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JULY/AUGUST 2018



REGIONAL CHECK-UP 2018:

BC in strong shape

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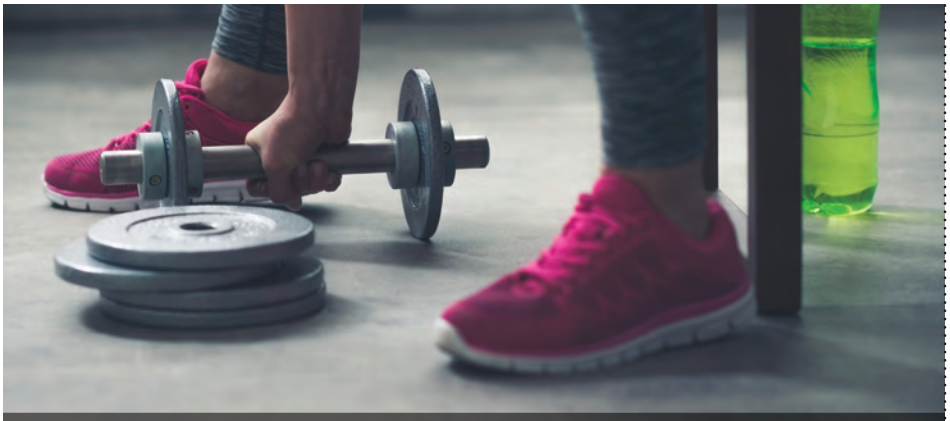
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CPABC INFOCUS

July/August 2018, Vol. 6, No. 4

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

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Notes from the Chair

By Barry Macdonald, FCPA, FCA

I'm delighted to begin my tenure as your chair and write my first column for *CPABC in Focus* magazine. I officially became chair at CPABC's annual general meeting in Vancouver on June 27. Four newly elected directors joined the CPABC Board of Directors that day, and I would like to formally welcome them to the profession's leadership.* Our fifth "new" appointee is a familiar face, as Sheila Nelson, CPA, CA, chose to stand for election again and was elected by acclamation. I'm always impressed by the willingness of members like Sheila to give back to the profession, and I'm excited to begin working with the entire 2018-2019 board.

I would also like to recognize our outgoing board members—my predecessor as chair, Heather Banham, FCPA, FCGA, and our colleagues Barbara Brink, CPA (Hon.); Lindalee Brougham, FCPA, FCA, CGA; Diane Kerley, FCPA, FCMA; and Douglas Lang, CPA, CGA. These individuals helped guide our profession through unification and gave countless hours of their time to establish our new organization. I have greatly appreciated their expertise and friendship.

Looking ahead at the coming year, CPABC's board, executive, and staff will be a bit more externally focused, with several new and significant initiatives designed to meet key strategic objectives. In particular, we will be focused on establishing strong relationships with the new provincial government; continuing to build awareness of the CPA brand; ensuring that prospects and employers are aware of the two training pathways for the CPA Professional Education Program; and protecting the CPA designation in BC.

At the same time, we will remain committed to enhancing member services and increasing operational effectiveness. For example, the organization is addressing the increased risk of cyberattacks by continuously safeguarding its information assets and systems.

At the national level, CPABC representatives will continue to actively participate on committees tasked with delivering on the profession's strategic objectives. In addition, we will continue working with CPABC's partners across the country to rationalize the *CPA Code of Professional Conduct* to one that is principles-based and will best meet the future needs of the profession. We will also be undertaking significant work to implement a CPA-specific professional liability insurance regime that will require all Canadian CPAs in public practice to meet the same minimum standards.

CPABC has been an established entity for roughly three years, and the organization is now firmly focused on the future of the profession within BC and across Canada. We'll continue to strive towards delivering high-quality, cost-effective services that meet members' needs and equip you with the skills needed to successfully navigate through the disruptive changes currently taking place in areas such as technology, trade, and the economy.

I'm excited to steer our board at this critical time, and I look forward to meeting with you—our members—over the coming year. ■

**At the time of this writing, board elections were underway. We will highlight the successful board candidates in the September/October 2018 issue of this magazine.*



Barry Macdonald, FCPA, FCA
CPABC Chair

Sponsorships & Events

In late spring, CPABC participated in a variety of events to support relationships with its stakeholders, celebrate its membership, and promote the profession. Sponsored events included CPHR BC & Yukon's HR Conference + Tradeshow 2018 on May 1 and 2 (see page 15), the Greater Vancouver Board of Trade's Greater Vancouver Economic Scorecard 2018 event on May 10 (facing page), and the Government Finance Officers Association of British Columbia's Annual Conference and AGM from May 30 to June 1. In addition, CPABC partnered with Business in Vancouver to present the 2018 BC CFO Awards on June 7 (page 8).

Hosted events included CPABC's annual Convocation on May 12, which celebrated more than 800 graduates (pages 48-49), and the CareerConnect Employer Showcase on May 17 (page 14). The showcase—BC's only career fair exclusively for business, finance, and accounting professionals—connected approximately 600 members, candidates, and students with more than 40 employers from different sectors. Last but not least, CPABC hosted its Spring Pacific Summit from May 30 through June 1, providing thought-provoking presentations, educational seminars, and fun networking events to the more than 350 CPAs and other business professionals in attendance (pages 50-51).

Concurrently, CPABC's student recruitment and employer relations team held CPA information sessions at a number of post-secondary institutions and high schools. The team also hosted the annual CPABC COIN Competition, a platform for high school students to put their accounting aptitude to the test, on May 12, and partnered with the Greater Vancouver Board of Trade's Company of Young Professionals Program to present "Cultivating an Entrepreneurial Mindset" on June 12; at the latter event, which is part of a leadership series, two BC CPAs shared their experiences as entrepreneurs. The student recruitment and employer relations team also sponsored and attended several partner and stakeholder events, including BCIT's Student Innovation Challenge and Junior Achievement British Columbia's "Celebrate JA! Vancouver."

Upcoming professional events include CPABC's Fall Pacific Summit in Victoria (September 26-28, see pages 13 and 33), CPA Canada's The ONE National Conference in Halifax (October 1-2), and—farther afield—the 2018 World Congress of Accountants in Sydney, Australia (November 5-8, facing page).

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

Champion a Colleague

Nominations for CPABC's Member Recognition Program are due September 14

Are you inspired by a CPA who is making exemplary contributions to the accounting profession and/or the community? If so, we encourage you to help recognize your colleague's achievements by nominating them for a member recognition award.

The CPABC Member Recognition Program consists of the following awards and designations:

- Early Achievement Award
- Distinguished Service Award
- Honorary CPA Designation
- Fellowship Designation
- Lifetime Achievement Award

All nominations for the 2018 program must be received by CPABC by 4:00 p.m. on Friday, September 14, 2018. To learn more, visit the Members section of the CPABC website at **bccpa.ca** and look under Members > Recognition Program > Member Recognition Awards 2018.



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Scorecard 2018: Evaluating Metro Vancouver's Progress

Has Metro Vancouver[1] made economic and social progress over the past two years? Is the region on the right track to thrive as an international business hub? How can it better compete on a global scale?

The Greater Vancouver Board of Trade explored these questions through its public policy initiative, Greater Vancouver Economic Scorecard 2018 (Scorecard 2018), produced in partnership with the Conference Board of Canada. The findings were then shared on May 10, at an event held at the Fairmont Hotel Vancouver. CPABC was pleased to be a "Scorecard Champion" sponsor of this event.

Scorecard 2018 analyzed the social and economic progress made by Metro Vancouver since the launch of the economic scorecard initiative in 2016, using 38 indicators to measure the region against 19 other international regions. Overall, Metro Vancouver received a "B" grade and a seventh-place ranking. First place went to Singapore, which was followed (in order of rank) by Calgary, Seattle, San Francisco, Copenhagen, and Toronto. Metro Vancouver's ranking was an improvement over the ninth-place position it secured in 2016.

Business competitiveness, business productivity, and housing affordability were cited as major areas of concern for Metro Vancouver, while the region's venture capital investments and Pacific Gateway location were identified as areas of economic strength and opportunity.

These findings were compiled in a summary report presented to attendees at the May 10 event. In its conclusion, the report states: "…success will require concerted effort by the region's political, business and civic leaders…. It will take dedicated, collaborative effort to first acknowledge and then work to solve the challenges of housing, transportation, regulatory inefficiency and taxation. However difficult and complex the task, meaningfully addressing these challenges will support wealth creation by growing business activity and attracting new investment to our region."[2]



L to R: Scorecard 2018 presenters Iain Black, president and CEO of the Greater Vancouver Board of Trade, and Daniel Muzyka, president and CEO of the Conference Board of Canada. Photo by Matt Borck for Sarah Borck Photography.

Scorecard 2018 was presented by Daniel Muzyka, DBA, president and CEO of the Conference Board of Canada, and Iain Black, president and CEO of the Greater Vancouver Board of Trade. If you'd like to review the summary report, go to **boardoftrade.com/scorecard2018/assets/pdf/summary-report.pdf**.

[1] In this recap, "Metro Vancouver" is synonymous with "the Greater Vancouver region," which is the terminology used in the GVBOT summary report.

[2] Greater Vancouver Board of Trade and the Conference Board of Canada, *Greater Vancouver Economic Scorecard 2018*, page 34.

Australia to Host 2018 World Congress of Accountants

More than 6,000 professionals from over 130 countries are expected to attend the 2018 World Congress of Accountants (WCOA) in Sydney, Australia this fall. Themed "Global Challenges | Global Leaders," the four-day event (November 5-8) will cover topics such as digital disruption, automation, sustainability, ethics, and global tax.

The WCOA is a global conference for policy-setters and business and finance leaders that gives delegates an opportunity to engage with visionaries and leaders and bring their own expertise to the world stage. The conference is held every four years, and 2018 marks its 20th anniversary.

If you'd like to take part, visit the WCOA 2018 website at **wcoa2018.sydney** for full details.



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BC CFO Awards Honour Leaders in Finance



L to R: CPABC members and BC CFO Award 2018 recipients John Hanna, Cathy Imrie, Pamela Lee, John Crawford, Judy Leung, Mary Falconer, and Tony Brooks. Photo courtesy of Business in Vancouver.

