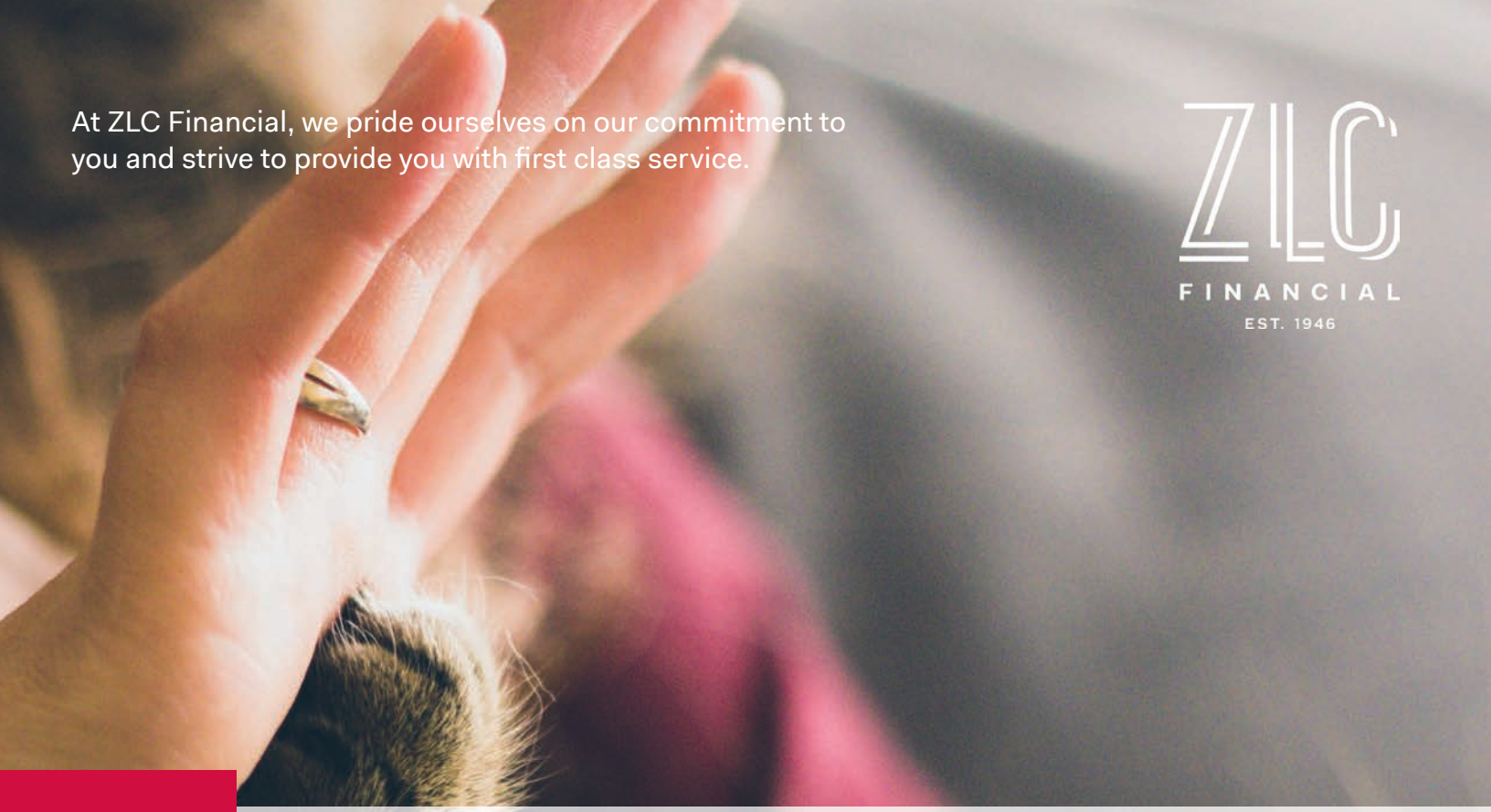
BC Check-Up: Invest

CPABC report looks at investment trends across BC during COVID-19



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Claire Shawcross, CPA, CGA
Senior partner, SM Accounting Group Ltd.



Photo by Kent Kallberg Studios

CPABC INFOCUS

March/April 2021, Vol. 9, No. 2

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

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About

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Engaging in a Virtual World



Geoff Dodds, CPA, CA
CPABC Chair

Over the last few months, we've hosted many successful events to support our members, candidates, and students, and create opportunities to engage meaningfully online.

Our recruiting events (see pages 10-11) continued to connect current and future CPAs to opportunities in accounting and finance. In January, we hosted our third trendsetters event, with Trendsetters in Healthcare showcasing CPAs who are using their business expertise to transform this sector. The CPABC Connect Panel in February brought CPAs and aspiring CPAs together to learn about the latest trends, technologies, and in-demand skills, as well as how to keep up with the pace of change. And our Speed Interview Series proved as popular as ever for job seekers and employers alike.

With the stress of the pandemic weighing heavily on many, our chapters have started hosting virtual networking lunches focused on health and wellness. Our member forums have also moved offerings online. These are wonderful opportunities to connect with other CPAs and learn some tips to help you navigate what's ahead, including tax season.

Speaking of which—we are once again looking for volunteers to participate in the Canada Revenue Agency Community Volunteer Income Tax Program—a crucial service for many in our community. CPAs can volunteer to prepare tax returns or help a community organization host a free tax-return-preparation clinic. ***Note:*** Before volunteering at a free tax clinic, members who are not already licensed for public practice must apply for an exemption to licensing.

Coming up, I will have the pleasure of helping CPABC celebrate excellence at the virtual Member Recognition Event on April 8 (page 8). How we celebrate may have changed, but the honour our members bring to the profession can continue to inspire us all. Honourees will be featured in the May/June issue of *CPABC in Focus*.

With the days getting longer and spring around the corner, there is much to look forward to, including numerous professional development opportunities, virtual events and conferences, volunteering opportunities, and meaningful chapter and forum activities. I encourage you to get involved in the profession and engage with your peers. ■

Supporting BC's Economic Recovery



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

Understanding the economic and technological impact of the pandemic is critical as the province moves towards recovery and as businesses grapple with what comes next. To that end, CPABC has continued to provide unbiased and important information on the state of the economy, while also seeking to understand how we can better support members through the dramatic technological change that has been taking place.

In mid-February, we released the *BC Check-Up: Invest* report, which focuses on BC's investment activity in 2020 and looks at what's in store for the province's major projects. These projects provide thousands of jobs across the province, and the economic benefits they generate will significantly aid in the province's recovery—including by helping to pay down the large provincial debt that was incurred to support businesses and citizens throughout the pandemic. In February, we also released the results of the Invest survey, in which we'd asked members to share their thoughts on BC's economic prospects and on governmental efforts to support the economy and make life more affordable for British Columbians. You'll find insights from the report in our cover story, starting on page 14, and insights from the survey on page 23.

Nationally, we are just wrapping up a research initiative on digital transformation within the profession. The purpose of this research was to understand how COVID-19 has impacted the level of technology adoption by members. Unsurprisingly, we found that COVID-19 was a significant catalyst for change, and over the coming months we will assess the research findings and determine how to create additional supports for members with respect to digital transformation. I would like to thank those of you who participated in this project, both through a national survey and by attending facilitated roundtable discussions.

Finally, we will be participating in the virtual provincial budget lockup on April 20 and will review the government's upcoming budget and economic recovery priorities. CPABC will continue to highlight the need for government to make strategic investments that will boost productivity, enhance skills training, and encourage business investment in innovation. ■

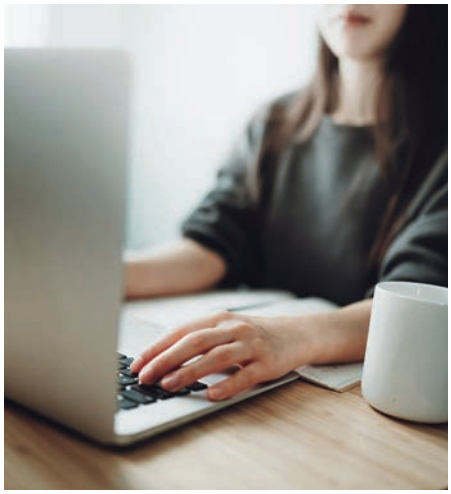
CRA NEWS

2021 CPABC/CRA Tax Liaison Meetings: Virtual Format, Record-Breaking Attendance

Each year, CPABC and the Canada Revenue Agency (CRA) co-host tax liaison meetings to give CPA tax practitioners a chance to connect with and get updates from senior representatives of the CRA. Three sessions were held in January and February 2021, and due to physical distancing restrictions, these meetings took place online. While it was unfortunate to lose the in-person aspect of past years' events, the transition to the online format proved highly successful, with attendance rates soaring higher than ever before.

In all, 900 public practitioners from across BC and Yukon participated in the 2021 sessions. In addition to connecting with senior regional managers from the CRA, these attendees had the opportunity to learn about recent administrative developments, policy changes, and enhancements to the CRA's electronic services, while also gaining insight on the CRA's audit focus for the coming year.

Going forward, CPABC will be looking at the possibility of providing a hybrid of virtual and in-person liaison meetings even after the pandemic is over. In the meantime, if you're a tax practitioner and you'd like to receive the 2021 presentation slides, contact CPABC's advisory services department at **professionaladvisory@bccpa.ca** to request an electronic copy.



Luke Chan/iStock/Getty Images

AGM ANNOUNCEMENT

Save the Date: BC AGM Scheduled for June 23, 2021

CPABC will hold its 2020-2021 annual general meeting on Wednesday, June 23, 2021. The call for nominations for the CPABC Board of Directors will be sent out in early April. AGM meeting materials will be posted to **bccpa.ca** in early June.

Note: Date for Yukon AGM TBA

At the time of this writing, the date for CPA Yukon's 2020-2021 AGM has not been set. Details are forthcoming.



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RESOURCES FOR PUBLIC PRACTITIONERS

Important Updates to Public Practice Resources Online

CPABC is retiring its long-running electronic newsletter *Public Practice News & Views* and expanding its Public Practice Knowledge Base (KBase) to create a one-stop shop for public practice articles, guidance, tools, resources, and other content. This change in format and delivery means that CPABC will be better able to provide members with important information on a real-time basis, while also enhancing its ever-expanding resource library.

The KBase (**bccpa.ca/kbase**) contains curated practice aids to help members in public practice navigate changes to accounting and auditing standards, taxation issues, practice management matters, and much more. A user-friendly platform enables members to search for content by keyword and browse topics by category.

Relevant content is regularly added to the KBase and highlighted in "The Latest News" (a feature added to the KBase in 2020). This new content is also highlighted in *CPABC eNews*, the bi-weekly e-newsletter for all members. In addition, the most popular resources each month are highlighted by category.

If you have any suggestions for or feedback regarding CPABC's public practice resources, contact Richard Konings, CPA, CA, at **professionaladvisory@bccpa.ca**. Richard is a professional standards advisor at CPABC and the product manager for the KBase.

Quick links

- KBase: bccpa.ca/kbase
- The Latest News: bccpa.ca/kbase#thelatestnews
- *CPABC eNews*: bccpa.ca/news-events/enews

DUES REMINDER

IMPORTANT: Annual Member Dues Deadline

DEADLINE FOR 2021-2022 MEMBER DUES: APRIL 1, 2021

An email notification was sent to each member in late February 2021 indicating that the deadline to pay 2021-2022 member dues is **April 1, 2021**.

Please log in to our secure online payment system at **services.bccpa.ca** to print your annual member dues notice and pay your dues online before the deadline. During the dues payment process, you will be asked to provide the following contact information, as required by the *CPABC Bylaws*:

- Email address;
- Mailing address;
- Business or employment address; and
- Municipality of residence.

Reminder: Member dues notices display full dues payable, without any reductions, by default. Members seeking a dues reduction must declare, on an annual basis, that they meet the eligibility criteria. Please review the eligibility criteria for member dues reductions carefully. Note that the Emergency Fee Reduction is once again available to members who are facing financial hardship due to the COVID-19 pandemic, provided they meet the eligibility criteria.



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If you did not receive your 2021-2022 CPABC annual member dues notification by email, contact **memberrecords@bccpa.ca** to ensure that we have your current email address or log in to **services.bccpa.ca** to update your member profile. Please note that you are required to update your contact information immediately with any changes.

Questions?

For more information on your 2021-2022 member dues, visit **bccpa.ca**, click on the Member Services tab, and choose 2021-2022 Member Dues. You can also contact CPABC's finance department by email at **finance@bccpa.ca**.

A THANK YOU TO OUR VOLUNTEERS

CPABC's Volunteers Continue to Give

Canada's National Volunteer Week is an annual campaign that celebrates the commitment, dedication, and selflessness of community volunteers across the country. The theme for this year's National Volunteer Week, which runs from April 18 to 24, is "The Value of One, The Power of Many."

There's no question that the COVID-19 pandemic and the ensuing economic downturn have created enormous challenges for community organizations. In addition to putting a strain on fundraising, the severity of the economic downturn has hindered both the recruitment of volunteers and the delivery of core services. And, of course, physical distancing rules have forced community organizations to put most in-person activities on hold.

CPABC's volunteers, including those serving on the board and those who contribute to regulatory committees, member forums, and chapters, have also had to adapt to these changing circumstances, with meetings and most other events moved online. By demonstrating equal measures of tenacity and flexibility throughout the pandemic, these volunteers have embodied the "value of one, power of many" ethos.