To celebrate remarkable leaders in the financial sector, CPABC once again partnered with Business in Vancouver to host the annual BC CFO Awards. The 2018 awards gala was held on June 7 at Vancouver's Fairmont Waterfront Hotel. The honourees, all CPAs, were chosen by a panel of judges based on their proven ability to help companies grow through sound business principles, financial reporting, and strategic decision-making. They were recognized in the following award categories:

- **Large Private Company:**
  Judy Leung, CPA, CA – CFO, Westbank Corp.
- **Small Public Company:**
  John Hanna, CPA, CGA – CFO, Vecima Networks Inc.
- **Small Private Company:**
  Pamela Lee, CPA, CA – CFO, Mr. Lube Canada
- **Non-Profit Company:**
  Tony Brooks, CPA, CA – CFO and VP, Entrepreneurship and Commercialization, Genome British Columbia.
- **Publicly Accountable Company:**
  Mary Falconer, CPA, CA – Senior VP, CFO and Corporate Secretary, Westminster Savings Credit Union
- **Transformation Agent:**
  Cathy Imrie, CPA, CA – CFO and Senior VP, Business, Vancouver Aquarium
- **Lifetime Achievement Award:**
  John Crawford, FCPA, FCA – Interim President and CEO (formerly CFO), Pacific Blue Cross

Prior to the awards gala, the honourees were interviewed by *Business in Vancouver* magazine and asked to reflect on diverse topics such as change, disruption, and the evolving business climate.

Judy Leung, on advice for those considering a career in accounting and finance: "Just figure out what you are good at and keep working on getting better at whatever that is, every day. A career will follow if you are truly passionate about contributing [to] your team, environment, company, and community."

John Hanna, on the evolution of telecommunications: "There's no question there is a dramatic change going on within the industry. But the reality is … [cable companies] have such a huge investment in [their] installed networks … that they are already finding a way to keep those customers even in the wake of over-the-top technologies like Netflix, Hulu, and Crave."

Pamela Lee, on the importance of anticipating change: "[Our] business landscape is changing quickly, and I need to think about what our market will look like in 10 years. We can't ignore the effect disruptive technologies will have on our service model in the future."

Tony Brooks, on vetting project proposals: "Applicants have to provide evidence that they're going to be managed in a certain way. They have to identify who the key decision-makers are. They have to identify clear milestones, and we demand all of that up front."

Mary Falconer, on the evolution of the CFO: "The skill set has completely changed. I think the expectations have changed with respect to being a strategic adviser, and also … the leadership qualities, the personalities of CFOs and what's required have shifted as well."

Cathy Imrie, on the challenges of running a not-for-profit: "…one of the tough things is always the balancing act of delivering on our mission and focusing on revenue generation, because if you don't have revenue generation, you can't deliver [on] your mission."

John Crawford, on a people-first working style: "Looking out for others is part of my DNA. I have always believed in doing the right thing, being open and transparent, and looking out for the organization, our employees, and our clients."



Become a FinLit Leader in Your Workplace!



L to R: David Chiang, CPA, CA, CPABC's VP of member advice and programs, and Carol Anne Grant, a co-ordinator with CPA Canada's financial literacy program, attended HR Conference + Tradeshow 2018, hosted by CPHR BC & Yukon on May 1-2, to promote financial literacy workplace sessions to hundreds of human resources leaders.

Financial literacy is an important topic of conversation for all Canadians, and CPAs are well positioned to lead the discussion. One way to support this important social cause is by hosting a free financial literacy session at your workplace.

You can become a "workplace champion" of financial literacy by arranging a free 60-minute financial literacy session for fellow employees through CPA Canada. All you need to do is book the room, set the date, and fill in the online request form at **cpacanada.ca/financialliteracy**.

All CPA Canada financial literacy sessions are facilitated by local financial literacy volunteers who have been trained through CPA Canada's Community Connect program (if you're a financial literacy volunteer yourself, you may choose to present the session or co-present it with another volunteer). There are more than 40 presentations to choose from, including the following popular titles for workplace sessions:

- Are You a Good Financial Role Model?
- Effective Tax Strategies
- Fraud Protection
- How to Teach Your Kids About Money
- Planning for Retirement
- Saving Strategies: Easy Concept, Difficult Reality
- Ten Healthy Habits of Financial Management

But will it really make a difference?

Yes! There are numerous benefits to providing free financial literacy sessions, and perhaps the most significant is the positive impact on employee wellness. We know money is a major source of stress for Canadians. Education that empowers them with regard to their finances will help reduce their stress levels, which, in turn, will create a more committed and successful workforce, increase overall job performance, and decrease health benefit costs and absenteeism in the workplace. Moreover, supporting employee wellness by providing free personal development training will increase the attractiveness of your workplace, aiding with both recruitment and retention.

Sessions outside the workplace

Community Connect's financial literacy sessions are not strictly for business organizations. If you know of any other community organizations that would benefit from financial literacy sessions, you can encourage these groups to request free sessions as well. There are financial literacy sessions specifically designed for new immigrants, seniors, and elementary and high school children, just to name a few.

The complete catalogue of financial literacy sessions can be found on the CPA Canada website at **cpacanada.ca/financialliteracy**. If you'd like to receive a PDF copy of the most current catalogue, contact David Chiang, CPA, CA, CPABC's vice-president of member advice and programs, at **dchiang@bccpa.ca**.

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*Source: Canadian Payroll Association Study November 2017



Reminder: Update Your CPA Signage

Deadline to update signage was December 31, 2017

The final component in the transition from legacy branding to CPA branding was the requirement for CPA firms to update their office and building signage to remove any legacy references (i.e., CA, CGA, or CMA).

The deadline for converting any legacy office and building signage to "CPA" was December 31, 2017, and all firms are now expected to have updated their signage accordingly. If a firm still has any legacy references in their office and/or building signage, they will need to update this signage immediately.

If you have any questions or would like to report a concern, please contact us at **publicpractice@bccpa.ca**.

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CPAEF Speaker Series

The Chartered Professional Accountants' Education Foundation of British Columbia (CPAEF) advances accounting education in BC by enhancing the quality and quantity of students entering the profession, providing support for those who deliver accounting education, and fostering the ongoing educational experience of CPABC members, candidates, and students.

A popular initiative that supports faculty development is the Speaker Series program, which enables BC post-secondary institutions (PSIs) to apply for funding to bring notable speakers to their business schools. Each PSI can apply for a grant of up to $2,500 per session, a maximum of twice per year. Since the inception of the Speaker Series program in 2011, 13 business schools in BC have received a cumulative $70,000 in grants to support their faculty development.

Interested schools must apply through the CPAEF website (**bccpa.ca/cpaef**), detailing which speaker they would like to enlist. The CPAEF does not have its own roster of speakers—PSIs choose the speakers themselves. To be eligible for funding, however, the speakers chosen must address topics that will advance accounting education by supporting faculty development.

Here are some examples of sessions held this past spring with funding from the Speaker Series program:

- The University of the Fraser Valley and Thompson Rivers University held a joint workshop on the "Ivey Case Methodology," led by Fraser Johnson, PhD, chair of the Leenders Supply Chain Management Association at the Ivey Business School, Western University. The workshop gave faculty a new case-study method for analyzing typical business issues.
- Langara College held a joint session with the University of British Columbia (UBC) in Vancouver to review current and emerging accounting standards. Speakers included Linda Mezon, FCPA, FCA, chair of the Accounting Standards Board, and CPABC PD instructors Diane McDonald, CPA, CA, and Erin Rao, CPA, CA.
- Kwantlen Polytechnic University (KPU) held two half-day workshops—"Generation Z" and "The Use of Technology in the Classroom"—led by Vickie Cook, PhD, executive director of the Center for Online Learning, Research and Services at the University of Illinois Springfield. In both workshops, Cook addressed the fact that Generation Z students—the first group to have grown up surrounded by technology—have different expectations, work habits, and learning styles.
- KPU and UBC co-hosted a one-day "Understanding Assessment" workshop with Kathy Letourneau, CPA, CA, a principle academic with CPA Canada; A. Sidiq Ali, a psychometrician and managing director of Research & Evaluation Consulting Inc.; and Kristie Dukewich, a curriculum development consultant for Langara College and faculty member in KPU's department of psychology. This hands-on session explored how to select the most appropriate assessment tool for the material being tested.

To learn more about the Speaker Series program and the other means of support provided by the CPAEF to members who are full-time faculty at BC PSIs (including the PD Pass for Academic Members), visit the CPAEF website or contact David Chiang, CPA, CA, CPABC's vice-president of member advice and programs at **dchiang@bccpa.ca**. And, if you want to support CPAEF initiatives like the Speaker Series with a financial donation, you can do so any time of year through CPABC's Online Services (**services.bccpa.ca**).



Linda Mezon, FCPA, FCA, chair of the Accounting Standards Board, shares her expertise on accounting standards with educators from Langara College and the University of British Columbia.

CPABC's 2018 Fall Pacific Summit Is Coming to Victoria

Fulfil your annual CPD at the Fall Pacific Summit—Registration is now open

With its core theme of "Going beyond Boundaries," CPABC's 2018 Fall Pacific Summit is your passport to the skills, tools, and tactics needed to take your career and business to the next level.

The Fall Pacific Summit will feature professional development sessions led by industry experts from a variety of sectors who will offer key takeaways for CPAs at every career stage. It will also feature three keynote speakers—Adam Kreek, motivational speaker and Olympic gold medallist; Jon Montgomery, host of The Amazing Race Canada and Olympic gold medallist; and Paul Zikopoulos, vice-president of big data cognitive systems at IBM—who will share strategies to help you take your professional performance to new heights (see pages 30-32 for some early motivational tips from Adam Kreek).

The three-day event will also offer plenty of networking opportunities that will give you a chance to reconnect with colleagues, make new contacts, and engage with CPABC's leadership.

The Fall Pacific Summit will be held from September 26 to 28 at the Victoria Conference Centre. Registration is now open, and you can save $100 by registering before the early-bird deadline of noon on August 27, 2018. Learn more and register at **bccpa.ca/pacificsummit**.



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M&A TRANSACTION ANNOUNCEMENT

Optinet Systems Inc. (Optinet) a telecoms and networking company has been acquired by an entrepreneurial buyer.

Pavilion was retained by Optinet as its exclusive sell-side advisor, assisting and negotiating the structure of the transaction, as well as due diligence.

"We are very pleased with the transaction process and advice from the team at Pavilion. They implemented an outreach program, secured multiple bidders and helped us choose the right buyer partner.

Pavilion helped us through the challenging process of negotiations, LOI, due diligence and final agreements.
We are delighted with the outcome."

— Ron Botting / Director of Optinet



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CPABC Hosts Its Largest CareerConnect Employer Showcase



The Vancouver Convention Centre was abuzz with activity during the third annual CareerConnect Employer Showcase. Photo by Aaron Aubrey Photography.

CPABC held its third annual and largest-ever CareerConnect Employer Showcase on May 17 at the Vancouver Convention Centre. The sold-out event connected more than 600 CPABC members, candidates, students, and prospects with 42 organizations from a variety of sectors, including industry, government, public practice, and recruitment (see right for the full list).

The event kicked off with an exclusive luncheon attended by more than 175 designated CPA members and employer representatives. During the luncheon, attendees had the opportunity to network and learn about the steps their peers are taking to lead the way in their respective industries.

After the luncheon, future CPAs and prospective CPA students met with employers throughout the afternoon. They also had the opportunity to get professional headshots taken, obtain career advice, and discuss their resumés with Suzanne Berry, CPABC's career counsellor (see pages 34-35 for Suzanne's article on job search). Other CPABC representatives were also on hand to answer questions about the CPA Professional Education Program, the CPA practical experience requirements, and CPABC's member services.

If you'd like more information about this event or would like to learn how CPABC can support you in your recruitment of business, finance, and accounting professionals, contact Stéphanie Roy, CPABC's employer relations manager, at **sroy@bccpa.ca**.



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

Thank you!

CPABC would like to thank the following organizations for their participation in this year's CareerConnect Employer Showcase:

ACL
BC Public Service Agency
BCG
BDO Canada LLP
Best Buy Canada
British Columbia Ferry Services Inc.
Canada Revenue Agency
Clearline CPA
Crowe MacKay LLP
D&H Group LLP
Daley & Company LLP
David Aplin Group
Davidson & Company LLP
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DMCL
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Save-On-Foods
Sidhu Straker & Associates
Smythe LLP
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Wolrige Mahon LLP

CPHR Conference

CPABC was pleased to be a platinum sponsor of HR Conference + Tradeshow 2018, hosted by the Chartered Professionals in Human Resources of British Columbia & Yukon (CPHR BC & Yukon) at the Vancouver Convention Centre on May 1 and 2. CPABC has a long-standing relationship with CPHR BC & Yukon, having taken part in its conference as a sponsor and trade show participant for more than a decade.

As the largest human resources (HR) conference in Western Canada, this two-day event plays host to numerous leaders and influencers in the HR field. One such industry influencer was keynote speaker Steve Cadigan, founder of Cadigan Talent Ventures LLC and former vice-president of talent for LinkedIn. In his presentation, "Making Culture Your Competitive Advantage," Cadigan encouraged organizations to cultivate a strong culture by focusing on the assets that make their workplace competitive and communicating that value to the workforce.

CPABC sponsored this keynote presentation, and it was Amy Lam, FCPA, FCA, CPABC's executive vice-president of corporate services and chief financial officer, who welcomed Cadigan to the stage. During her introductory remarks, Lam took the opportunity to highlight the skills shared by CPHR BC & Yukon and CPABC members, noting that both groups are seen as trusted advisors who work collaboratively and strategically to help organizations achieve sustainability and growth. She also offered CPABC's continued support to the host organization.

The two-day event also featured a trade show at which more than 100 exhibitors showcased a variety of HR products and services, and an awards luncheon that recognized the achievements of CPHR BC & Yukon's outstanding members. Other memorable moments included keynote presentations from Dr. Brynn Winegard, a prominent Canadian professor and brain scientist; David Usher, a Juno award-winning musician and creativity expert; and Peter Mansbridge, former chief correspondent and anchor for CBC News.

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Access member services online



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You'll find "Online Services" in the top right-hand corner of the **bccpa.ca** homepage. Use your username and password to sign in and access an array of services.

Working, Investing, and Living in BC in 2017

By Marlyn Chisholm

In addition to producing the annual *BC Check-Up* report, which evaluates British Columbia's overall economic health, CPABC also produces regional reports each year that measure the vital stats of the province's eight development regions. Combined, the provincial and regional reports provide valuable insight into the province's current and future well-being and what it means to work, invest, and live here. Look for a summary of the *2018 BC Check-Up* in our November/December 2018 issue.



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BC still in strong shape

After an outstanding four-year run of strong economic growth, it comes as no surprise that BC was an even better place in which to work, invest, and live in 2017. Of the seven indicators used in CPABC's *Regional Check-Up* reports, BC saw gains in six: Job creation, unemployment, business bankruptcies, incorporations, educational attainment, and consumer insolvencies all registered improvement in 2017. Capital investment was the outlier, with the total value of projects in BC declining by $34.4 billion, or approximately 8%, due largely to the shelving of some major LNG projects in Northwest BC.[1]

In 2017, British Columbia's real GDP grew by 3.4%.[2] This growth rate outstripped those of all other provinces except Alberta. The total number of jobs in BC increased by 87,300 (or +3.7%), the highest annual growth rate this province has seen in over a decade. At the same time, our province's unemployment rate dropped to 5.1%, its lowest level since 2008. Additionally, steady in-migration and tighter labour market conditions led to rising wages by the end of 2017. This helped boost consumer demand in BC, with retail trade growing by 10.6% between December 2016 and December 2017.[3]

Exports and manufacturing sales in BC also showed significant growth in 2017. The value of exports from BC rose by 13%, with coal, metallic mineral products, and pulp and paper accounting for the largest absolute gains in value.[4] This increase in the value of exports was caused, in part, by the relatively low Canadian dollar.

[1] Northwest BC consists of the Nechako and North Coast development regions. Data for these two regions is sometimes combined, as in tables 1 and 2 of this article.

[2] Estimate from: BC Ministry of Finance and Corporate Relations, *Budget and Fiscal Plan, 2018/19 to 2020/21*, February 20, 2018.

[3] Statistics Canada, *Economic Indicators by Province and Territory*, Accessed February 28, 2018.

[4] BC Stats, *Annual BC Exports*, accessed February 28, 2018.

BC's solid economic performance in 2017 gave it a good starting point for 2018, with exports and consumer demand both remaining buoyant in the first quarter. TD Economics has forecasted a real GDP growth rate of 2.4% for BC in 2018, keeping it on pace with Alberta and Quebec at the head of the provincial pack.[5] The consumer-driven momentum of 2017 is likely to continue in 2018, albeit with some slowdown in the construction sector. Taxes on foreign buyers and speculators, increased tax rates on homes valued at $3 million and over, and the prospect of higher interest rates are expected to have a dampening effect on the BC housing market, although to what extent is unclear.

The emergence of trade protectionism in our biggest export market, the United States, casts some doubt on BC's export industry for 2018. The forest industry, in particular, faces pressure from the ongoing softwood lumber trade dispute with the US, and the outcome of the North American Free Trade Agreement negotiations remains unclear. BC producers may be compelled to diversify their export markets in the years to come.

But simply focusing on BC's "big picture" does overlook some regional concerns. For example, Northern BC has yet to realize its potential, despite being rich in energy, minerals, and lumber, and Northwest BC has seen an economic slowdown and a rise in consumer insolvency rates, largely as a result of the indefinite hold placed on a number of proposed major LNG projects. Meanwhile, the Cariboo, Kootenay, and North Coast development regions have experienced population losses, as workers and their families have left to seek economic opportunities elsewhere.

Working in regional BC

Job creation

Employment in BC grew by 87,300 in 2017, reaching 2.47 million jobs. This was a 3.7% gain, the highest annual increase experienced by the province in at least a decade. As employment is concentrated in Southwest BC (home to the largest urban centre in the province), it's not surprising that this region was the largest contributor to employment growth last year, with the creation of 49,200 new jobs, primarily in the service sector. Vancouver Island/Coast saw the second-largest increase, with 20,100 new jobs, while employment in Thompson-Okanagan grew by 11,400. The Kootenays, Cariboo, and Northwest BC also experienced employment gains, while Northeast BC saw its total employment decline by 600 jobs.

BC's goods sector grew by 4.6% in 2017, its strongest annual growth rate in over a decade. The construction industry, particularly in Southwest BC, was responsible for much of this growth, accounting for 17,300 of BC's 21,600 new jobs. At the same time, BC's manufacturing industry saw a gain of 4,100 jobs, concentrated primarily in Southwest BC and Vancouver Island/Coast, and agricultural employment increased by 1,800 jobs. Combined, our resource (forestry, fishery, mining, and oil and gas) and utilities industries accounted for a loss of 1,600 jobs.

Employment in BC's service sector increased by 65,700 jobs in 2017, reaching 2.0 million. This signified a growth rate of 3.4%, the same as in 2016. There were small gains in the Kootenay and Cariboo development regions, but most of these new service-sector jobs were created in BC's more diversified economies: Southwest BC, Vancouver Island/Coast, and Thompson-Okanagan. By contrast, Northern BC saw a decline in service-sector employment.

[5] TD Economics, *Provincial Economic Forecast, Resilience in the Face of Uncertainty*, March 15, 2018.

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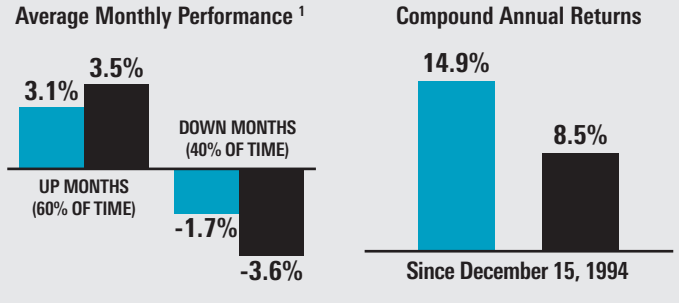
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Odlum Brown Model Portfolio: A Proven Track Record



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

The greatest job gains in BC's service sector occurred in the finance, insurance, real estate, rental and leasing industry, which accounted for 20,300 new jobs in 2017. This job creation was primarily concentrated in Southwest BC, Thompson-Okanagan, and Vancouver Island/Coast, where real estate activity remained brisk. BC's health care and social assistance industry ranked second with a gain of 11,900 new jobs, reflecting both a growing population and an aging demographic.