We'd like to take this opportunity to salute their contributions. To all CPA members, candidates, and students who continue to volunteer in the profession and in the community: Thank you for all that you do!

Want to volunteer with the profession?
Visit CPABC's Volunteer Resource Centre at **bccpa.ca/volunteer** to see what opportunities are available!

MEMBER RECOGNITION

Event Reminder: Virtual Member Recognition Event – April 8, 2021

As mentioned in the January/February 2021 issue of the magazine, CPABC's traditional Member Recognition gala is moving online in 2021 due to ongoing physical distancing requirements. On April 8, 2021, a special virtual celebration will be broadcast to recognize the accomplishments of the 18 inspiring individuals listed below.

Family members, colleagues, and friends of these honourees are encouraged to join in the celebration. Event and registration details are available at **bccpa.ca**.

CPABC's 2020 Member Recognition Honourees

Early Achievement Award
Derek Lamb, CPA, CA
Sinéad Scanlon, CPA, CA

Distinguished Service Award
Leanne Cheng, CPA, CA

Honorary CPA
Graham McIntosh, CPA (Hon.)

Fellowship
Salma Bhaloo, FCPA, FCGA
Bruce A. Chan, FCPA, FCA
Nelson Chan, FCPA, FCMA
Geoffrey P. Chutter, FCPA, FCA
Douglas S. Crowder, FCPA, FCMA
Constance Fair, FCPA, FCMA
David Garofalo, FCPA, FCA
Lara Greguric, FCPA, FCA
Diana Lokken, FCPA, FCMA
Alan Peretz, FCPA, FCA
Dalbir Rai, FCPA, FCA
Neelam Sahota, FCPA, FCGA
Jill Tipping, FCPA, FCA
Gavin Toy, FCPA, FCA



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CONVOCATION



Anna Rodionova/iStock/Getty Images

CPABC invites the Class of 2021 to attend a special livestreamed ceremony on May 19 to celebrate your success on the Common Final Examination. Held in lieu of the traditional in-person ceremony, our virtual celebration will give you an opportunity to mark this important milestone with family, friends, and colleagues. The broadcast will include messages from members of CPABC's leadership team, your class valedictorian, and other guests of honour. Those eligible to attend will be sent an event invitation in early spring.

Share the good news!

In addition to attending the livestreamed event, we invite you to celebrate your accomplishments by sharing a photo or video on social media. Use the hashtag **#CPABCGrads** and tag CPABC to make sure we see your post. Your submission will be entered in the draw for a CPA certificate frame and may be included in the convocation broadcast. You'll find customized filters, GIFs, and signs on our event page at **bccpa.ca/news-events/upcoming-events/convocation**.

More information online

For more information, visit **bccpa.ca**, click on the News & Events tab, and choose Upcoming Events > Convocation 2021.

PACIFIC SUMMIT

CPABC Pacific Summit Update

We regret to announce that CPABC will not be hosting the Pacific Summit in 2021 due to the ongoing pandemic. We know many members value the Pacific Summit for their professional development, as it provides a dynamic opportunity to combine in-person learning with a variety of networking and professional engagement activities, but safety is our highest priority.

CPABC plans to resume hosting the Pacific Summit in 2022, when it is safe to do so, and we look forward to seeing you there. Until then, stay tuned!

CPABC BENEVOLENT FUND

Financial Support Available for Members in Need

These are difficult times financially for many British Columbians. If you're among them, this is a reminder that CPABC's Benevolent Fund provides short-term assistance to members in need. Whether you're experiencing financial distress due to the pandemic or due to other circumstances, consider approaching the Benevolent Fund for support.

Visit **bccpa.ca**, click on the Member Services tab, and choose Benefits & Savings > CPABC Benevolent Fund to find out more.

About the fund: Under the *Chartered Professional Accountants Act* (CPA Act), CPABC is able to receive, manage, and invest donations to maintain a fund to support members who require financial assistance due to health issues or other circumstances. The fund may also provide support to the family of a deceased member (per Section 8(1)(a) of the CPA Act).

The CPABC Benevolent Fund is a registered charity. If you would like to make a donation to the fund, please visit us online as noted above. We welcome your support.



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RESOURCES FOR EMPLOYERS & JOB SEEKERS

CPABC's 2021 Virtual Recruitment Events Explore CPA Career Paths

The calendar had just flipped to 2021 when CPABC's student recruitment and employer relations (SRER) team launched the first of many virtual recruitment and career development events planned for the year ahead. Here's a brief recap of the events they've hosted so far and a look at upcoming opportunities for prospective and current CPAs to get together.

Discover CPA conference

On January 9, the SRER team launched "Discover CPA," a brand-new virtual half-day conference designed for prospective students with non-business backgrounds. The day kicked off with an information session on the CPA Professional Education Program presented by Julian Robertson, CPABC's senior student recruitment officer.

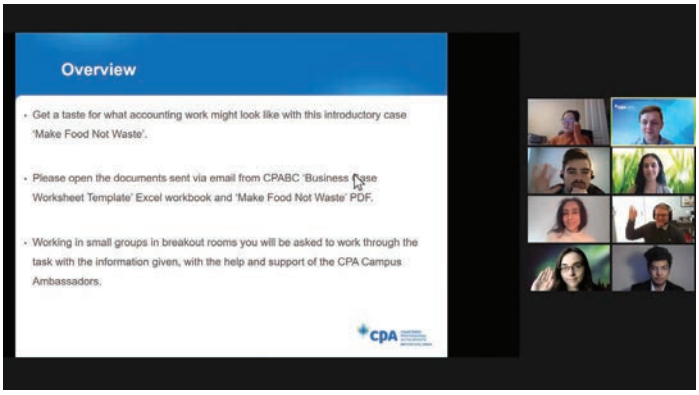
Following the info session, Sharon Hummel, CPABC's manager of student recruitment, moderated a panel discussion with Adrian Law, CPA, CA, a corporate controller with Soma Gold Corp.; Cathy Wong, CPA, CGA, a tax manager with Baker Tilly WM LLP; and Iris Lee, a tax specialist with KPMG LLP and a candidate in the CPA Professional Education Program. As the panellists shared their CPA stories, each noted that they'd made the decision to pursue a CPA designation even though their academic background was in a non-business area.

Attendees then participated in a business case activity that gave them a preview of how CPAs use their skills to help organizations reach their goals. CPABC's campus ambassadors led the interactive exercise using Zoom breakout rooms and were available to offer the groups support and advice. Mandeep Mann, CPA, CGA, who wrote the case as a resource for high school teachers, introduced the case and provided a summary of the answers at the end of the activity.

The SRER team plans to host another Discover CPA event next year. They would love to hear from you if you're a CPA who transitioned to accounting from a non-business academic background or career and would like to share your story. For more information, please email **shummel@bccpa.ca**.

Thank you!

CPABC would like to thank all of the members, candidates, students, campus ambassadors, and employers who participated in these events.



Participants gather in a breakout room during the Discover CPA conference.

Trendsetters in Healthcare

On January 28, the SRER team hosted its latest event in the popular Trendsetter series, which showcases CPAs' contributions to innovation in BC's most important sectors. Trendsetters in Healthcare featured three CPAs who use their financial and strategic acumen to support transformative and innovative practices in the sector: Carey Dillen, CPA, CA, president of YYOGA; Eva Fong, CPA, CGA, chief financial officer of WELL Health Technologies Corp.; and Rosanna Yusuf, CPA, CMA, a senior financial analyst (business planning) with the Provincial Health Services Authority.

The virtual event kicked off with introductions and opening remarks before moving into a series of moderated conversations with the featured guests. Each discussion was co-hosted by a member of the SRER team and a CPABC campus ambassador. Virtual breakout rooms allowed attendees to move from one presentation to the next while also creating opportunities for networking.

Stay tuned for more events in the Trendsetters series in 2021. And if you're considering a new or future career as a CPA in a specific industry, we want to hear from you! Email us at **careers@bccpa.ca** to let us know who you'd like to see at future Trendsetter series events.

Other winter recruitment and career development events

The SRER team also hosted two signature events in February and March. On February 24, hundreds of CPAs and aspiring CPAs attended the annual CPABC Connect Panel (held virtually this year) to network with peers, employers, and recruiters, and hear from an expert panel on "the New Future of Work." From March 2-4, employers and job seekers from all over BC attended the always popular CPABC Speed Interview Series event.

More event info online
For details on these and other events, visit:
bccpa.ca/become-a-cpa/events

Upcoming events

Case Competition (Final Showcase): March 20-21

The SRER team will be hosting CPABC's eighth annual Case Competition for post-secondary students. This event challenges students to think strategically and develop innovative solutions to real business challenges. This year's competition will be held virtually, following the same format as in 2020. The students have submitted their videos, and the final eight teams are ready to compete for the top prize on March 20 and 21. This final round will also feature a live presentation online.

COIN Competition: April 17

The SRER team will be hosting CPABC's fourth annual COIN Competition for high school students across BC on April 17. This competition tests students' accounting acumen on introductory accounting and business concepts.

Employer Showcase: May 18

Registration is now open for CPABC's highly anticipated 2021 Employer Showcase, which will be held virtually via Hopin on May 18. Don't miss this opportunity to network with hundreds of employers, job seekers, and recruiting firms!



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Other ways to get involved

CPABC Ambassador Program

Do you love being a CPA? CPABC is looking for proud CPAs who are passionate about the profession to join the CPABC Ambassador Program as member and/or faculty ambassadors. There's no minimum time commitment—you're invited to contribute as many hours as you can.

As a member ambassador, you'll inspire future CPAs by sharing your story with prospective students. Volunteer opportunities include speaking on panels, judging case competitions, and participating in both formal and informal networking events.

As a faculty ambassador, you'll advocate for the CPA Professional Education Program (CPA PEP). CPABC will provide you with all the information you'll need to field questions from students and peers. You'll also receive ongoing updates about CPA PEP, exclusive event invitations, and classroom resources. These positions are open to faculty members at all BC post-secondary institutions, regardless of their area of discipline.

For more information, visit **bccpa.ca/become-a-cpa/get-involved** or email us at **ambassadors@bccpa.ca**.

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*email us at **info@rhncpa.com**,*
*or visit us online anytime at **www.rhncpa.com***

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Chapters



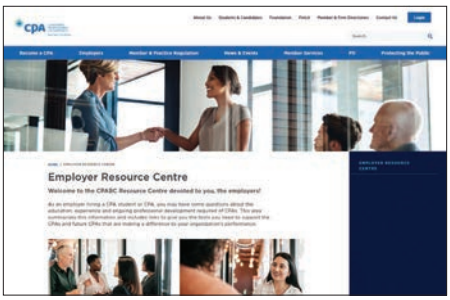
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Protecting the Public



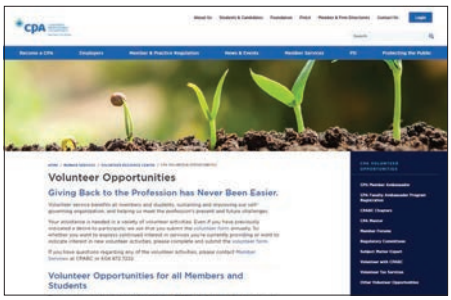
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Employer Resource Centre



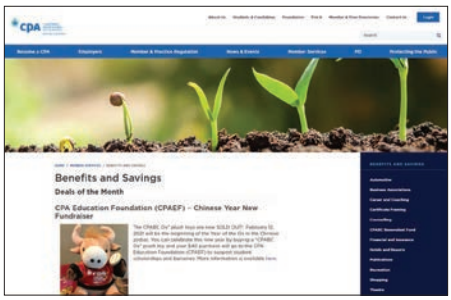
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Volunteer Resource Centre