The information, culture, and recreation industry gained 10,200 new jobs in 2017, driven by a thriving movie and television production sector and by the music production, gambling, spectator sport, and online entertainment industries. All other service-sector industries experienced job gains in 2017, with the exception of the public administration industry and the business, building, and other support services industry; collectively, these two industries accounted for a loss of 4,000 jobs in 2017.

Table 1: Employment in All Development Regions, 2012-2017 (000s)

							Job Creation (000s)	
Region	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**5-Year 2012-17**	**1-Year 2016-17**
Cariboo	84.7	81.6	85.3	79.4	78.8	81.1	-3.6	2.3
Kootenays	72.8	76.5	67.5	69.0	67.4	71.9	-0.9	4.5
Northeast BC	40.1	39.8	38.5	40.1	39.1	38.5	-1.6	-0.6
Northwest BC	39.8	40.7	39.1	42.2	42.1	42.5	2.7	0.4
Southwest BC	1,413.7	1,418.2	1,446.9	1,468.2	1,537.3	1,586.5	172.8	49.2
Thompson-Okanagan	252.7	246.6	249.0	250.0	248.3	259.7	7.0	11.4
Vancouver Island/Coast	358.6	362.2	352.0	357.3	366.5	386.6	28.0	20.1
British Columbia	**2,262.5**	**2,265.6**	**2,278.4**	**2,306.2**	**2,379.5**	**2,466.8**	**204.3**	**87.3**
Goods	441.4	442.1	449.9	459.1	470.1	491.7	50.3	21.6
Services	1,821.0	1,823.5	1,828.5	1,847.2	1,909.4	1,975.1	154.1	65.7

Source: Statistics Canada, *Labour force survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System* (NAICS), annual, CANSIM Table 282-0125.

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Unemployment

BC's unemployment rate declined by 0.9 percentage points (ppt) in 2017, dropping to 5.1%. This was the ninth consecutive year of decline for this indicator. Northeast BC and Northwest BC saw the largest decreases, with unemployment falling to 5.9% (-3.8 ppt) and 5.8% (-1.9 ppt), respectively. The labour force in Northeast BC has declined over the past two years, as some workers have left the region to find work elsewhere and others have withdrawn from the labour force altogether. In the North Coast, a combination of job growth, a smaller labour force, and reduced participation yielded the same dramatic results.

Southwest BC's unemployment rate declined by 0.9 ppt in 2017, dropping to 4.6%, which was the lowest rate in BC and the culmination of several years of steady decline. Vancouver Island/Coast saw a similar decline in its unemployment rate, dropping by 0.8 ppt to 5.0%. The unemployment rates in the Thompson-Okanagan and Kootenay development regions both declined by 0.7 ppt, falling to 7.1% and 7.3%, respectively. There was no change, however, for Cariboo, where the unemployment rate stayed at 7.0%.

Young workers benefited from BC's economic growth. In 2017, the youth unemployment rate (the rate of unemployment among labour force participants between 19 and 24 years of age) declined by 1.7 ppt, dropping to 7.0%, its lowest level since 2012.

Table 2: Unemployment Rate* in All Development Regions, 2012-2017 (%)

							Percentage point change	
Region	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**5-Year 2012-17**	**1-Year 2016-17**
Cariboo	7.0	5.9	6.0	7.0	7.4	7.4	0.4	0.0
Kootenays	7.0	5.9	6.9	7.4	8.0	7.3	0.3	-0.7
Northeast BC	4.1	4.8	4.9	5.9	9.7	5.9	1.8	-3.8
Northwest BC	11.0	6.9	8.0	7.0	7.7	5.8	-5.2	-1.9
Southwest BC	6.9	6.7	6.0	6.0	5.5	4.6	-2.3	-0.9
Thompson-Okanagan	7.1	7.0	6.3	6.4	7.8	7.1	0.0	-0.7
Vancouver Island/Coast	6.2	6.3	6.1	6.3	5.8	5.0	-1.2	-0.8
British Columbia	**6.8**	**6.6**	**6.1**	**6.2**	**6.0**	**5.1**	**-1.7**	**-0.9**

Source: Statistics Canada, *Labour force survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System* (NAICS), annual, CANSIM Table 282-0125.

**Unemployment rates were calculated by author.*

Investing in regional BC

Business and investment activity

The overall value of major capital investments in BC declined in 2017. Between the fourth quarter of 2016 and the fourth quarter of 2017, the estimated cost of all major projects that were underway, proposed, completed, or on hold declined from $436.9 billion to $402.6 billion. Altogether, this was a downturn of $34.4 billion (or 8%), much of which was caused by the cancellation of some proposed oil and gas projects in Northwest BC.[6]

At $187.1 billion, BC's North Coast accounted for the largest share of capital projects in BC (46%) in the fourth quarter of 2017. And despite the cancellation of some major projects in the past year, North Coast still dominates the rest of the province in terms of resource potential. At $69.7 billion, Southwest BC ranked second in terms of estimated capital costs, with 17.3% of the provincial total. Together, Vancouver Island/Coast and Thompson-Okanagan comprised $80.1 billion, almost 20% of the provincial total.

Venture capital

Although venture capital constitutes only a small share of total capital investment, it provides insight into investor confidence and where these dollars are being directed.[7] In 2017, 91 major venture capital deals with a total value of $646 million were completed in BC.[8] In fact, BC was home to two of the top 10 disclosed venture capital deals in Canada last year: Vision Critical ($76 million) and Visier ($61 million).

[6] BC Ministry of Jobs, Tourism and Skills Training, *BC Major Projects Inventory*, December 2017. This inventory lists data for capital investments that exceed $20 million in value. It includes data on residential and commercial services, transportation and warehousing, mining, utilities, manufacturing, public services, and other services.

[7] Venture capital investors include private sector, government, corporate, institutions, and various funds.

[8] Canadian Venture Capital and Private Equity Association, *VC and PE Canadian Market Overview*, 2017.

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Business bankruptcies

Business insolvencies have been declining in BC for over a decade, which points to a well-established and stable entrepreneurial environment. In 2017, total insolvencies dropped by 27.1%, down from 199 to 145.

Except for the Cariboo, where the number of bankruptcies increased by two, all development regions saw a decline in this indicator last year. The top three performers were Thompson-Okanagan (-50%), Vancouver Island/Coast (-34.6%), and Southwest BC (-15.2%). In Northeast BC, the absolute number of insolvencies dropped from five to zero in 2017. The Kootenay, North Coast, and Nechako development regions each saw their business insolvency numbers decline by one.

Table 3: Business Bankruptcies in All Development Regions, 2012-2017

							Change	
Region	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**5-Year 2012-17**	**1-Year 2016-17**
Cariboo	3	2	2	5	3	5	2	2
Kootenays	11	7	6	1	3	2	-9	-1
Nechako	0	0	0	0	2	1	1	-1
North Coast	2	0	0	2	1	0	-2	-1
Northeast BC	3	3	3	3	5	0	-3	-5
Southwest BC	148	118	168	146	125	106	-42	-19
Thompson-Okanagan	57	62	30	26	30	15	-42	-15
Vancouver Island/Coast	44	64	44	37	26	17	-27	-9
British Columbia	**268**	**255**	**256**	**222**	**199**	**145**	**-123**	**-54**

Source: Office of the Superintendent of Bankruptcy Canada.

Living in regional BC

Educational attainment

BC's labour force educational attainment for workers between the ages of 25 and 54 increased by 2% in 2017, which means that the share of individuals in the main segment of the workforce with post-secondary accreditation[9] rose to 71.4%. Educational attainment in the labour force has increased consistently for most of the past 15 years in response to an evolving knowledge economy, technological advancements, and changing labour market requirements. Between 2012 and 2017, BC's educational attainment indicator rose by 4.9 ppt.

Apart from the Kootenays and Vancouver Island/Coast, educational attainment rose in BC's development regions in 2017. Southwest BC boasted the highest educational attainment level in 2017, at 73.8%; this marked an increase of 2.4 ppt over the previous year. Thompson-Okanagan saw a 4.1-ppt increase, and Cariboo ranked second in terms of increases at 3.9 ppt. Educational attainment also rose in Northwest BC (+2.9 ppt) and Northeast BC (+2.2 ppt). By contrast, Cariboo and Vancouver Island/Coast saw declines of 1.9 ppt and 1.5 ppt, respectively.

Consumer insolvencies

BC's consumer insolvency rate, defined as the number of personal insolvencies per 1,000 adults over age 18, has declined every year since 2012. In 2017, the insolvency rate dropped by 10.7% to 2.5 per 1,000 adults (age 18+).[10] Between 2012 and 2017, this rate declined by 21.9%—an encouraging trend.

The general improvement in consumer financial vulnerability affected most, but not all, of the development regions. Nechako and Vancouver Island/Coast saw the greatest declines in consumer insolvencies in 2017, at 27.3% and 17.1%, respectively. Cariboo was close behind, with a decrease of 16.3%. The insolvency rate also declined in Southwest BC (-8.3%), Thompson-Okanagan (-6.3%), and Northeast BC (-2.6%). There was no change in the Kootenays, however, and consumer insolvencies in North Coast actually grew by 33.3%.

[9] Defined here as a post-secondary certificate/diploma or higher.

[10] Insolvencies include both bankruptcies and proposals.