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Benefits and Savings



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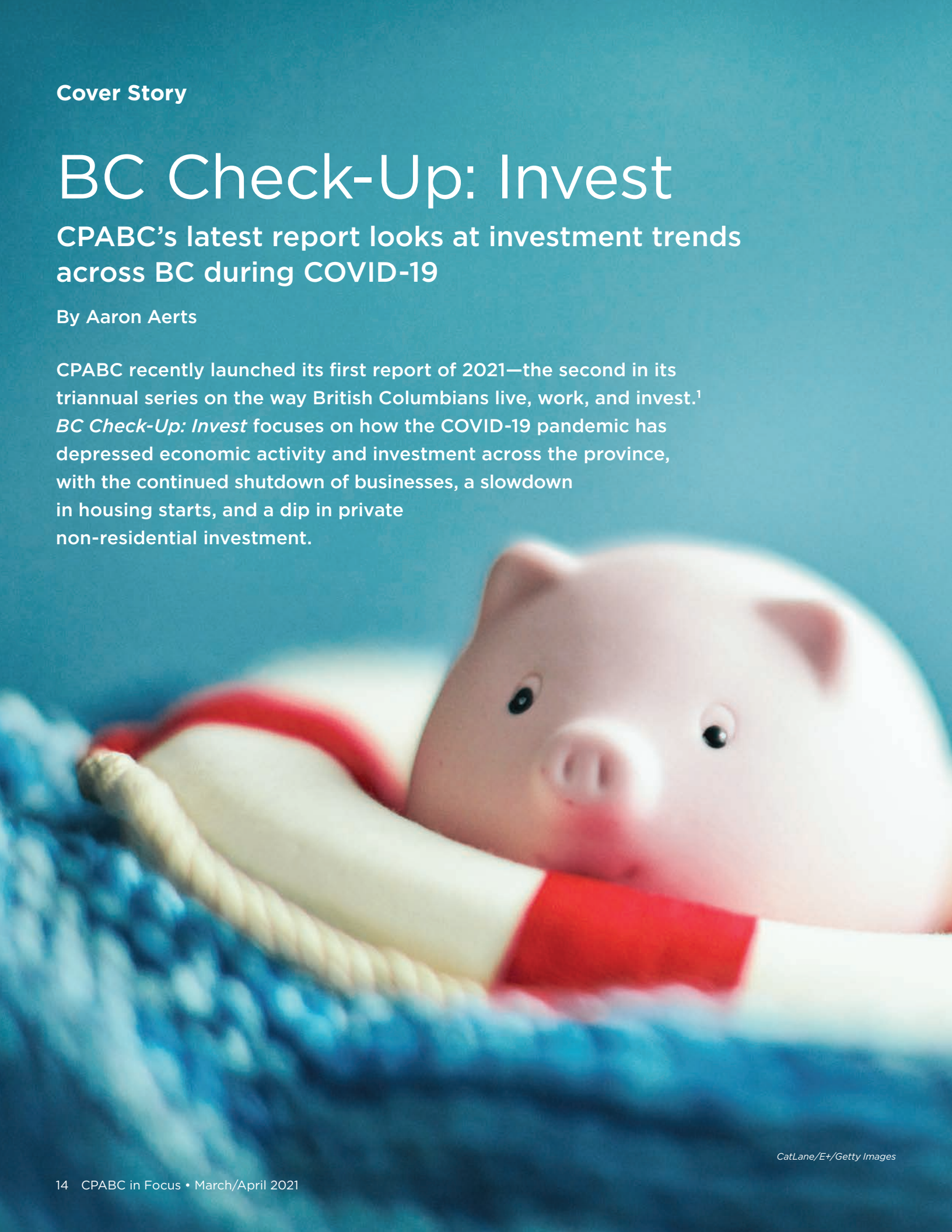

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BC Check-Up: Invest

CPABC's latest report looks at investment trends across BC during COVID-19

By Aaron Aerts

CPABC recently launched its first report of 2021—the second in its triannual series on the way British Columbians live, work, and invest.[1] *BC Check-Up: Invest* focuses on how the COVID-19 pandemic has depressed economic activity and investment across the province, with the continued shutdown of businesses, a slowdown in housing starts, and a dip in private non-residential investment.



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Investment and business activities shrank as economic uncertainty grew

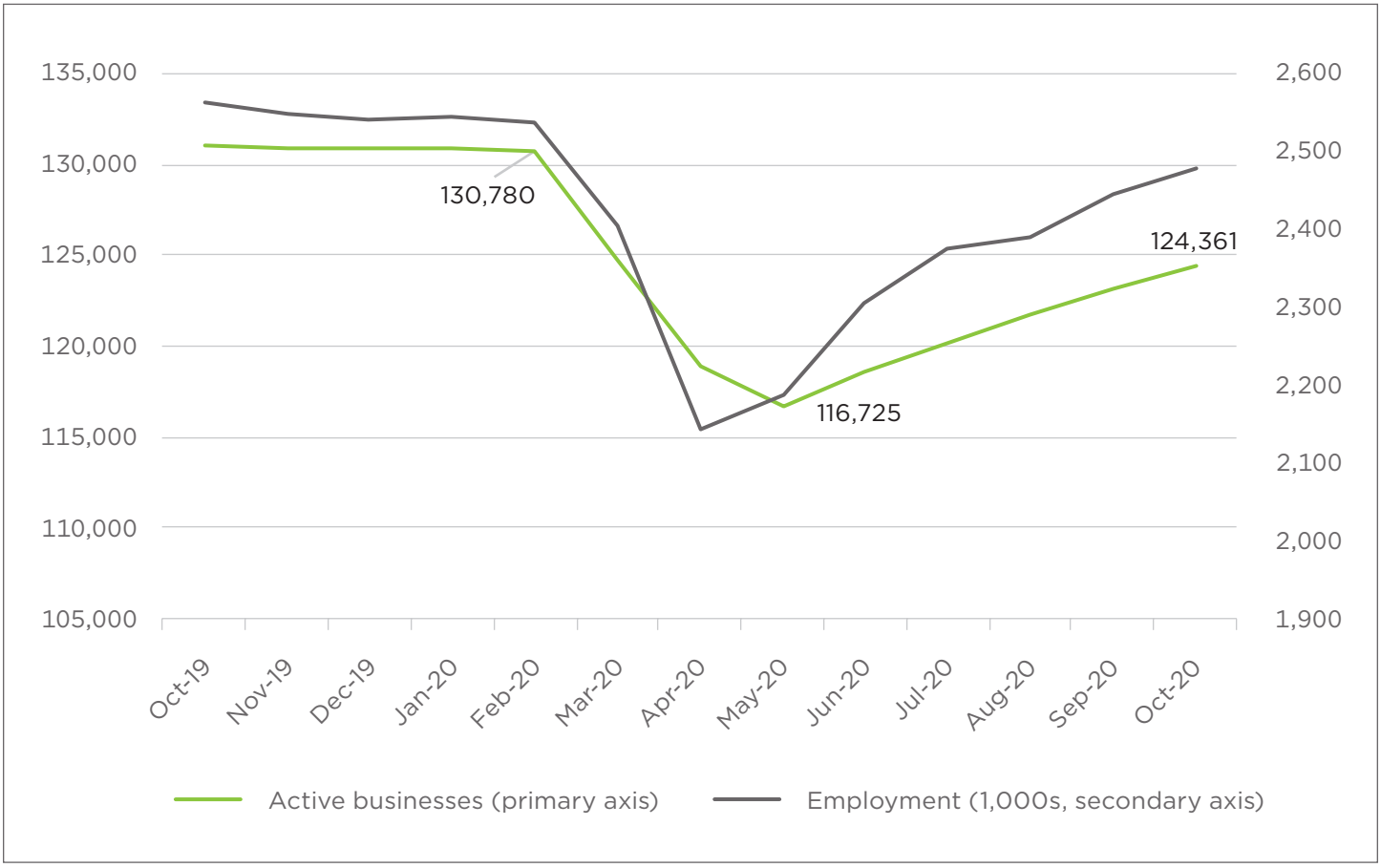
After recovering from the 2008-2009 recession, British Columbia experienced years of consistent growth in investment activity. In fact, by 2019, the number of active businesses and housing starts and the amount of private non-residential investment had all reached record highs, making BC the country's expected front-runner in terms of ongoing economic growth.[2] Unfortunately, this growth came to a halt in 2020 when the economic uncertainty arising from the COVID-19 pandemic put a damper on the province's investment and business activity.

Number of active businesses plummeted in spring 2020

Throughout the COVID-19 crisis, employment disruption has been one of the most tangible indicators of the pandemic's economic impact. This widespread disruption was directly linked to business activity in 2020, with many workers losing their jobs as a result of business closures or the scaling back of operations.

To track the rapidly shifting business landscape through the pandemic, organizations such as Statistics Canada have created new experimental datasets, including one that counts the active number of businesses across the country. Early on in the pandemic, the data painted a bleak picture for BC, with more than 14,000 fewer businesses operating in May 2020 compared to March 2020 (see Figure 1).

Figure 1: Active Businesses and Employment in BC, October 2019 – October 2020



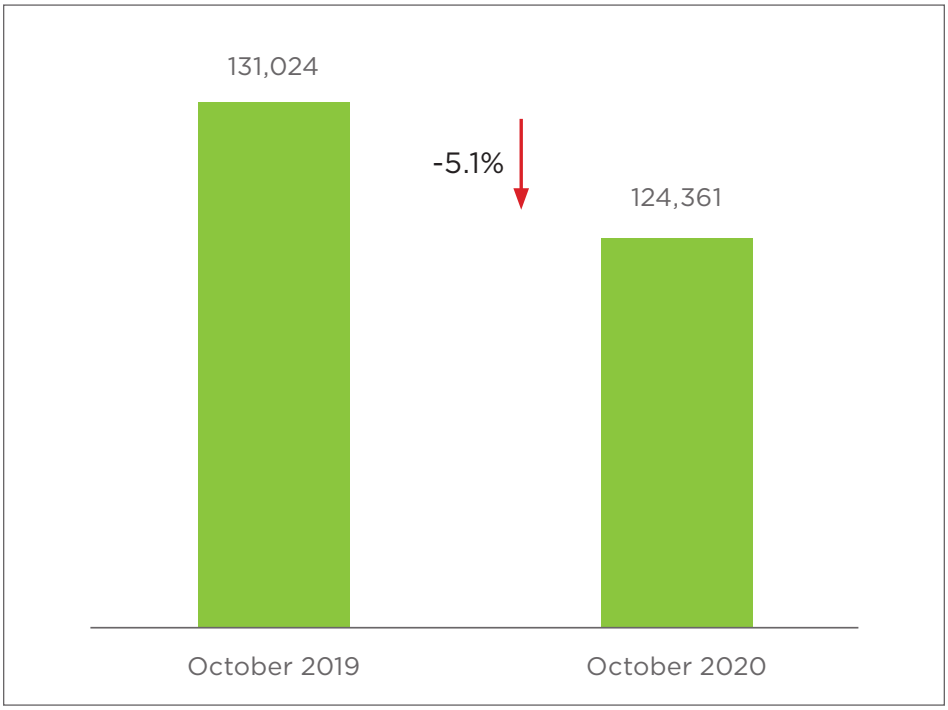
Source: Statistics Canada, Tables 33-10-0270-01 and 14-10-0287-03. Seasonally adjusted.

[1] The first instalment, *BC Check-Up: Work*, was featured in the November/December 2020 issue of *CPABC in Focus* (20-26).

[2] Sources: Albert Van Santvoort, "Housing Starts Hit Record High in 2019," *Business in Vancouver*, January 10, 2020; Statistics Canada, "Table 33-10-0270-01: Experimental Estimates for Business Openings and Closures for Canada, Provinces and Territories, Census Metropolitan Areas, Seasonally Adjusted," accessed January 20, 2021, **https://doi.org/10.25318/3310027001-eng**; and Statistics Canada, "Table 34-10-0175-01: Investment in Building Construction," accessed February 15, 2021, **https://doi.org/10.25318/3410017501-eng**.

Fortunately, the situation improved month by month after May 2020 as the economy began to recover, and by October, the province had seen a net return of more than 7,600 active businesses. Still, despite these improvements, the number of active businesses was 5.1% lower in October 2020 than in October 2019 (see Figure 2). Making matters more challenging, some industries were disproportionately damaged.

Figure 2: Active Businesses, October 2019 versus October 2020



Source: Statistics Canada, Table 33-10-0270-01. Seasonally adjusted.

With social interaction and travel both restricted to combat the rise of COVID-19 cases in British Columbia, businesses in the service sector—those reliant on or requiring in-person interaction—were the hardest hit. As of October 2020, four of the five industries experiencing the biggest losses in the number of active businesses were in the service sector:

1. Arts, entertainment, and recreation -10.3%
2. Natural resource extraction[3] -8.6%
3. Real estate, rental, and leasing -8.2%
4. Hospitality (e.g., accommodation and food services) -7.9%
5. "Other services" (e.g., personal and household services) -6.7%

While the situation remains precarious for many sectors and the road back to pre-pandemic business activity is a long one, the October 2020 reading shows a marked improvement for most sectors when compared to the early days of the pandemic. Take, for example, the hospitality industry's growth since the spring of 2020. At the industry's lowest point in May 2020, the number of active accommodation and food businesses was 21.3% lower than in May 2019—a significantly worse reading than the disparity of 7.9% between October 2020 and October 2019.

Unfortunately, however, the rate of growth has slowed since the summer, and additional physical distancing requirements may continue to put some downward pressure on certain industries going forward.

Housing starts plunged even as housing prices surged

While the impact on business activity was perhaps the most obvious sign of economic disruption in 2020, several investment trends were hampered in 2020, including investments in both private residential and non-residential developments.

A critical issue before the pandemic was the affordability challenge faced by residents across the province. Despite the COVID-19 pandemic, residential real estate activity picked up considerably through the latter half of 2020, with demand notably outstripping market supply and driving up prices. A recent housing market outlook predicted that the median home price would increase by 9.3% in 2020 as a whole and by another 5.6% in 2021.[4]

However, as demand increased, investment in housing declined, putting further pressure on the future supply of residential real estate in BC. In fact, the level of housing units that started construction dropped precipitously in 2020, reversing the trend of increasingly strong housing starts witnessed in prior years. Overall, the number of housing units that started construction was down by nearly 18.3% in 2020 compared to 2019, representing a decline of 7,833 units (see Figure 3 on facing page).

Most of the decline in housing starts related to "attached" housing units, which include townhouses, apartments, and condos. In 2020, a total of 26,965 attached units began construction across BC—7,229 fewer units than in 2019, representing a 21.1% decrease. The number of detached units also fell in 2020, but at a considerably slower pace. Detached housing starts fell by 7.1%, with 7,920 units in 2020 compared to 8,524 in 2019.