Table 4: Annual Consumer Insolvency Rates* per 1,000 Adults (Age 18 and Over), in All Development Regions, 2012 to 2017

							Percentage change	
Region	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**5-Year 2012-17**	**1-Year 2016-17**
Cariboo	4.0	3.9	3.9	4.1	4.3	3.6	-10.0%	-16.3%
Kootenays	3.3	3.3	3.0	3.1	2.7	2.7	-18.2%	0.0%
Nechako	1.8	2.0	2.4	1.7	2.2	1.6	-11.1%	-27.3%
North Coast	2.2	1.2	1.1	1.3	1.5	2.0	-9.1%	33.3%
Northeast BC	2.4	1.7	1.7	2.1	3.9	3.8	58.3%	-2.6%
Southwest BC	2.8	2.9	2.7	2.7	2.4	2.2	-21.4%	-8.3%
Thompson-Okanagan	4.0	3.7	3.4	3.3	3.2	3.0	-25.0%	-6.3%
Vancouver Island/Coast	3.8	3.9	3.8	3.8	3.5	2.9	-23.7%	-17.1%
British Columbia	**3.2**	**3.1**	**3.0**	**3.0**	**2.8**	**2.5**	**-21.9%**	**-10.7%**

Sources: Office of the Superintendent of Bankruptcy Canada and Statistics Canada.
**Insolvency rate calculations include both bankruptcies and proposals.*

The forecast for 2018

BC's strong economic performance in 2017 gave it a running start in 2018, and rising immigration rates and population growth are continuing to boost consumer demand. Those who benefited from BC's booming housing market, whether professionally or through the sale of their home, also contributed to the economy's performance this past year, as did the value of BC's exports, which swelled throughout 2017. This increase in value is expected to continue fanning economic growth to the end of the year, as is domestic consumer demand. TD Economics forecasts a real GDP growth rate of 2.4% for BC in 2018, and although this signifies a slowdown, it still positions BC with Alberta and Quebec at the head of the provincial pack.[11]

This good start notwithstanding, only moderate economic growth is predicted for BC and Canada throughout the remainder of 2018. According to TD Economics, unless new productivity gains can be made, limited capacity could be a major hindrance to further economic growth.[12] And in addition to capacity issues, the negative impact of the United States' protectionist policies and the BC government's new housing market taxes will almost certainly slow BC's economic growth in 2018.

Full report available online

Full versions of CPABC's Regional Check-Up reports are available at **bccheckup.com**. For more information about the reports, contact Vivian Tse, CPABC's public affairs manager, at **vtse@bccpa.ca**. ■

Marlyn Chisholm is the principal of Chisholm Consulting and the lead economist on CPABC's annual BC Check-Up *report, a summary of which will appear in the November/December 2018 issue of* CPABC in Focus.

[11] TD Economics, *Provincial Economic Forecast, Resilience in the Face of Uncertainty*, March 15, 2018.

[12] Ibid.



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CPABC Regulatory Report to the Public

CPABC's *Regulatory Report to the Public* outlines the initiatives and resources launched and implemented by the organization to ensure that BC CPAs adhere to professional and ethical standards. Here is a snapshot of this year's report.

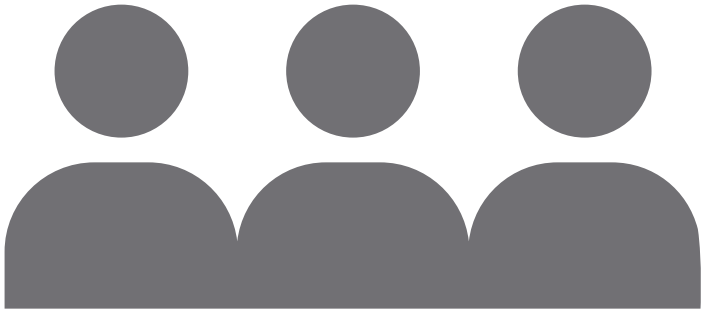
As at March 31

CPABC member numbers were...



As at March 31, 2018 **5,140** students were pursuing the CPA designation, including **4,851** students in the CPA Professional Education Program and **289** students in a predecessor program.

During the fiscal year, **1,579 new members** were admitted into the profession and **744 members left** the profession.



Where Members Work

In BC, almost half of CPABC's members in industry work in small or medium-sized businesses where they are often the only designated accountant in the organization.

Over the past three years, an average of 1,125 BC students graduated annually from the CPA or legacy programs.

Continuing Professional Development (CPD)

Active members are required to self-report compliance with CPD. Action is taken against members who do not comply with the requirements. This action can result in suspension or cancellation of membership.



CPABC audits a minimum of **1%** of CPD required reporters annually. Members who do not comply with the CPD audit process risk being referred to the CPABC investigation and discipline processes, where they could have their membership suspended or cancelled for non-compliance.

During the year ended March 31, 2018

- **142** members had their memberships suspended for CPD non-compliance.
- **26** of the suspended members had their memberships cancelled.

for Fiscal Year 2017/2018

Regulation of Public Practice

THERE WERE...

3,802

practitioners and partners operating in 2,592 public practice offices in BC as at March 31, 2018. The majority of practitioners work in small businesses where 98.5% of the firms are owned by fewer than five professional accountants.



Practice Review

DID YOU KNOW ?

Sanctions may be imposed in cases where there are more serious issues. There were 995 practice reviews conducted this past year. This number includes 84 re-inspections that were undertaken where standards had not been met in previous reviews.

Ethics & Discipline Process

130 Total Complaints in 2017-2018

20	54	56
Under review	Complaints dismissed/ Not accepted	Investigations authorized

If a complaint is within CPABC's jurisdiction, and there are grounds for the complaint, an investigation into the matter is undertaken.

Investigations Closed in 2017-2018

11
No grounds

7
Not pursued

28
Resolutions

8
Referred to Disciplinary Panel

If a matter moves forward and there is a breach, the CPA may agree to accept a reprimand, take courses, pay fines and/or expenses, agree to public disclosure of the breach, or any combination of the above.

Disciplinary Hearing Activities in 2017-2018

1 Resolution Agreement
9 Outcome pending

Generally the most serious matters are handled by the Disciplinary Committee. Findings can be enforced without a member's consent. A CPA could receive a reprimand, have their membership suspended or cancelled, be required to comply with conditions for continued membership, and pay fines.

All Disciplinary Panel findings are publicly disclosed. Decisions can be appealed to the Supreme Court of BC.

For the full report, go to **bccpa.ca/protectingthepublic**.

Can Audit Quality Be Measured?

By Carol Paradine, CPA, CA



Meet CPAB's New CEO

We'd like to introduce you to Carol Paradine, the newly appointed CEO of the Canadian Public Accountability Board (CPAB), Canada's public company audit regulator. Carol takes over from Brian Hunt, FCPA, FCA, who served as the organization's CEO for nine years and continues in his role as chair of the International Forum of Independent Audit Regulators through April 2019.

Carol is a senior executive leader with 30 years of public accounting experience. As a partner of a major international firm for 21 years, she specialized in providing assurance and advisory services for public companies and auditing complex accounting and financial transactions. Carol also served on the firm's board of directors and executive committee. Her career is rounded out with industry experience as a senior financial officer at a multinational, publicly traded technology company and roles on numerous not-for-profit boards.

Prior to joining CPAB on March 1, 2018, Carol's activities on behalf of the accounting profession included serving on a task force for the Auditing and Assurance Standards Board and as a member of the Professional Conduct Committee for CPA Manitoba. She currently serves as a member of the Auditing and Assurance Standards Oversight Council.

In this article, Carol shares the results of a pilot project conducted by CPAB to determine the usefulness of audit quality indicators.

Auditors and corporate directors have historically faced a common challenge: how to measure the quality of the external audit. How do we judge an auditor's ability to find material misstatements in the financial statements? Fortunately, this is beginning to change. Internationally, the audit community has been discussing quantitative measures to assess the audit process—measures that are becoming commonly known as audit quality indicators (AQIs).

In early 2018, CPAB wrapped up a two-year exploratory pilot project with Canadian audit committees, management, and external auditors to get feedback about the usefulness of AQIs. Approximately 20 large and small organizations got involved, including western Canadian companies like TELUS. (If you'd like to learn more about the pilot project, please visit **cpab-ccrc.ca**.)

So, what did the pilot project tell us? In a nutshell, we concluded that AQIs have significant potential to positively impact audit quality.

How are AQIs used?

At their simplest, AQIs provide us with quantitative information about an audit. Using them begins with an open conversation among management, the audit firm, and the audit committee chair to: 1) determine the organization's objectives in using AQIs, 2) select key AQIs, and 3) agree on how to report and evaluate them. These discussions are critical as they enable a shared understanding of how each party defines audit quality, what their respective expectations are, and how to manage the co-ordination needed to achieve everyone's goals.

Once the AQIs are selected and target values are determined, the auditor typically prepares interim and year-end reports for audit committee discussion.

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"Pilot participants identified various uses for AQIs..."

Here's an example: An organization with complicated tax accounting might decide that it's important to include an AQI about the work effort of tax specialists. A target of 25 hours is set. At year-end, the auditor reports 55 hours of specialist work. The aforementioned AQI helps the audit committee ask specific questions of the auditor. In this case, were the increased hours a result of new complexities in the tax accounting? Or do they highlight increased risk or inefficiencies in the auditor's or management's processes? If the latter is true, the audit committee will likely want to learn more.



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What the pilot project revealed

We learned a lot from the pilot project. Here are some of the key takeaways.

AQIs have tangible benefits

The potential benefits of implementing AQIs include:

- A better understanding among management, the external auditor, and the audit committee with regard to their respective responsibilities in facilitating a quality audit.
- More efficient and effective interactions between the audit committee and the auditor because discussions are focused on the most important areas of the audit.
- Improved knowledge of and engagement in the audit process and audit quality by all audit committee members.
- Improved project management with regard to the audit, including the co-ordination of, and collaboration in, its execution.
- Better information for the purposes of auditor evaluation.

These benefits enhance audit quality in two ways: First, clarifying the expectations among stakeholders improves co-ordination and co-operation; second, the more informed and engaged the audit committee is, the better its oversight of the audit process.

AQIs are multi-purpose

Pilot participants identified various uses for AQIs, including general oversight of the audit, evaluation of the external auditor, and the monitoring of auditor value. For example, one audit committee chair used AQIs to monitor "sensitive areas of interest of the audit committee," such as the adoption of new IFRS standards. Another audit committee chair used AQIs to help in the annual evaluation of their external auditor.

There are no silver bullets

What is the best AQI? Well, there really is no such thing. The pilot project showed us that the usefulness of an AQI depends on the perspectives of the users and on their specific needs and goals.