[3] While the number of businesses in the natural resource extraction sector declined, employment in the sector actually increased, indicating that smaller businesses were more likely to have become inactive or consolidated.

[4] Frank O'Brien, "Housing Market Will Continue to Defy Gravity: Central 1," *Business in Vancouver*, January 5, 2021.

Figure 3: Housing Units Started in British Columbia, Q1 2018 to Q3 2020



Source: Canada Mortgage and Housing Corporation, *Starts and Completions Survey.*

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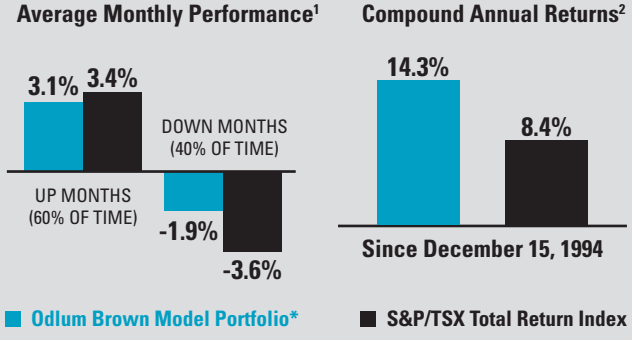
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Odlum Brown Model Portfolio: A Proven Track Record



[1]Performance measured mid-month from December 1994 - January 2021. [2]As of January 15, 2021. *The Odlum Brown Model Portfolio is an 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.

Several factors help to explain the discrepancy between housing starts for attached and detached units. First, concerns about the pandemic motivated many homebuyers to seek units with more physical space, driving up the demand for detached units, which, in turn, may have helped insulate detached housing starts.[5] Second, the decline in attached housing starts in 2020 is relative to a record year for attached units in 2019, and thus appears more drastic. Finally, it generally takes more capital to develop a highrise of attached units than a single-family home, so it's possible that some projects for attached housing were deferred in 2020 due to economic uncertainty.

It's also important to note that the largest declines in the number of housing starts occurred in Q1 and Q2 2020 and weighed down the year as a whole. In the latter half of 2020, as the economy began to recover and economic uncertainty began to subside, both attached and detached housing starts began to rebound.

Less capital invested in commercial and industrial development

The economic impact of the COVID-19 pandemic stretched beyond the residential market, with private investment in both commercial and industrial activity also taking a hit for many of the same reasons.

In 2020, the private sector invested $5 billion into commercial and industrial projects across British Columbia. While significant, this investment was actually 7.9% (or $430.2 million) lower than the level of investment over the same period in 2019 (see Table 1). Commercial investment saw the largest decline, dropping by 8.4%, while industrial investment fell by 5.3%. Conversely, institutional and government investment increased by 1.6% over the same period.

Table 1: Private and Non-Residential Government Investment in BC

	Value in 2020	Five-year change	One-year change
Total private sector	$4,989,151,787	29.1%	-7.9%
Industrial	$799,849,167	26.4%	-5.3%
Commercial	$4,189,302,620	29.7%	-8.4%
Institutional and government	$1,536,921,028	21.1%	1.6%
Total private and public sector	**$6,526,072,916**	**27.1%**	**-5.8%**

Source: Statistics Canada, Table 34-10-0175-01. Seasonally adjusted and adjusted for inflation.

One silver lining is that despite the decline in private non-residential investment levels in 2020, these levels remained well above those seen before 2019, indicating resilience in the face of the pandemic. In fact, investment in private non-residential activity was up 29.1% overall compared to five years ago. This highlights the fact that BC has seen strong growth in private investment in recent years. Further, given the low interest rate environment and the economic recovery currently underway, investment conditions should improve through 2021.

[5] Anita Balakrishnan, "Vancouver Home Sales Set New Record for December after Surging 53.4%," CBC News, January 5, 2021, **cbc.ca/news**.

[6] Statistics Canada, "Table 36-10-0402-02: Gross Domestic Product at Basic Prices, by Industry, Provinces and Territories," accessed January 15, 2021, **https://doi.org/10.25318/3610040201-eng**.

[7] Per CPABC's Economic Dashboard, accessed January 15, 2021. The Economic Dashboard is updated monthly at **bccpa.ca/newsroom**.

[8] BC Ministry of Finance, *Fall 2020 Economic & Fiscal Update*, December 17, 2020.

[9] RBC Economics, "Canadian Federal and Provincial Fiscal Tables," December 22, 2020, **rbc.com/economics**.

GDP per resident fell, while government debt soared

At the macro level, the COVID-19 pandemic has deeply damaged some key economic and fiscal indicators across the globe. For Canada, the 2020 recession was considerably worse than any in recent history, including the recession of 2008-2009. Consider, for example, the fact that BC's real GDP fell by 2.6% in 2009 but returned to growth in 2010.[6] In stark contrast, BC's 2020 GDP is expected to contract somewhere in the range of 6% to 8%, according to the five big Canadian banks.[7]

So while BC is forecast to be one of the strongest provinces in terms of growth for 2021, the economic damage will not heal quickly. For example, at the time of this writing in February, BC's real GDP per person was expected to shrink to $49,546 in 2020, down $4,000 from 2019 (see Table 2). Although that figure is forecast to improve in 2021, it is expected to remain well below pre-crisis levels.

Table 2: BC Real GDP per Capita 2019-2021

2019	$53,387
2020F	$49,546
2021F	$50,507

Source: BC Ministry of Finance, *Fall 2020 Economic & Fiscal Update*, December 17, 2020. 2020 and 2021 data are forecasts.

The COVID-19 pandemic also necessitated an unprecedented number of government fiscal transfers to businesses and residents struggling with both the health crisis and the ensuing economic disruption. In addition, government revenues fell as economic activity slowed. Combined, these two factors put a significant dent in the BC government's financial position for fiscal year 2020-2021, with a forecast deficit of $13.6 billion.[8]

This deficit is expected to drive the net debt-to-GDP ratio to 20.8% in fiscal year 2020-2021—a dramatic increase when compared to the previous year (see Table 3). While BC's current deficit is sizable, it is considered a one-off situation caused by the pandemic. Moreover, the additional debt taken on by BC pales in comparison to the amount of debt incurred at the federal level, and BC's debt is forecast to be the third lowest in the country.[9] Still, as the economy continues to recover, the BC government should consider a long-term plan to reduce the debt load back to pre-pandemic levels.

Table 3: BC Net Debt-to-GDP Ratio, 2019-2021

2018-19	14.6%
2019-20	15.0%
2020-21F	20.8%

Source: BC Ministry of Finance, *Fall 2020 Economic & Fiscal Update*, December 17, 2020. 2020-2021 data is a forecast.

Expected deficit

BC FISCAL BALANCE

18-19: $1.5B
19-20: $-321M
20-21F: $-13.6B

Source: RBC Economics, *Canadian Federal and Provincial Fiscal Tables*, accessed February 16 2021.

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Major projects stimulated economic recovery

One positive trend that should help speed up BC's economic recovery is the large number of major projects that were either under construction in 2020 or at the proposal stage. In fact, the total capital allocated for major projects (defined as projects with a capital cost of $15 million or higher) was up in 2020 despite the COVID-19 pandemic, and this upward trend was largely driven by natural resource and infrastructure projects.

BC's inventory of major projects increased to $369.8 billion in Q3 2020, representing a 4.8% increase over the same period in 2019 (see Table 4). In addition, these major projects were spread across every region of the province. As of Q3 2020, nearly one-third ($117.8 billion) of them were under construction, including the LNG Canada export facility ($36.0 billion), the Coastal GasLink pipeline project ($6.2 billion), and the Trans Mountain Pipeline expansion project ($4.5 billion). The economic activity derived from these projects helped insulate BC from more severe economic damage in 2020.

Table 4: Major Project Inventory by Development Region, Q3 2020

	Estimated cost of major projects ($ million)	One-year change
British Columbia	**$369,835**	**4.8%**
Vancouver Island/Coast	$30,854	-0.9%
Southwest BC	$84,504	14.4%
Thompson-Okanagan	$19,437	-5.0%
Kootenay	$7,607	-16.0%
Cariboo	$15,283	46.2%
*Northwest BC**	$171,809	0.4%
Northeast BC	$40,341	9.3%

Source: Ministry of Advanced Education and Skills Training, *British Columbia Major Project Inventory – Third Quarter 2020*.
*Northwest BC consists of the Nechako and North Coast development regions. Data for these two regions has been combined here.

In addition, major projects totalling $77.3 billion were forecast to begin construction in late 2020 and into 2021, driving more economic activity across the province.[10] Among them are some very large-scale construction projects, including the Kitimat Clean oil refinery in Northwest BC ($22.0 billion), the Lougheed Town Centre redevelopment in Southwest BC ($7.0 billion), and the West Coast Olefins ethylene plant in the Cariboo ($5.2 billion). Once underway, these projects are expected to create thousands of direct and indirect jobs, give the province a financial boost, and bolster our economic recovery. In fact, these projects are largely why BC is expected to lead the country in economic growth in 2021.[11]

[10] At the time of this writing in February 2021, the most recent data available for major projects was from Q3 2020.

[11] RBC Economics, "Provincial Outlook: 2021 Promises Better Days from Coast to Coast," December 15, 2020, **rbc.com/economics**.



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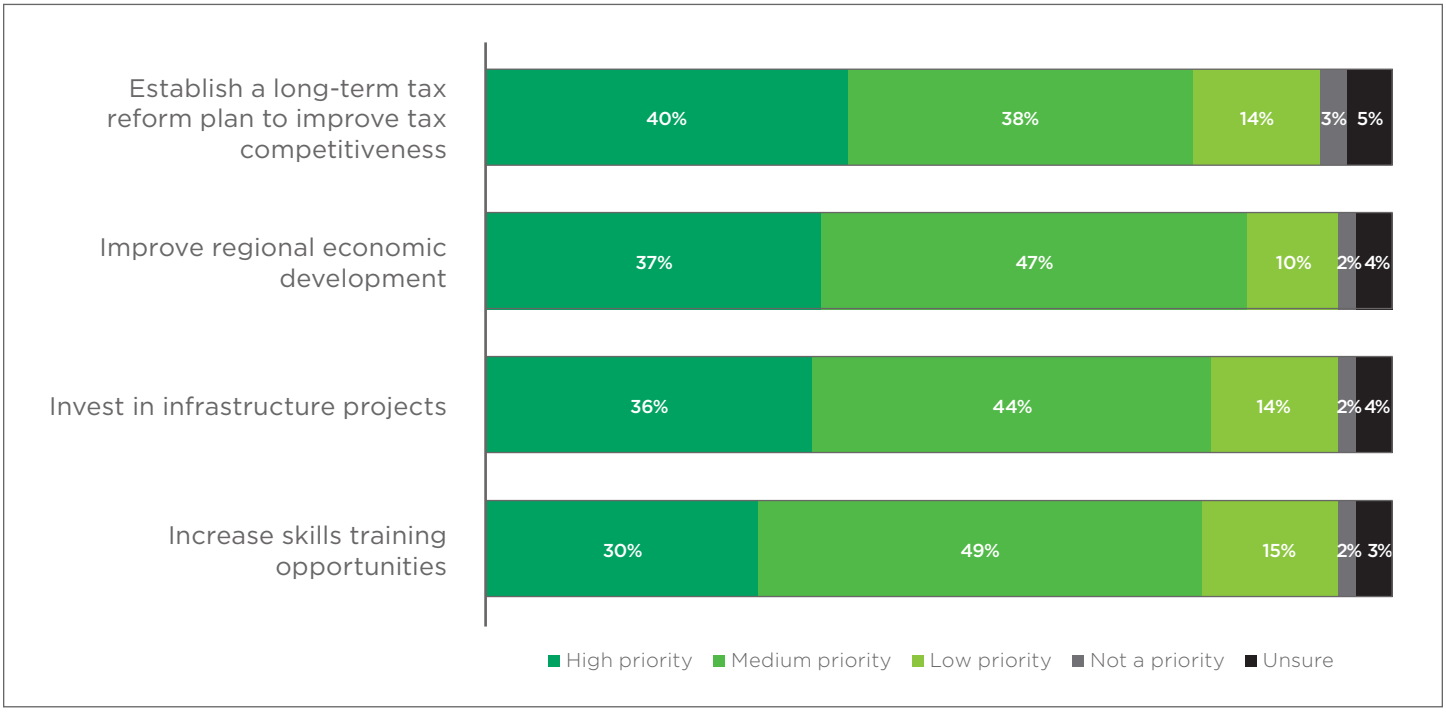
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Members weighed in on policy ideas

To provide the government with recommendations on how to accelerate our economic recovery and encourage even more investment in BC, CPABC recently surveyed members to seek their feedback on several policy ideas. Respondents said the government's highest priority should be to establish a long-term tax reform plan to improve the province's tax competitiveness (see Figure 4). Other areas identified as high priorities included improving regional development, investing in infrastructure, and increasing skills training.

Going forward, CPABC will advance these ideas to government as part of a strategy to attract greater capital investment and improve the province's productivity.

Figure 4: Top Priority Policy Options for the BC Government in 2021 as per BC CPAs



Source: CPABC, *BC Check-Up: Invest* survey, November 23 – December 7, 2020. N=849. Percentages may not sum to 100% due to rounding.

Looking ahead: Attracting investment will be critical

With BC's economy not expected to recover fully until 2022, it is important to expedite our growth trajectory as much as possible. Investment in housing, non-residential developments, and major projects will be critical to BC's economic well-being as the government shifts its focus from minimizing economic damage to maximizing economic growth. Policies that attract capital and highlight BC's reputation as a secure, productive, and environmentally friendly place to invest will be paramount. ■

INNOVATIVE CAPITAL PROTECTION
UNCOMMON SOLUTIONS



Aaron Aerts is CPABC's economist.

Highlights from CPABC's BC Check-Up: Invest Survey

CPABC's *BC Check-Up* survey is conducted three times a year to measure members' perception of BC as a place in which to WORK, INVEST, and LIVE. Nearly 850 members responded to the most recent survey, which focused on investment trends in BC.

ON BC'S ECONOMIC OUTLOOK FOR 2021

CPAs were asked for their thoughts on the economy. Here's what they told us:



- 65% expect BC's economic performance to be "average" or "good" in 2021; 32% expect it to be "poor." This is an improvement from the results in our July 2020 survey.
- 57% expect their organization's economic to improve in 2021; 13% expect them to worsen.
- Improving BC's tax competitiveness was identified as the top policy priority to support BC's economic recovery.
- Consumer debt was identified as the top economic concern.

ON INVESTMENT PLANS IN 2021

CPAs were also asked about anticipated investment trends. Here's what we learned:



- Over a third (35%) said their organization and/or clients plan to hold back on investments.
- Uncertainty around BC's economic recovery and the COVID-19 pandemic were the primary reasons for investment delays.
- 59% expect capital investment to stay the same or increase in their region; 30% expect it to contract.
- The top priority for digital investment was in cybersecurity, followed by productivity/collaboration tools, and remote access for employees.

SURVEY DEMOGRAPHICS

Who are they?
849 CPABC members

Where are they from?
Mainland/Southwest BC: 68%
Vancouver Island/Coast: 17%
Thompson-Okanagan: 9%
Rest of BC: 5%
Outside of BC: 1%

CPABC commissioned Leger Marketing to conduct a web-based survey of CPA members about their impressions of the economy and their current workplace environment. A total of 849 surveys were completed between November 23 and December 7, 2020, representing an overall response rate of 16%.



Why Scaling Up BC Tech Companies Is Critical to BC's Economy

By Kerri Wilcox

LeonU/E+/Getty Images

It's no surprise that BC's tech sector is growing and attracting the attention of big global players. In late 2020, for example, Salesforce acquired Slack Technologies, a Vancouver-founded tech company, for a megadeal of US$27.7 billion.[1] Now headquartered in San Francisco, the company was touted early on as one of BC's—and Canada's—tech unicorns. What does it mean for BC's tech sector and for our economy as BC tech companies continue to gain the attention of global investors and more global companies make their presence known here?

To better understand BC's tech ecosystem, we recently asked industry experts Jill Tipping, FCPA, FCA, and George Kondopulos, CPA, CA, to join us for a CPABC podcast on the subject. Jill is the president and CEO of the BC Tech Association, and George is a partner with KPMG and the firm's Greater Vancouver Area industry leader for technology, media, and telecommunications.

I had the pleasure of chatting with them about the findings from the *British Columbia Technology Report Card: Tackling the Scale Up Challenge*,[2] a report published by KPMG in collaboration with BC Tech in November 2020. The following excerpt from our conversation (originally published in the CPABC Newsroom at **bccpa.ca/newsroom**) captures some of their insights.

[1] Megan Devlin, "Salesforce Inks $35.5 Billion Deal to Acquire Vancouver-Founded Slack Technologies," Daily Hive Vancouver, December 1, 2020, **dailyhive.com**.

[2] *British Columbia Technology Report Card: Tackling the Scale Up Challenge* was published by KPMG in collaboration with the BC Tech Association and released on November 19, 2020. Details are available at **kpmg.ca**.

What is the current landscape of BC's tech sector?

Jill: The key finding that we're all really excited about is that BC's tech ecosystem continues to thrive. In particular, for the fourth year in a row, BC's tech sector received an A grade when compared to other industries. BC's economy is now a tech economy. And while it may not be the first industry that people think of in BC, the tech sector is contributing $17 billion to the province's GDP, and it is really starting to be a big provider of jobs across the province. So the tech sector is a top-five sector no matter which way you cut it.

> "... while it may not be the first industry that people think of in BC, the tech sector is contributing $17 billion to the province's GDP, and it is really starting to be a big provider of jobs across the province."

We have also witnessed a solid compound annual growth rate in BC's tech sector. When we look at where BC has done well, we have surpassed Alberta's performance in this respect. Alberta has put some significant investments into their ecosystem, but we are striding ahead of them in terms of simple growth and in absolute size. But if we look at how BC's tech sector is doing compared to others—say, US states or other provinces of comparable size—our tech sector is still lagging a bit. As a result, we only get a B when we are compared with other provinces or jurisdictions, which means there is room for improvement that hopefully we can address in the future.

George: The BC tech community is host to nearly 11,000 companies that represent a broad range of industries, including interactive and digital media, clean tech, life sciences, and information and communication technology, as well as IT and engineering services. Geographically, around two-thirds of firms are located in the Mainland/Southwest region, 15% in Vancouver Island/Coast, 8% within the Thompson-Okanagan region, and the remainder in other BC regions. Virtually all the larger firms—those that employ more than 100 employees—are located in the Lower Mainland and Vancouver Island.

11,000 is a sizable number, but 80% of those companies employ fewer than 10 people. How are tech companies in BC doing with respect to scaling up?

Jill: We really do need to focus on scaling up in this province, and it is a challenge for the tech sector. Our companies have tended to stay small or sell at an earlier stage than they would in other jurisdictions. Chances are, if they are headquartered elsewhere, they might grow into a medium-sized or large company before they think about selling, but here in BC, tech companies tend to sell a little bit early.

And while we do see some promising points from the report, for example, there has been an 18% increase in the number of companies employing more than 100 employees in the period covered by this report card. But in absolute numbers there are only 220 of those companies. And within that only 22 have 500 or more employees and 220 have over 100 employees. Imagine what we could do if we could double or triple the companies that are at this size. While there has been progress and the sector is definitely doing better than other sectors—and certainly has tremendous upside potential—we have to tackle the scale-up gap and get to the root of it, because we have to build the BC champions of the future.

> "To put it simply, the threshold to be among the largest 10% of tech companies in BC is an employee count of 50. The comparable threshold for California is 500."

George: That is the primary reason why we have given our tech sector a persistent B grade to serve as both a reality check and a call to action. While BC has a growing number of mid-sized companies, it continues to trail more mature tech sectors in Ontario and Quebec.

To put it simply, the threshold to be among the largest 10% of tech companies in BC is an employee count of 50. The comparable threshold for Canada is 100, with Germany at 150, Israel at 200, and California at 500. Clearly, BC still lags behind, and scaling up is critical in helping us catch up.

Why is scaling up so critical to the growth of BC's tech sector?

George: Our tech sector has been attracting some big names over the past several years. We have seen global giants like Microsoft, Samsung, Salesforce, Amazon, Apple, and the list goes on, establish a presence here. These global companies serve as magnets for additional companies—they help drive growth for the tech sector and help build an ecosystem that is a major contributor to our provincial economy. However, they also pose a challenge to our local tech companies—because they are smaller and can't compete with these global companies' salaries and benefits.



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Jill: It is critically important that we help our local startups scale up and here are the reasons: they are more likely to create well-paying resilient jobs; attract investment capital; create spinoffs of new startups that solve new problems; invest in R&D; remain in the community; and invest in the community—notably, in forms of charitable give-back. And at the end of the day, they are also more likely to drive economic prosperity.

When startups get to that medium-sized or larger stage, they are exporting to the world and bringing BC innovation with them. As a result, they are building the future economy of the province. Our startups are thriving and are incredibly important to us, but we need to support them to turn into scale ups. In this report, we made a fairly bold call that we need more sustained multi-year public investment in programs that can help startups grow from small to medium-sized and from medium-sized to large.

The great news is that this problem has been solved elsewhere in the world and elsewhere in Canada, such as Ontario, which is doing a fantastic job. What we can do is take the made-in-Canada solutions and deploy them in BC to give our startups access to leadership training, help them access new markets and subject matter experts, and connect them with mentors and advisors who have done it before and can help startup leaders grow their businesses.

Stronger domestic investments and growth supports are the two critical items we need to close the gap between us and our competitors in the US and the world.

More from this conversation online

To learn more about the findings of the 2020 report card and to hear what the future holds for BC's burgeoning tech sector, check out the full podcast with Jill and George online. It's part of our Coffee Chats with CPABC podcast series (**bccpa.ca/news-events/cpabc-podcast**). ■

Kerri Wilcox is the vice-president, external affairs and communications for CPABC.

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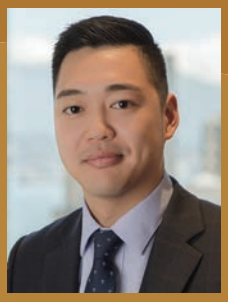

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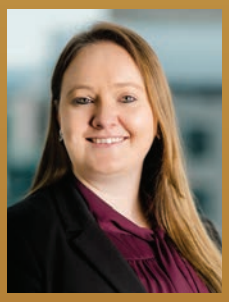

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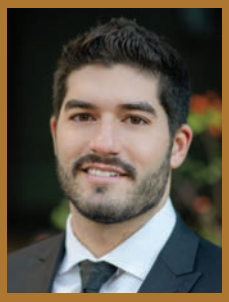

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Staying Out of Trouble (and Avoiding Complaints)

From CPABC's Professional Conduct Team



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As the only regulatory body for British Columbia's accounting profession,

CPABC works to protect the public by ensuring that members, students, and firms (registrants)[1] meet the highest of professional standards.

CPABC's Professional Conduct department receives about 100 complaints from the public each year concerning our members. While this is a relatively low number when you consider that there are now more than 37,000 CPAs in British Columbia, knowing this will be little consolation if you find yourself the subject of a complaint.

The following article is designed to help you avoid this situation. In it, we review the CPA profession's ethical framework and suggest best practices to help CPAs stay onside.

[1] "Registrants," as used in the *CPABC Code of Professional Conduct*, refers to members, students (candidates in the CPA Professional Education Program), and registered firms. The CPA Code does not apply to students enrolled in the CPA preparatory courses.

The fundamental principles of ethical professional conduct

The *CPABC Code of Professional Conduct* (CPA Code) sets out the standards of professional conduct to which all registrants must adhere, along with corresponding rules and guidance. Excerpts from the preamble to the CPA Code, which outlines the five fundamental principles that govern the conduct of CPAs, are provided below:

1. Professional Behaviour

"Chartered Professional Accountants must conduct themselves at all times in a manner which will maintain the good reputation of the profession and serve the public interest.

"In doing so, registrants are expected to avoid any action that would discredit the profession.

"… In particular, registrants who occupy positions of senior authority should recognize that such positions include an obligation to influence events, practices and attitudes within that organization. Accordingly, such registrants should encourage an ethics-based culture in their organizations that emphasizes the importance of ethical behaviour and compliance with generally accepted standards of practice of the profession."

2. Integrity and Due Care

"Chartered Professional Accountants must perform professional services with integrity and due care.

"Registrants are expected to be straightforward, honest and fair dealing in all professional relationships. They are also expected to act diligently according with applicable technical and professional standards when providing professional services…. Registrants are required to ensure that those performing professional services under their authority have adequate training and supervision."

3. Objectivity

"Chartered Professional Accountants do not allow their professional or business judgment to be compromised by bias, conflict of interest or the undue influence of others.

"… It [is] essential that a registrant will not subordinate professional judgment to external influences or the will of others."

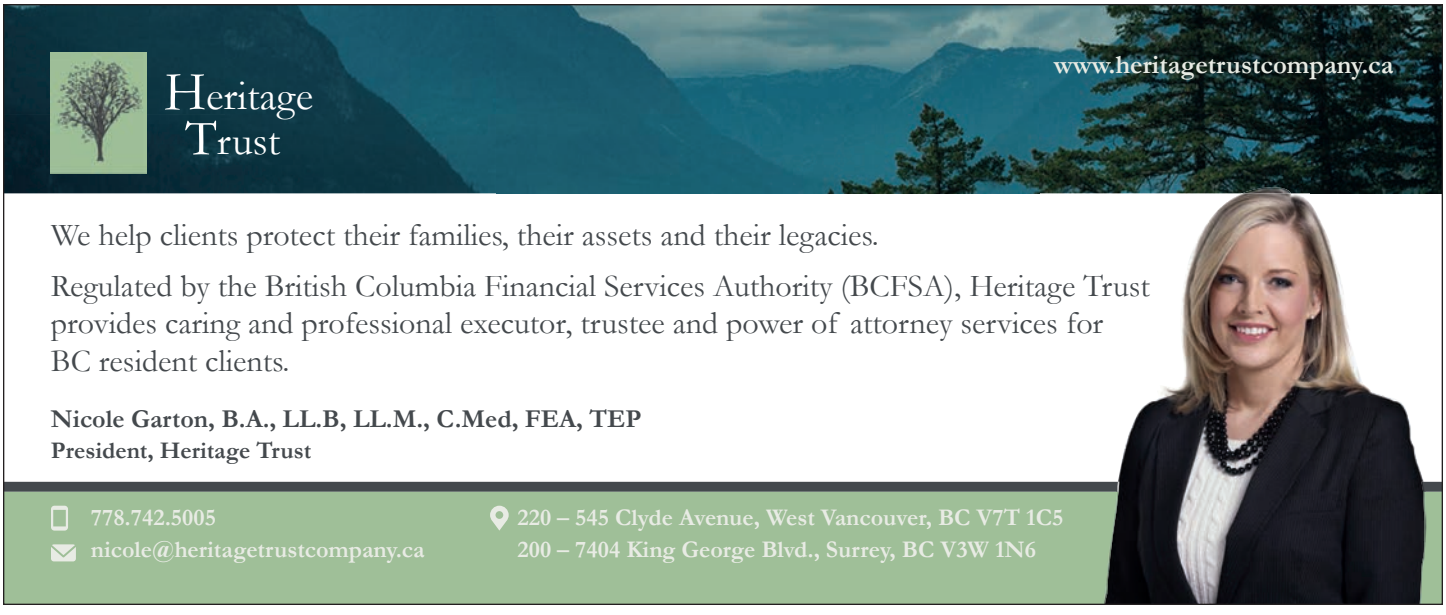
4. Professional Competence

"Chartered Professional Accountants maintain their professional skills and competence by keeping informed of, and complying with, developments in their area of professional service."