Take partner workload for example. This AQI is meant to measure and understand the level of work for which an engagement partner is responsible. However, some audit committee chairs said this measurement wasn't important to them as long as the partners continued to deliver a quality audit. Others said it was important for them to understand the time pressures for key partners. Still others noted that the importance of this indicator may vary depending on the year—for example, if it's a first-year audit, if a significant transaction occurred during the year, or if a new audit partner has been assigned to the engagement.

Project management correlates to audit quality

Our pilot project highlighted the importance of project management to audit quality. A number of participants developed AQIs designed to track project management milestones or audit phases, holding the audit firm accountable for completing certain tasks by specific dates. One audit firm noted that this incentivized their engagement team to stay on track, while another participant noted that it highlighted the importance of management providing working papers to the audit firm on time.

Management plays a key role in audit quality

Senior finance professionals were very involved in the pilot project, and some developed AQIs specifically to measure management's role in audit quality. Many of these AQIs tracked the timing of agreed-to deliverables from management to the auditor. One organization discovered that management was late by an average of five days in providing more than 40% of its deliverables to the auditor. This insight led management to take corrective measures, which helped reduce certain time pressures and positively affected audit quality.

What this means going forward

Despite the various benefits described above, using AQIs is not always easy. Challenges include difficulties in developing evaluation criteria and in quantifying key contributing factors to audit quality. Additionally, pilot participants found that reporting may require changes in firm systems and processes. Still, we expect that experience will alleviate some of these challenges over time.

CPAB therefore encourages the use of AQIs. And to assist in their adoption, we partnered with CPA Canada and the Institute of Corporate Directors to develop a short practical guide for audit committees that are implementing AQIs for the first time. The guide is available at **cpab-ccrc.ca** and **cpacanada.ca**. We also launched an AQI network so that current and future AQI users can share information and best practices. To join CPAB's AQI Network, please contact **AQInetwork@cpab-ccrc.ca**. ■

Examples of audit quality indicators

- Timing of audit execution
- Use of specialists
- Partner/manager leverage
- Experience of engagement team
- Management deliverables
- Audit hours by areas of significant risk

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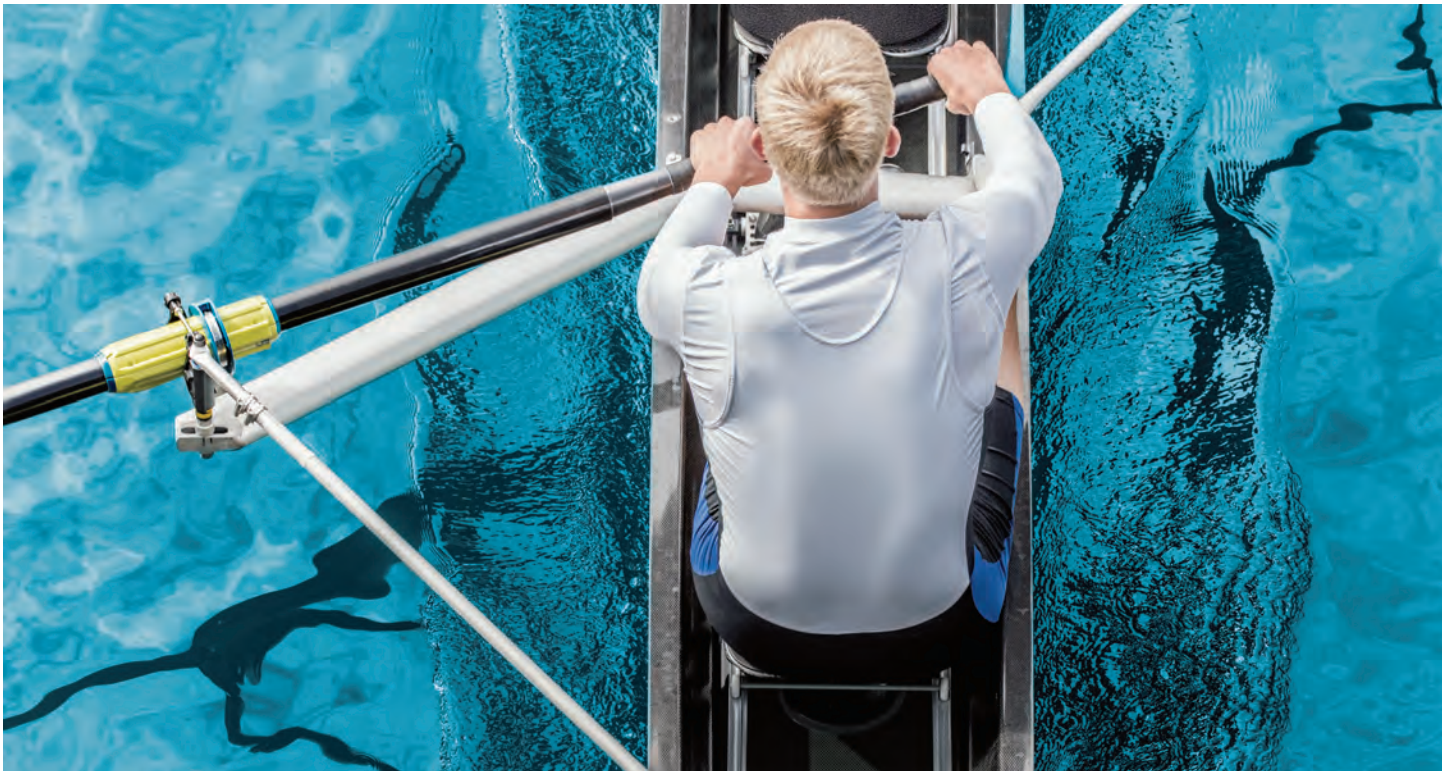
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Reignite Your Passion for Work

By Adam Kreek



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Adam Kreek is a two-time Olympian with 60 international medals in the sport of rowing, including Olympic gold, and multiple hall of fame inductions. As the founder of KreekSpeak Business Solutions in Victoria, Adam works as a management consultant, executive coach, and presenter, drawing on his experiences as an elite athlete to share strategies for leadership and peak performance. In this article, he explains how adopting an Olympic mindset can help you discover (or rediscover) your purpose. To learn more, be sure to catch Adam's keynote speech at CPABC's 2018 Fall Pacific Summit in Victoria.

Does your job sometimes feel meaningless? Have you ever wondered why you're doing it? I've faced the same challenge, both as an Olympic rower and as a management consultant and keynote presenter. In each case, early success led to a crisis of purpose fuelled by the realization that bigger success would take exponentially more work and commitment.

As I anticipated the mountains of effort required and the uncertain outcomes, my drive evaporated. What brought back my mojo? Reframing my focus on the perfection of a practice. In essence, I learned to fall in love with practice. I relearned to love the small gains—the process of making tweaks, inching forward, and seeing marginal results. I became fascinated by the mystery of the mind, and how it could react differently to the same experience depending on the day. And eventually, this practice-based focus reignited my passion for work.

For an Olympic rower practice entails a lot of repetition. You put your blade in the water as gently and quickly as possible. You lock onto a mound of water at the water's surface and you accelerate the blade as smoothly, quickly, and powerfully as possible. You cleanly and firmly extract the blade from the water to glide up the slide, efficiently maintaining the momentum on the hull of the boat without check. And then you repeat this sequence over and over and over. And over.

For my first 13 years in the sport, I constantly thought about quitting. It was too hard. It was too boring. Was this really what I wanted to do? Wasn't there something more important I should be doing with my life? I felt I was so much more than an athlete. I was a musician, a mathematician, a teacher, a builder, a mechanic, a carpenter, an outdoorsman, a geologist, a reader, an author.… I had a hard time accepting that rowing was my life's purpose.

We often hear that purpose comes from following our passion, but how can we follow our passion if we're not even sure what it is? Many think passion is akin to euphoria, but its closest relative is actually patience. It's not about feeling good—it's about persistence. Your life's work *is to discover your work* and then give your whole heart to it.

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When you submit to the incredible pressure of an Olympic training regime, the biggest struggle is to understand yourself. You must embrace honest thought and act with integrity to find success. You can't lie to yourself, believing you're stronger or weaker than you are. You need to understand what motivates you, what chance you have of winning, and what you're willing to give—*or give up*—to accomplish your goals.

There's a lot of sacrifice. Most of your work is done outside the public arena of competition. You spend little time "playing" your sport or experiencing the thrill, joy, and excitement people see when the cameras are rolling. The majority of your time is spent repeating monotonous tasks and skills until peak performance is achieved. Feeling sick? You show up. Tired? You show up. Is it a holiday? What's a holiday? Grit and professionalism are what powers you into the opening ceremonies and onto the podium.

Like Olympic athletes, successful professionals are internally motivated. They choose to exist in an environment that rewards effort and tracks performance. They're self-reflective. They're committed. They show up.

That doesn't mean they don't struggle. All of us suffer from grass-is-greener syndrome to some extent. When I was training for the Olympics, I constantly dreamed about jobs that seemed more purposeful, more lucrative, more flexible. I still confront these gremlins in my present line of work. After all, what motivates a motivational speaker? (I wish there was a punchline here, but there isn't.) All I can do is tell myself the following: You chose this career. You could have picked something else, but you didn't. And you worked very hard to get here. Your skills, talents, interests, and values guided you to this place, and now your job is to *make your job a little better*. Building your professional skill set is now your purpose.

We should never think of a skill set as merely a means to an end. Building a skill set is also an end goal unto itself. Skill-building is incredibly motivating and contributes to longevity and contentment. We can all find deep joy in the pursuit of mastery, however incremental the steps.



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I can say with confidence that making small, consistent improvements has helped me stay engaged in and passionate about my work.

The idea is simple: Focus begets skill; skill begets passion. The more focus we place on a skill, the more skilled we become. And the more skilled we become, the more passionate and successful we become. In effect, we create a positive feedback loop fed by a drive for improvement. If you dedicate yourself to doing your best work, you will find invaluable fulfilment, and that fulfilment will motivate you to keep doing your best work.