Note: Maintaining professional skills and competence includes meeting the requirements of continuing professional education on a consistent basis.

5. Confidentiality

"Chartered Professional Accountants protect confidential information acquired as a result of professional, employment and business relationships and do not disclose it without proper and specific authority, nor do they exploit it for their personal advantage or the advantage of a third party."



"We have seen complaint situations in which registrants were unable to demonstrate that they'd discussed certain matters with clients or performed important engagement-related tasks. These cases have underscored the importance of proper documentation and retention."

Proactive behaviour that helps prevent complaints

As noted in our March/April 2020 article "CPABC's Disciplinary Process—Our First Five Years," many of the complaints we've seen relate to poor communications, change-of-accountant situations, capacity, objectivity, and improper licensing.[2] We've also seen that registrants can reduce the likelihood of a complaint being made to CPABC by incorporating the following proactive behaviours into their professional practice:

Knowing the client

The "Know Your Client" principle is a formal standard in the investment industry that "ensures investment advisors know detailed information about their clients' risk tolerance, investment knowledge, and financial position."[3] CPABC registrants should follow a similar principle in dealing with clients. They should consider, for example, the complexity of a client's operations, as this will be a key factor in determining the nature and extent of services needed. Integrity is another important consideration—registrants should conduct a diligent background check on any potential new client before agreeing to take them on.

In fact, registrants have certain obligations to fulfil when accepting new clients. For assurance engagements, registrants must adhere to the Canadian Standard on Quality Control, as set out in CPA Canada's *Quality Assurance Manual*. For non-assurance and non-compilation engagements, registrants must follow the requirements set out by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) in most new client situations.[4]

Communicating well and frequently

Many of the complaints we receive stem from situations where communications between registrants and their clients have broken down. These include situations where a registrant repeatedly fails to return email messages and phone calls, and where a client claims the bill for services was much larger than expected. Registrants can greatly improve client satisfaction by communicating on a regular and timely basis and not allowing any problems to fester.

And with regard to billings, Rule 214 (Fee quotations and billings) states that registrants must "obtain adequate information before providing a fee quotation to a client for any professional service," and "provide such appropriate explanations as are necessary to understand the billing."

Using engagement letters

Registrants should use engagement letters to document important matters such as fees, deliverables, the limitation of liability, and potential conflicts of interest. Registrants who discuss potential problem areas with clients at the outset of an engagement and then document these problem areas in an engagement letter are more likely to achieve a successful resolution to any subsequent conflict.

Documenting your work and your discussions

Rule 218 (Retention of documentation and working papers) states that a registrant must "take reasonable steps to maintain information for which the registrant is responsible, including retaining for a reasonable period of time such working papers, records or other documentation which reasonably evidence the nature and extent of the work done in respect of any professional service."

As noted in the guidance to Rule 218: "Cases may arise where a registrant may be required to substantiate procedures carried out in the course of providing professional services. If the files do not contain sufficient documentation to confirm the nature and extent of the work done, the registrant may have great difficulty demonstrating that proper procedures were in fact carried out. The importance of adequate documentation cannot be over-emphasized; without it, a registrant's ability to outline and defend professional work is seriously impaired" (paragraph 1).

We have seen complaint situations in which registrants were unable to demonstrate that they'd discussed certain matters with clients or performed important engagement-related tasks. These cases have underscored the importance of proper documentation and retention.

Being alert for situations that may compromise your objectivity

Rule 202.2 (Objectivity) states: "A registrant shall not allow their professional or business judgment to be compromised by bias, conflict of interest or the undue influence of others." Additionally, paragraph 13 of Guidance – Rule 202 states, in part, that registrants "must continually assess and manage the risks to objectivity and integrity."

The most common complaints we receive regarding objectivity involve family or shareholder disputes that put registrants in the middle of competing sides of an issue. Registrants who find themselves in these kinds of delicate situations should exercise extreme caution and consult CPABC for guidance if needed.

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[2] *CPABC in Focus*, March/April 2020, 40-43.

[3] James Chen, "Know Your Client (KYC)," Investopedia, updated Oct 28, 2020, **investopedia.com**.

[4] This refers to situations in which accountants receive funds from their clients. See FINTRAC's guide "When to Identify Individuals and Confirm the Existence of Entities – Accountants," June 2017, **fintrac-canafe.gc.ca**.

Staying in your lane (aka areas of your expertise or specialty)

As mentioned earlier, CPABC occasionally receives complaints about registrants going beyond their skill set and working in technical areas where they have little or no experience or training. Registrants are reminded that they must not perform work unless they are technically competent to do so, in accordance with the CPA profession's generally accepted standards of practice. There are many ways to obtain such technical competency, including through professional education, by consulting with outside experts, and by partnering with professional colleagues.

Ensuring the veracity and integrity of your work

Rule 205 (False or misleading documents and oral representations) states that registrants must not sign or associate with false or misleading information. Included in the guidance to Rule 205 is a reminder that "plagiarism and other forms of academic dishonesty are examples of association with false or misleading representations" (paragraph 3). This reminder is particularly important for candidates in the CPA Professional Education Program. The consequences of plagiarism could be suspension from the CPA program (as in recent cases) or even expulsion.

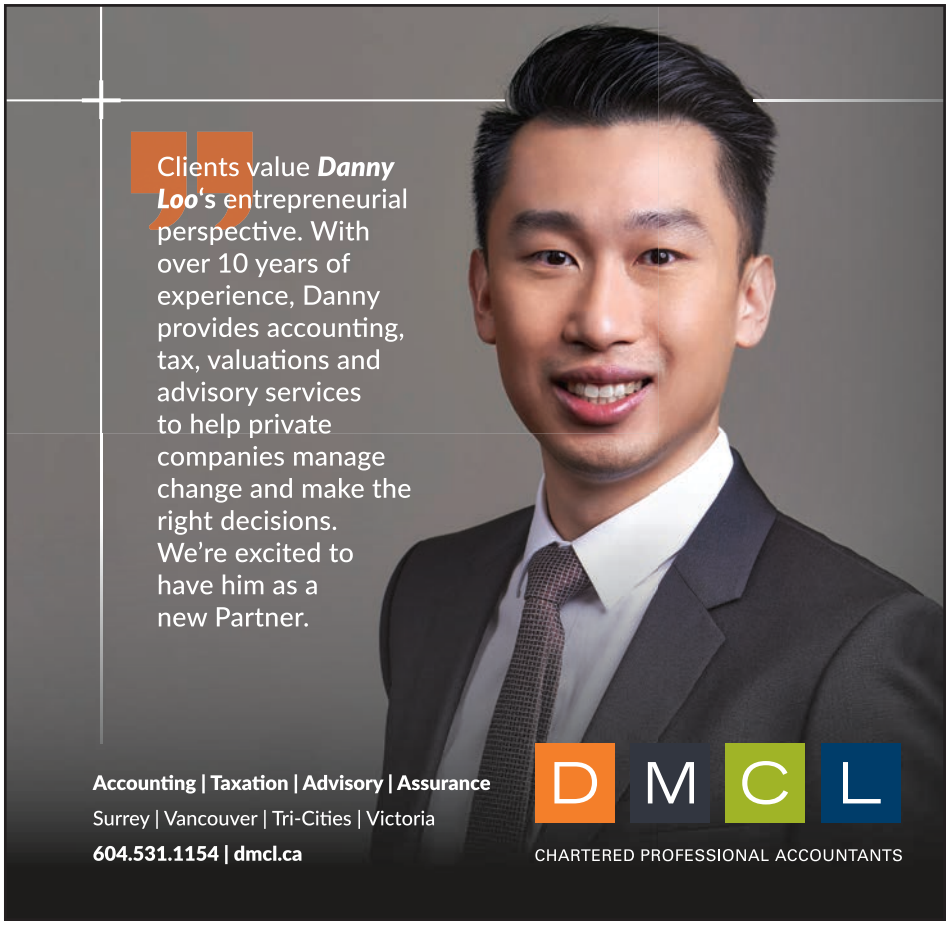
Do you need guidance?

The guidance in the CPA Code is designed to help you understand how the rules should be applied. CPABC's professional standards advisors are also here to help. You can consult them for confidential guidance to ensure that you stay compliant with the CPA Code when navigating difficult situations. Contact our advisors:

- By email: **professionaladvisory@bccpa.ca**.
- By telephone: 1-800-663-2677 (toll-free).

Comments or questions about this article?

Contact the professional conduct department at **professionalconduct@bccpa.ca**. ■







Steve Youn is a tax partner with DMCL LLP in Vancouver. He specializes in personal and corporate tax services (including private companies and trusts & estates) and inbound cross-border tax structures.

When It Comes to the Debt Forgiveness Rules, Is All Really Forgiven?

By Steve Youn, CPA, CA



erhui1979/DigitalVision Vectors/Getty Images

The recent economic downturn may bring forth unexpected tax issues. As creditors become more inclined to forgive or settle debt without full or even partial repayment, more corporations may find that they are settling debt for less than the principal amount. While this may initially seem like a favourable result for debtor corporations, there are tax implications that must be considered. Specifically, debtor corporations need to consider the impact of the debt forgiveness rules so they can plan accordingly.

A recap of the rules

Sections 80 through 80.04 of Canada's *Income Tax Act* (ITA) contain a complex and comprehensive set of rules on the treatment of debt forgiveness.

In simple terms, the debt forgiveness rules apply when a "commercial debt obligation" has been settled for an amount that is less than the full amount owing (i.e., the "forgiven amount"). A commercial debt obligation is generally a debt obligation on which interest, if charged, is deductible in computing income. In other words, if interest on the particular debt is not deductible, the debt forgiveness provisions do not apply.

> The key takeaway of the relevant statutory provisions and jurisprudence is that debt does not need to be interest-bearing to meet the criteria of a commercial debt obligation.

When reviewing the applicability of the debt forgiveness rules, it is therefore necessary to consider the relevant statutory provisions and jurisprudence regarding the deductibility of interest under paragraph 20(1)(c) of the ITA. A full review of interest deductibility is beyond the scope of this article, but the key takeaway is that the debt does not need to be interest-bearing to meet the criteria of a commercial debt obligation. If this is the case, the forgiven amount is applied to reduce certain corporate tax attributes in a specified order, with the remaining unapplied amount included in the debtor's income.

These tax attributes, presented in the order in which they can be reduced, are as follows:

- Reductions of prior year losses under subsection 80(3)—i.e., non-capital losses net of allowable business investment losses (ABIL), farm losses, and restricted farm losses;
- Reductions of ABILs and gross capital losses (grossed up by paragraph 80(2)(d)) under subsection 80(4));
- Reductions in undepreciated capital cost (UCC) of depreciable property under subsection 80(5);
- Reductions in resource expenditures under subsection 80(8);
- Reductions in the adjusted cost base of capital properties under subsection 80(9);
- Reductions in the adjusted cost base of certain shares where the debtor is the specified shareholder under subsection 80(10); and
- Reductions in the adjusted cost bases of certain shares, debts, and partnership interests under subsection 80(11).

If a residual amount remains, 50% of any forgiven amount will be included in the debtor's income, as per subsection 80(13) of the ITA.

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Minimizing the impact of the forgiven amount

The following practical strategies can minimize the forgiven amount under the debt forgiveness rules:

Transfer the forgiven amount

If there is a residual forgiven amount remaining after applying subsections 80(3) to (10), section 80.04 allows the debtor corporation to transfer the balance of the forgiven amount to reduce the tax attributes of any related corporation or partnership, referred to as an "eligible transferee."

Transfer depreciable property to a subsidiary

Piggybacking off the section 80.04 designation, consider a scenario in which a debtor corporation has a forgiven amount of $100 and does not want the application of subsection 80(5) to grind down its UCC pool. By chance, the debtor corporation has a sister company ("LossCo") with non-capital losses of $100 that can't be used, and an amalgamation isn't feasible for commercial reasons. The debtor corporation can incorporate a subsidiary ("SubCo") and transfer the depreciable property to SubCo before applying the debt forgiveness rules. By doing this, the debtor corporation can make a section 80.04 election and assign the forgiven amount to LossCo without triggering a reduction to SubCo's UCC pool.