If I'm not feeling motivated but I'm still committed to my goals, simply showing up will often show me the way forward. I know that energy is fluid and always returns. I let myself find motivation in other activities—I take on a new volunteering role, I work at becoming a better cyclist, I master a video-game. Eventually, if I keep showing up to work on my primary goal, one of two things will happen: progress will be made, or I'll realize that my primary goal isn't productive and I'll stop. But until I make a conscious decision to stop, I'm going to keep showing up. And when I show up, I'll do the best I can in that moment.

In Olympic training, you learn to be completely in the now. This is one of my favourite aspects of rowing, and it's what keeps me active in the sport to this day. You observe your body and the sensations it produces. You observe your blade and the path it takes in and out of the water. You observe the position of your boat in relation to the other boats. You try to catch them to beat them, and to maintain focus if they get away. You lose yourself in the work.

We all create energy in our being, and the power within you should be used to the best of your abilities at any given moment. If you're stuck in a rut, that's okay. It's way worse to be in a rut about being in a rut. Be in that rut, but *keep showing up*. Do your best, and eventually you'll find a way forward—or you'll decide you no longer want to pursue that goal, and you'll stop so you can refocus your energy.

Ultimately, professionalism is a choice, and its traits can be learned. Embrace the traits of Olympic athletes—keep practising, keep building your skills, and keep showing up. Work hard and take pride in your work. You will reap the benefits, both personally and financially. ■

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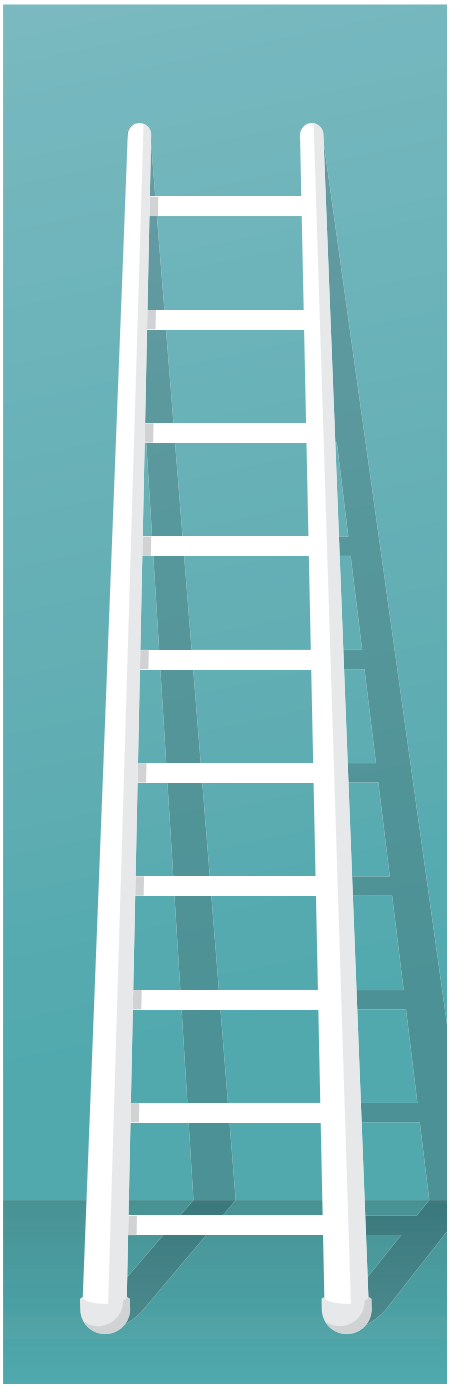
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Job Search: Starting from Ground Zero

By Suzanne Berry

The following article by CPABC Career Advisor Suzanne Berry is the first in a three-part series aimed at helping any CPA job seeker find their next employment opportunity—whether they're just beginning their career, embarking on a mid-career transition, or starting a new life in Canada.



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What's so challenging about a job search? You just apply for a job, get an interview, tell them everything great about yourself, wait for the job offer, and find out when you start—right?

Unfortunately, the process of finding a job is rarely that simple. Before you even start looking for a job, there are a number of things to consider. Assuming you haven't got an "in" with a company's recruiter, how do you make your resumé stand out from those of hundreds of other job applicants to land an interview? How do you know if your skills are developed enough to merit mentioning? If you've always just done your job well enough to keep it, how do you make an employer excited about hiring you? How do you convince them of your potential value to the company? Where do you even begin?

What do you bring to the table?

In my role as CPABC's career advisor, I speak to members at various career stages. It's not just those starting out who seek guidance. Some are established in their careers but looking to transition to a different sector. Others are new to Canada and unsure of our job search methods and etiquette. Some are looking to get back into the workforce. Others are looking for new opportunities after being with one company for many years.

One piece of advice holds true for everyone: There is no better place to begin your job search than within. Without having a clear idea of who you are and what you're good (or great!) at, your job search won't have the stable foundation it needs to connect you to the right opportunities.

There's an analogy that searching for a job is very much like opening your own business, and that couldn't be more true. Of course, in this instance, *you* are the product of the business, and you must be your own sales team—consider yourself a "business of one."[1] That means that your ability to sell your product (your skill set and your character) is only as good as your ability to market it. And you can only know what you are marketing if you know who you are. The key, as they say, is product knowledge.

So how do you gain that knowledge? Well, there are different ways to find out who you really are and what you have to offer. Some career experts will suggest doing personality inventories and skills assessment tests. These can be very helpful tools since they require self-reflection, but storytelling is also a powerful means of self-discovery.

What do your stories say about you?

Have you ever heard of "narrative identity"?[2] Simply put, it's a theory based on the idea that the stories we create about our experiences actually shape our identities on an ongoing, evolving basis. Per *Current Directions in Psychological Science*, "Narrative identity is a person's internalized and evolving life story, integrating the reconstructed past and imagined future to provide life with some degree of unity and purpose."[3]

[1] "Business of one" is a term coined by J.T. O'Donnell, founder and CEO of **WorkItDaily.com**. The author would like to credit Kristin Vandegriend, career coach and resumé expert, for sharing these concepts in the webinar "What Career Professionals Should Know about LinkedIn," hosted by the BC Career Development Association, February 7, 2017.

[2] The author would like to credit Hongxia Shan, PhD, associate professor in the department of educational studies at the University of British Columbia, for the insights on narrative identity she shared in her closing keynote speech, "Career development as border practices: Constructing identities in the context of mobility and diversity" at the BC Career Development Conference 2018.

If we are, in fact, a compilation of not only our life experiences but also our stories, surely these stories should help us find the answers to fundamental questions such as: "Who am I?", "What am I good at?", and "What is my life path?"

We can also use these same stories in our job search. Because employers are interested in the value that a prospective employee can bring to their company and the positive impact they can have, using anecdotes in an interview can be a great way to demonstrate who you are and what you have to offer.

I like to suggest starting with stories that reveal your greatest accomplishments—stories that make you feel invincible when you tell them. In the world of career development, we call them "pride stories."

If that sounds uncomfortable, start by practising with people who know you well. Get together with a small group of people who care about you and whose judgment you trust. Pick three pride stories and share them with your audience—if your group consists of other job seekers, take turns sharing your stories. You get to decide the parameters—maybe you'll focus on your current job, your previous job, or your entire work history. You can decide how far back you want to go.

You can also open it up to achievements in other areas of your life, including community involvement and athletic activities, for example. For those who are just getting started, I like to suggest opening up the parameters completely, just to help the creative juices flow and make it easier to tackle this task.

Which stories should you share with employers?

Not every pride story will be worth sharing. If you find that you're having trouble coming up with workplace pride stories, here are some helpful prompts:

- Did you save the company money?
- Did you deliver more than was expected of you?
- Did you train or supervise anyone or help someone reach their goals?
- Were you ever singled out by management for a job well done? Did you receive an award? Were you promoted?
- Did you do something to make a job easier or more efficient?
- Did you take on a special project?
- Did you find or foresee a new opportunity?
- Did you solve a challenging problem or overcome a difficult obstacle?

Once you share your stories with your test group, ask them for feedback. Did certain character traits, such as compassion, tenacity, or ambition, shine through? Did the stories reflect your core values—values like trustworthiness, honesty, or idealism? Did they highlight abilities that would be ideal for specific jobs, such as critical thinking, mediation, or innovation?

You would be *amazed* at how clearly those around you can perceive your character traits, values, and abilities. Use their perspectives to help illuminate the blind spots you may have about yourself (and write down everything they say—this stuff is pure gold!). I also encourage you to keep a journal or notebook close by to record your pride stories as they occur—that way, you will not only remember the wonderful things you do, but you will also be motivated to add to your list of achievements.

You can also find useful tools and checklists online to help you organize your pride story process. One resource I recommend is a "Pride Experiences" self-assessment checklist created by the University of Waterloo: **pstipanuk.pbworks.com/f/Self+Assess+Packet.pdf**.

How can you apply (honest!) storytelling to your resumé?

Once you've developed your pride stories, it's time to apply them to your resumé. Transcribe your achievements into the appropriate sections, and be sure to quantify them with details wherever possible. That means describing the challenges and stakes involved, the actions you took, and the results or outcomes.

Including tangible achievements on your resumé is vital in today's competitive job market. It's no longer enough to just list job duties, especially when 400 other job applicants have the same tasks listed on *their* resumés.

Your achievements are what will make you stand out—they enable you to put your own personal signature and imprint on your work. They mark your authenticity.

Trust the process

Remember, you have everything you need to succeed. As you proceed through your career, expect that you will continue to peel away layers and uncover more of the hidden talents you already possess. Consider using pride stories as a way to access these hidden talents, and use them as the foundation for your self-knowledge.

In my next article, I'll talk about the next step in the job search process: "hitting the pavement." ■

Start your job search on CPABC's Careers Site

CPABC's Careers Site is the exclusive online career resource for designated CPA members, candidates, and students in BC. More than 18,500 members, candidates, and students currently use the Careers Site to advance their careers and find exciting volunteer board opportunities that enhance their resumés. The Careers Site also provides an excellent platform for employers from all sectors—including public practice, industry, government, and not-for-profit—to connect with qualified finance and accounting professionals. New this year is a feature that enables employers to find talent by browsing through the resumé database before purchasing a job posting plan. That means more eyes on your resumé!

So whether you want to find your next career opportunity or you're looking for a new hire, be sure to visit **careers.bccpa.ca**.