The reason for this, as noted in the rules recap, is that the debtor corporation must apply the forgiven amount to the tax attributes in subsection 80(3) to 80(10) before a section 80.04 election can be made. If the debtor corporation decides to retain its depreciable property, the section 80.04 election will not be available.

Preserve discretionary deductions

The debt forgiveness rules dictate that the forgiven amount must first be applied to reduce non-capital and capital loss balances, respectively. The debtor corporation may then designate an amount to be a reduction of UCC or a capital cost balance. Since it is a designation, this reduction is not mandatory. Instead, the debtor corporation may simply take the subsection 80(13) income inclusion of 50% of the unapplied forgiven amount. The latter choice can be advantageous when, instead of grinding the tax attributes by 100% of the forgiven amount, the debtor corporation can take a discretionary deduction, such as a capital cost allowance, to reduce the subsection 80(13) 50% income inclusion and thereby preserve the remaining tax attributes for future years.

Note that if the creditor attempts to transfer the commercial debt obligation to a related person of the debtor for less than 80% of its principal amount, the debt may be considered a "parked obligation," as defined in subsection 80.01(7) of the ITA, to which the debt forgiveness rules would apply.

Relieving provisions from the income inclusion rule

If none of the above planning opportunities are applicable, the debtor corporation may want to consider the relieving provisions under sections 61.3 and 61.4 of the ITA to help contend with subsection 80(13)'s income inclusion rule.

Section 61.3 provides a deduction for certain insolvent corporations that effectively limits the debt forgiveness income inclusion rule under subsection 80(13) to twice the fair market value of the corporation's net assets at the end of the year. In its technical notes to the provision, the Department of Finance explains that—assuming a tax rate of 50% or less—this rule ensures that the corporation's liabilities will not exceed the fair market value of its assets at year-end. An insolvent corporation will most likely have a net asset value of nil, resulting in a full deduction against the subsection 80(13) income inclusion rule.

Note that relief under section 61.3 may apply to both resident corporations and non-resident corporations as long as they are not exempt from Part I tax. In addition, when claiming the section 61.3 deduction, debtor corporations should consider the anti-avoidance provision in subsection 61.3(3), as this provision restricts the deduction when: a) properties are transferred within a 12-month period (during a given year); and b) it is reasonable to assume that one of the reasons for the transfer was to increase the deduction under Section 61.3.

For solvent corporations, section 61.4 allows for a reserve to defer the subsection 80(13) income inclusion over a maximum five-year period (a minimum balance of 20% per year). This is available to a corporation or trust resident in Canada, or a non-resident person carrying on a business through a fixed place of business in Canada, during the year.

The takeaway

The debt forgiveness rules are extensive and quite complex, and we are likely to see them being applied more regularly as British Columbians continue to deal with the economic impact of the COVID-19 pandemic. Thankfully, there are many planning strategies and opportunities available to minimize the income inclusion to the debtor corporation. ■

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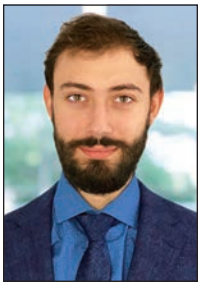
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Anthony Green is a security engineer at CPABC.

How Businesses Should Adapt Their Cybersecurity Strategy in the Age of COVID-19

By Anthony Green

In response to the upending of normal business activity throughout the COVID-19 pandemic, businesses across the globe have rapidly invested in digital transformation, with many expediting years of planned project development into the span of a few months.

As they keep pace with this rate of change, it is critical that businesses also keep pace with and adapt to ever-evolving digital threats, and this requires an investment of time and money. To be effective, cybersecurity requires a strong "framework"—a set of processes and policies that provide an organization with safeguards against common digital threats.

Here are three steps businesses of every size should take as they look to establish or update their cybersecurity framework.

The original version of this article appeared in the CPABC Newsroom on December 17, 2020 (**bccpa.ca/newsroom**).

1. Take a top-down approach to cybersecurity

For any organization, big or small, to fully and properly embrace cybersecurity, there must be commitment from the top. Leaders must buy in and create a work culture that promotes the processes needed for a cybersecurity framework to be successful. If senior decision-makers don't make cybersecurity a priority, it's highly unlikely that the teams under them will either.

2. Revisit your cybersecurity strategy as part of your digital transformation

To adapt to the new normal, many organizations are changing the way they operate, and digitization is a big part of this transformation. However, as we digitize more of our business operations, we open the door to additional security risks. Therefore, as organizations invest in their digital transformation, they should pay equal attention to cybersecurity. Given the rate of change—both in terms of transformation and risk—a cybersecurity strategy can quickly become outdated, so businesses should be willing to reset or update their cyber-defence plans as needed.

For organizations that haven't yet embarked on the cybersecurity journey, the time is now—even if that means taking just a few small steps. Getting started doesn't have to be arduous or expensive. Some foundational steps are simple processes rather than technology changes—such as requiring password changes—and they don't cost a lot of money.

3. Find a cybersecurity framework that works for your organization

There's no one-size-fits-all framework, and businesses need to make sure that their cybersecurity strategy aligns with their business objectives and organization size. Thankfully, there are many frameworks out there to consider.

For small and medium-sized businesses looking to establish or improve a cybersecurity framework, a great place to start is CyberSecure Canada, a cyber-certification program developed by Innovation, Science and Economic Development Canada. This federal government program "aims to raise the cyber security baseline among Canadian small and medium-sized enterprises (SMEs), increase consumer confidence in the digital economy, promote international standardization and better position SMEs to compete globally."[1] The program includes 13 security controls businesses can implement to establish effective cyber-defence mechanisms, with specific best practices for combatting the most common digital threats.

The 13 security controls that must be reviewed and implemented to achieve certification include automatic patching of operating systems and applications, strong user authentication, and backup and encryption of data. Combined within a holistic cyber-defence strategy, these often simple steps can help businesses minimize their cyber risk as they expand their digital footprint.

As mentioned earlier, getting started doesn't have to be expensive. As is the case for any cybersecurity framework, some of CyberSecure Canada's 13 security controls are process-related rather than technology-related, carrying little to no cost. For example, while a task as simple as changing the default administration passwords costs nothing, it satisfies one of the baseline control areas in the CyberSecure framework.[2]



akindo/iDigitalVision Vectors/Getty Images

As a bonus, obtaining certification from CyberSecure Canada is a tangible way to demonstrate to stakeholders that your organization has taken responsible steps to safeguard its data.

Keep cybersecurity top of mind

While the pandemic was certainly an unexpected source of disruption, we know change is a constant, particularly in the area of technology. And as organizations adapt their digital transformation strategies to keep pace with technological change, they must factor in cybersecurity.

The good news for organizations that haven't yet created a cybersecurity strategy is that it only takes a few simple steps to start laying the foundation. On this foundation, they can then build an effective cybersecurity strategy—one they should revisit regularly. Building and updating this framework is key, because any cybersecurity process will be most effective when it's part of an overall framework that purposefully targets potential threats with concrete defences. ■

[1] Visit CyberSecure Canada at **ic.gc.ca/eic/site/137.nsf/eng/home** for details.

[2] Canadian Centre for Cyber Security, "Baseline Cyber Security Controls for Small and Medium Organizations V1.2," **cyber.gc.ca**.

Cybersecurity survey, trends, and more

In the December 10, 2020, episode of the Coffee Chats with CPABC podcast series, Anthony Green sat down with Alvin Madar, a partner at PwC and the firm's cybersecurity lead for BC, to discuss the findings from PwC's survey report *Global Digital Trust Insights 2021: Cybersecurity Comes of Age*.* For this survey, PwC consulted 3,249 business, technology, and security executives in a range of industries. Here are some key points:

- 40% of executives say COVID-19 accelerated digitization for growth; 35% say it accelerated automation for cost-cutting.
- 21% say the primary goal of digital transformation is to change core business models and redefine the organization; 18% say it's to break into new markets or industries—both figures are up from 9% in the previous survey.
- 96% say they'll adjust their cybersecurity strategy because of COVID-19.
- 50% say cybersecurity and privacy strategies will now factor into every business decision or plan—up from 25% in the previous survey.
- 40% say they need the chief information security officer to play a dynamic role in helping the organization achieve its objectives in the next two years—20% as an "operational leader and master tactician" and 20% as a "transformational leader."
- Although 64% say they expect business revenues to decline, 55% plan to increase their cybersecurity budgets and 51% plan to hire full-time staff with expertise in this area in 2021.
- 58% aren't confident that their cybersecurity budget provides adequate controls over emerging technologies.
- Although quantifying cyber risk remains challenging, nearly 60% say they're beginning to do so, while 17% say they plan to begin cyber-risk quantification within the next two years.
- With more companies moving their operations (75%) and security (76%) to the cloud, cloud security is top of mind.

There are just a few of the interesting insights provided in the survey report. If you'd like to read more, visit the PwC Canada website at **pwc.com/ca**. And don't forget to tune in to the podcast episode, "What Cybersecurity Trends Can We Expect in 2021, and How Should Organizations Ensure They're Prepared?" In addition to reviewing the survey, Anthony and Alvin discuss cybersecurity trends in the age of COVID-19 and what businesses need to know when developing or expanding their cybersecurity investments.

* PwC, *Global Digital Trust Insights 2021: Cybersecurity Comes of Age*, accessed February 11, 2021, **pwc.com**.

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Barbara Vanderlinden is the principal at View Consulting in Victoria, specializing in strategic planning, financial management, program reviews, and evaluations. She has taught at Royal Roads University, the University of Victoria, and Camosun College, and has facilitated and taught courses for the CPA profession for over 15 years. Barbara currently facilitates CPABC's Strategic Management Certificate and Advanced Strategic Management Certificate programs. Photo by Montizambert Photography.

The original version of this article was published in the CPABC Newsroom on October 8, 2020 (bccpa.ca/newsroom).

Strategic Planning: Defining Your Organization's Value Curve

By Barbara Vanderlinden, FCPA, FCMA

Businesses—and even entire industries—that were profitable before the advent of COVID-19 are now dealing with upheaval. Is your organization one of them? If so, it's time to revisit your strategic plan—not only to help you continue navigating the pandemic, but to set a course for the future. This means taking a fresh look at your mission, vision, and values, and assessing your strategic goals and how these goals are being implemented and monitored.

All components of the strategic planning framework present opportunities to adapt your business to present conditions, but competitive strategy is particularly important. Competitive strategy gives you an opportunity to re-evaluate your company's strengths and weaknesses and determine how to gain an advantage over your rivals.

Setting competitive strategy is a multifaceted process, and there are many resources and methodologies that can provide support. These include Porter's generic strategies, as introduced in *Competitive Advantage*.[1] According to author Michael Porter, organizations can gain a sustainable competitive advantage by employing a cost leadership strategy, a differentiation strategy, or one of two focus strategies.[2] Another option is the value disciplines model introduced by Michael Treacy and Fred Wiersema in *The Discipline of Market Leaders*.[3] According to this model, a business must be successful in the areas of customer intimacy, product leadership, and operational excellence to be viable, and it must excel in at least one of these areas to gain a competitive advantage.[4]

But where to begin? One productive way to start reviewing and redefining your competitive strategy is by defining your organization's value proposition and the needs of your target customers. This will allow you to chart your value curve.

What is your value proposition? And who is your customer?

Defining a viable value proposition is a key part of competitive strategy. In general, a value proposition is defined as a statement that explains the benefit you provide; to whom you provide it; and either the way(s) in which you do this uniquely well or the key services or features that make your business attractive to customers.

When assessing your value proposition, ask the following questions: What are the main competitive factors in my industry? What is my product or service, and what do I offer in terms of quality, customer service, and price? Do my customers want my product/service—and can my company deliver it? What differentiates my business from those of my competitors?

Now think about your customer base, and remember that each customer segment might value different attributes. Ask: What is important to them? What are they willing to pay for? What do they want in terms of quality, customer service, and price? What quality of customer experience does my business provide?

1 Michael E. Porter, *Competitive Advantage* (New York: The Free Press, 1985), pp. 11-15.

2 Per University of Cambridge, Institute for Manufacturing: **ifm.eng.cam.ac.uk**.

3 Michael Treacy and Fred Wiersema, *The Discipline of Market Leaders: Choose Your Customers, Narrow Your Focus, Dominate Your Market* (Basic Books: 1997).

4 upBoard, "What Is the Value Disciplines Model, and What Are Best Practices, Tools and Online Templates for Teams and Organizations?," accessed February 11, 2021, **upboard.io**.

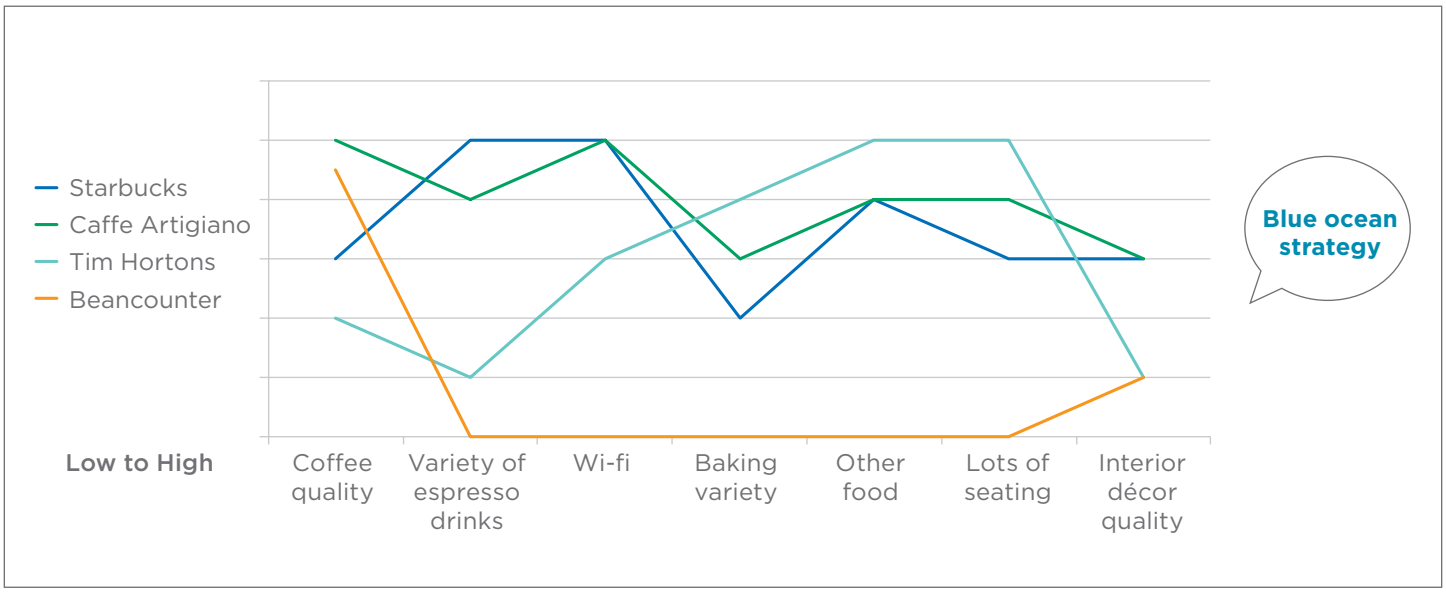


Chart your value curve

As an exercise, imagine that we're in the coffee industry. Taking into account our value proposition and our target customers, we might compare our business—let's call it "Beancounter"—to a few select companies based on the following points, which relate to the main competitive factors in this industry:

- Coffee quality;
- Variety of espresso drinks;
- Access to Wi-Fi; and
- Indoor seating, ambiance, etc.

We can then rank each point from low to high, with high being defined as "good" from our customers' perspective. From here, we can chart our value curve. For additional insight, we can plot out the value curves of our competitors as well, as shown in the image above. Our fictional company, Beancounter, is represented by the orange line. Since it only serves espresso (although it is excellent espresso!) at a stand-up coffee bar, how does it compare to the rest?

Now do the same for your organization. How is your value proposition reflected in your value curve? How do you compare? Are there opportunities for growth?

Can you see the blue ocean?

A core part of strategic planning is keeping an eye on the future, in part by forecasting, looking for future trends, and identifying new opportunities. Drawing out a value curve presents a powerful way to think about the future. It can allow you to see what you and your competitors are and are not doing, which can present opportunities for growth and change.

Drawing your value curve can also help you identify niches that are not being filled and new market areas that could be incorporated into your business—traditionally referred to as "blue oceans." Authors W. Chan Kim and Renée A. Mauborgne first introduced the concept of blue oceans (the unknown market space) and red oceans (the known market space) in *Blue Ocean Strategy* in 2005.[5] They define blue ocean strategy as "the simultaneous pursuit of differentiation and low cost to open up a new market space and create new demand."[6] Consider our coffee company: Beancounter could tap into the blue ocean in its industry by filling a specific niche concentrated almost solely on coffee quality.

So, again, what does *your* value curve reveal? Can you see opportunities for your business in the new reality? ■

[5] W. Chan Kim and Renée A. Mauborgne, *Blue Ocean Strategy, Expanded Edition: How to Create Uncontested Market Space and Make the Competition Irrelevant* (Boston, Mass.: Harvard Business Review Press, Revised ed. January 20, 2015).

[6] See **blueoceanstrategy.com**.

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Discover the impact of unconscious bias on your decision-making in this ethics-focused seminar. Learn the risks of unconscious bias and gain strategies to overcome it so you can build a more inclusive, innovative, and, ultimately, successful organization.

Financial Planning for 30- to 40-Year-Old CPAs
Are you seeking guidance on managing everyday finances? This half-day webinar will condense 30 years of expertise into one session to help young professionals find solutions to financial-planning questions.

SAVE THE DATES: Virtual PD NEXUS Days



SDI Productions/E+/Getty Images

Business & Leadership Insights – July 7
This semi-annual conference will introduce you to new ideas, expand your knowledge, and sharpen your skills as a business leader.

Work/Life Balance Insights – July 27
We know life is busy. That's why we've designed this biennial conference to help you learn how to achieve better work-life integration and, ultimately, be your best self.

Information Technology Insights – August 12-13
This annual two-day conference will help you keep up with the latest technologies and uncover practical technology tips designed to help alleviate heavy workloads.

Visit pd.bccpa.ca/conferences for more details.

Coming soon...
This spring, CPABC will be introducing a new learning management system that will make it easier for you to find and access our online curriculum and course materials. Stay tuned!

Upcoming Virtual Seminars in March

Here are some of the virtual seminars we're offering in March. For more information on virtual offerings, visit **pd.bccpa.ca** and check out the Fall/Winter 2020 Catalogue and the new Spring/Summer 2021 Catalogue.

Becoming a Skilled Negotiator | March 16 & 17
Two 2.5-hour sessions
This course will show you how to reach mutually agreeable business solutions and develop communication strategies that support effective outcomes.

Five Success Strategies for Your Technology Projects | March 18
Half-day session
Learn how to set up, deliver, and elevate your technology initiatives to ensure success for any project.

Seven Steps to Successful Virtual Teamwork | March 18
Full-day session
Learn how to foster outstanding teamwork in any virtual environment by identifying barriers and developing solutions to improve team performance.

Essential Skills for Managers | March 18 & March 25
Two half-day sessions
This is a fast-paced course for both new and existing managers who are looking to develop their team's skills, performance, and communication.

Financial Management in the Construction Industry | March 22
Full-day session
Financial professionals who specialize in the construction industry experience a great deal of variety and some unique challenges. This seminar will help you gain a better understanding of the industry and learn project controls to better serve your clients.

Effective & Essential Management Skills | March 22
Full-day session
Learn how to drive engagement among your team, delegate tasks effectively, empower others, and provide meaningful feedback.

Wiring Your Brain for High Impact Leadership | March 24
Full-day session
Using the latest cognitive research, this session will show you how to "rewire" your brain to become a more effective leader. You'll gain a better understanding of how thinking influences behaviour and a deeper appreciation of the importance of peer bonding.

A Virtual World of Executive Programs

Here's a sampling of our upcoming virtual executive programs. For the complete list of programs and registration details, visit **pd.bccpa.ca/executive-certificate-programs**.

The CEO Program: Acquiring the Edge and Leading with Purpose | June 1-4 & 14-16

This practical and highly interactive program will show you how to develop a cohesive executive team and enhance strategic intelligence. The revamped online program consists of seven three-hour sessions held over the course of three weeks. Instructors will review instructive cases and provide performance coaching to help you hone your decision-making skills.

CFO's Leadership Program | June 17-18 & 24-25

In this four-day program, you'll gain critical insights on leading management practices and apply these insights to the context of your everyday work. You'll complete a leadership assessment before the program to help you frame your responsibilities as CFO and better understand what others expect from you in this role. The instructors will also provide one-on-one coaching and share up-to-date verifiable research with casework.

Controller's Operational Skills Program | July 14-17

Enhance your role on the management team by sharpening your skills in risk management, ethical leadership, planning, budgeting, and financial reporting during this four-day program. There will be many opportunities for group engagement and networking, and by the end of the program, you'll be up to speed on key trends in controllership.

NEW: Smart Leaders 2023: Thinking and Innovation Skills | November 2-4 & 16-18

We're introducing a one-of-a-kind executive program for individuals who want to unleash their inner genius. As an expert in the field of organizational dynamics, cross-cultural communications, human behaviour, and personal growth, instructor Jim Murray, EdD, will provide you with insights and practical techniques to help you change your thought process and the organization you lead.

The program will concentrate on six key leadership areas:

- The Mind and Resolve of a Smart Leader
- Thinking Styles: As We Think So We Become
- Overcoming the Barriers and Constraints to Creativity
- Fostering Workforce Innovation: Practical Realities
- Group and Individual Thinking Tools and Techniques
- Protecting and Liberating the Power of Your Genius

ANNOUNCEMENTS AND ACCOLADES

Kudos!



David Crawford, CPA, CMA, has been appointed vice-president of finance and corporate services for the Pacific National Exhibition in Vancouver. Prior to this appointment, David served as vice-president and assistant secretary-treasurer for the Greater Vancouver Board of Trade for seven years.



Roopa Davé, CPA, CA, a sustainability and impact services partner with KPMG LLP's Vancouver office, has been recognized by the Women Executive Network with a 2020 Canada's Most Powerful Women: Top 100 Award. Roopa was recognized in the emerging leaders category.



Trish Pekeles, CPA, CGA, has been appointed CFO and vice-president of finance and corporate services for BCIT. Trish previously served as the executive director of financial operations for the University of British Columbia. In 2019, she was recognized by *Business in Vancouver* as one of BC's Most Influential Women in Finance.



Akash Rattan, CPA, CA, has been appointed vice-president of finance & CFO of BC Children's Hospital Foundation in Vancouver. Akash previously held senior executive finance roles with organizations such as BlueShore Financial, the BC Teachers' Federation, and the British Columbia Automobile Association.



Diana Vuong, CPA, CA, vice-president of finance and CFO for the Vancouver Airport Authority in Richmond, has been appointed to the board of directors for the Richmond Hospital Foundation.

Cahill Chartered Professional Accountants LLP in North Vancouver would like to announce that **Tony Elliott, CPA, CA**, and **Matthew Jacquet, CPA, CGA**, have been named to the firm's partnership. Tony joined the firm in 2018, specializing in assurance and tax. Matthew joined the firm in 2013, specializing in small business accounting.



Tony Elliott



Matthew Jacquet

PwC Canada would like to announce new appointments for two CPABC members working in the firm's Vancouver office. **Ronnie De Zen, CPA, CA**, an incorporated partner, is now the tax leader for the firm's BC region, and **Kate Furber, CPA, CA**, an assurance partner, is now the assurance leader for the firm's BC region.



Ronnie De Zen



Kate Furber

If you have an announcement you'd like to share or you know of a fellow CPABC member, candidate, or student who is making an extra effort to help in the fight against COVID-19, we would love to hear from you! Email us at infocusmag@bccpa.ca.

CPABC Named One of BC's Top Employers for Second Year in a Row









We are pleased to announce that CPABC has been recognized as one of BC's Top Employers for 2021, marking the second consecutive year that the organization has received this distinction.

"I am extremely proud of CPABC's accomplishment as one of BC's Top Employers for 2021, as it recognizes our team's resiliency and commitment in this challenging time," said Lori Mathison, FCPA, FCGA, LLB, president and CEO of CPABC. "It demonstrates that despite being remote, we continue to do an excellent job of fostering a workplace of employee appreciation and collaboration. Our staff has shown how much they care about the work we do, and their excellent teamwork helped us meet our goals and ensure that we are protecting the public and serving our members."

Employers on the BC's Top Employers list were evaluated and selected based on eight criteria: physical workplace; work atmosphere & social; health, financial & family benefits; vacation & time off; employee communications; performance management; training & skills development; and community involvement.

A profile of CPABC, along with the complete list of BC's Top Employers for 2021, can be found at **canadastop100.com/bc**.

Staff working at the downtown office and at home in accordance with CPABC's COVID-19 Safety Plan. Photos by Bobo Zhao Photography.

> *"I am extremely proud of CPABC's accomplishment as one of BC's Top Employers for 2021, as it recognizes our team's resiliency and commitment in this challenging time."*
>
> *– CPABC President & CEO Lori Mathison, FCPA, FCGA, LLB*

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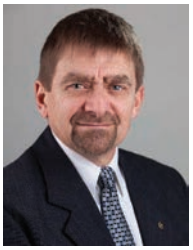
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SNAPSHOT:

Claire Shawcross, CPA, CGA

The job: Senior partner at SM Accounting Group Ltd. in Surrey.

Best part of the job: "Helping people with their problems. Sometimes it means pointing them to the right website for information, and sometimes it means being their staunchest supporter during an audit. Either way, the nicest thing I hear again and again is 'thank you for taking care of us.'"

Leadership style: Coaching. "When you're mentoring a peer, the idea is not to prove *your* knowledge or value but to encourage and promote *theirs*."

Helping in the community: Claire visits schools as a presenter for the CPA Financial Literacy Program.

Why FinLit: "I was originally approached by CPA Canada, and I found the idea intriguing partly because of what I'd seen in my practice—skilled and driven people dealing with poor credit because of decisions they made when they were younger. I wanted to give young people the kind of foundational knowledge needed for future success."

Lessons from punk rock: "I was a punk rocker in my youth. It doesn't fit with most people's image of me now, but I think it strengthened my ability to get along with anyone without judgment."

Read more about Claire in the CPABC Newsroom at **bccpa.ca/newsroom**.



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