[3] Dan P. McAdams and Kate C. McLean, "Narrative Identity," *Current Directions in Psychological Science* (22), June 2013 (233-238).

What Gets Public Practitioners into Trouble?

From CPABC's Professional Conduct Team



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Each year, CPABC receives approximately 100 complaints about member conduct. Considering the fact that CPABC now has more than 35,000 members, the chances of having a complaint lodged against you in any given year are very small. Over the course of your entire career, however, these chances increase when certain factors are involved—and this is particularly true for public practitioners.

More than half of the complaints we receive in a typical year relate to members in public practice. This isn't surprising, because any individual who provides professional services to the public is more likely to trigger a complaint. Moreover, when the conduct of a member in industry, government, or education is called into question, there are usually other avenues for public complaints and for dispute resolution; for example, complaints about the employment or on-the-job conduct of a CPA in industry can usually be resolved through other agencies, such as the BC Human Rights Tribunal or through the individual's employer.

A complaint can be costly for public practitioners and responding to one can distract you from other professional duties. Recognizing this, we wanted to share some guidance to help public practitioners stay onside of the *CPABC Code of Professional Conduct* (CPA Code). Because although each complaint is unique, there are several common themes.

Five common problem areas

1) Poor communication

Currently, the most common thread among complaints is a CPA's failure to communicate properly. This can mean:

- Failing to communicate in a timely fashion when repeatedly asked to do so (whether by clients, other CPAs, or CPABC), or failing to respond to a client's requests. Unreturned calls can quickly become a problem—one that takes far more time to resolve than simply answering the call in the first place.
- Using an inappropriate tone and/or communicating inappropriate content.
- Not communicating clearly or thoroughly. For example, a complaint may arise if a CPA neglects to create an engagement letter for their client or if the engagement letter they've created omits important aspects of the professional services to be rendered.

2) Change-of-accountant tensions

Not communicating or co-operating with a successor accountant can also get members into trouble. Successor accountants can, and do, contact us to complain about a predecessor accountant's failure to co-operate and to express concerns about the quality of work previously produced.

Tensions can also arise when fees are outstanding. When a former client has not paid a CPA's bill, the predecessor and successor may disagree about whether documents should be sent to the successor or returned to the client. We recommend that CPAs who find themselves in this situation review rules 302 and 303 of the CPA Code, along with the related guidance. We also advise practitioners to contact CPABC's professional standards advisory team, if necessary, to discuss their situation in confidence. Our advisors can discuss the rules of the CPA Code as they relate to the return of the client's property, the accountant's own work, copies of statutory filings, and fee matters.

3) Capacity issues

When assessed with penalties, interest, and costs, it's not uncommon for a client to allege that their CPA failed to deliver statutory filings on time. To safeguard against such allegations, public practitioners should ensure that they have effective systems in place to follow up on outstanding questions with clients and properly track filing deadlines.

It's also important for CPAs to limit their services to their areas of greatest strength and to avoid practising in areas of specialization in which they lack sufficient expertise. Certain types of professional services—such as specialized US tax services, for example, or trust audits required by the Law Society of British Columbia—require specialized knowledge and/or experience. It's important for CPAs to know when they've crossed over to a territory in which they lack the skill set or knowledge base needed to render services to clients effectively.

4) Concerns about objectivity and independence

CPABC also receives complaints from CPA clients who are involved in family or marital disputes. A common mistake for members is to continue working for one of the feuding parties without clarifying which services they will be providing and to whom. In such cases, it's not unusual for the other party to question the public practitioner's professional objectivity.[1]

5) Improper licensing and inadequate liability insurance

Each year, CPABC receives complaints about individuals who "dabble" in public practice without the proper licensing or professional liability insurance.[2]

CPAs *must* have a public practice licence from CPABC before they perform public accounting or other regulated services for the public. The Public Practice section of the CPABC website (**bccpa.ca/regulatory/public-practice**) provides members with all the information needed to obtain the proper professional licensing.

[1] This was discussed in greater detail in "When Clients Feud," published in the November/December 2016 issue of *CPABC in Focus*. (**bccpa.ca/news-events-publications**)

[2] This was discussed in greater detail in "Dabbling in Public Practice without a Licence: It Can Cost You," published in the July/August 2016 issue of *CPABC in Focus*. (**bccpa.ca/news-events-publications**)



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The consequences of breaching the CPA Code

If CPABC's Investigation Committee determines that a member has breached the CPA Code and that grounds exist for disciplinary action, it may—depending on the seriousness of the matter—recommend that the member:

- Accept a reprimand;
- Complete one or more professional development courses;
- Pay a fine of up to $25,000 (up to $4,000 for a student[3]; up to $100,000 for a registered firm);
- Pay the expenses of the investigation;
- Take other remedial action; or
- Do any combination of the above.

Furthermore, if a matter is then referred to the CPABC's Disciplinary Committee, the Disciplinary Committee may decide to make an order of suspension or cancellation, or to impose conditions on a CPA's continued membership.

If the Investigation Committee or the Discipline Committee establishes that a complaint made against a member has grounds, CPABC will later publish a summary of the outcome of the complaint on its website at **bccpa.ca**. When appropriate, complaint summaries disclose the names of the CPAs who have breached the CPA Code.

[3] In this article, "student" refers to either a candidate enrolled in the CPA Professional Education Program or a student taking the CPA preparatory courses or pursuing the Advanced Certificate in Accounting and Finance.



Key messages

As mentioned at the beginning of this article, we receive relatively few complaints about our members' conduct. That's good news, indicating that most CPAs know and adhere to the rules, both in spirit and in practice. We encourage you to keep up the good work and keep complaints at bay by:

- Communicating effectively and often;
- Ensuring systems are set up to meet all necessary deadlines;
- Practising only in areas where you have expertise and proper licensing and insurance;
- Taking care when family disputes erupt among existing clients and proceeding with the utmost caution; and
- Remembering to take the high road, no matter what the circumstances!

Want additional guidance?

CPABC's professional standards advisors are here to help you comply with the CPA Code when you're navigating difficult situations. All guidance is confidential, non-binding, and unofficial. Contact the advisors by email at **professionaladvisory@bccpa.ca** or call:

- Stella Leung, CPA, CA, at 604-488-2609.
- Brigitte Ilk, CPA, CGA, at 604-629-8363.
- Both can also be reached using our toll-free number at 1-800-663-2677.

In complex cases, you may also want to consider obtaining independent legal counsel.

For your reference, the *Chartered Professional Accountants Act*, *CPABC Bylaws*, *CPABC Bylaw Regulations*, and *CPABC Code of Professional Conduct* can all be accessed online at **bccpa.ca/regulatory/act-bylaws-rules**.

Comments or questions about this article?

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

We have gone global.



Steven Flynn
CPA, CA, CPA (WA)

Warren Dueck
FCPA, FCA, CPA (WA)

Candace Doig
CPA, CA, CPA (IL)

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Maninder Dhadda is a senior tax manager at Smythe LLP in Vancouver. He specializes in Canadian taxation and primarily focuses on advising the shareholders of privately owned companies with regard to their Canadian corporate and personal income tax planning and compliance matters. Maninder would like to thank Tom Morton, CPA, CA, a tax partner at Smythe LLP, for his advice and guidance on this article.

Holding Passive Investments in a Private Corporation — Impact on the Small Business Deduction

By Maninder Dhadda, CPA, CGA

Note to readers: *The consultation paper described in this article generated considerable concern among many in the profession in the summer and fall of 2017. To review CPA Canada's response to the proposed legislation, visit the Members' Area of the* ***cpacanada.ca*** *website and choose "Taxation of private corporations" under News from the profession. As of this writing, the latest update was made on May 16, 2018.*

On July 18, 2017, Canada's Department of Finance released a consultation document about the use of tax-planning strategies involving private corporations. The government's stated intention in releasing the document was to increase the fairness of the tax system, which is foundational to the *Income Tax Act* (ITA). At issue was the perception that private company owners can accumulate investment wealth faster than employees earning the equivalent income—specifically, that private companies taxed at lower tax rates than individuals can use these tax savings to accumulate passive investments rather than reinvesting the after-tax earnings in their business to stimulate growth, create more employment, etc.

The consultation document proposed three possible solutions to this perceived inequity, which amounted to three very complex—some would say unworkable—proposals to levy additional income taxes on any passive investment income earned by private companies. Several months of consultation followed. Then came the release of the February 27, 2018, Federal Budget and accompanying Notice of Ways and Means Motion, which included substantive tax changes to reduce the perceived advantage to private corporations holding passive investments.

The proposed new tax rules differ from those in the July 2017 consultation document in that they do not directly levy additional income taxes; instead, the government proposed changes to the ITA that would limit deferral advantages to private corporations "in a more targeted and simpler manner."[1]

The proposed new rules

Under the legislation proposed on February 27, 2018 (the proposed legislation),[2] a corporation and its "associated corporations"[3] that earn more than $50,000 of passive investment income in a year will find their access to the small business deduction (SBD)[4] reduced.

To understand the mechanics of how passive investment income grinds down the SBD, a brief refresher of the SBD rules may be helpful. At its simplest, the SBD is a credit against income taxes otherwise payable by a Canadian-controlled private corporation (CCPC)[5] that reduces the combined federal and BC corporate income tax rates from 27% to 12% (2018 rates) on the first $500,000[6] of the CCPC's income from "active business"[7] carried on in Canada. The $500,000 SBD business limit is shared among associated corporations.

Under the existing legislation, the $500,000 SBD business limit for a particular taxation year is reduced if the CCPC or associated CCPCs' "taxable capital employed in Canada"[8] in the preceding taxation year exceeds $10 million. If the taxable capital employed in Canada in the preceding taxation year reaches $15 million, the limit is ground to $0.[9]

[1] Department of Finance Canada, *Equality + Growth: A Strong Middle Class* (Budget Plan), 2018 (page 73).

[2] The proposed legislation, Bill C-74, had its first reading on March 27, 2018.

[3] ITA, Part XVII, Subsection 256 (1).

[4] ITA, Subdivision B, Subsection 125 (1).

[5] ITA, Subdivision B, Subsection 125 (7).

[6] A CCPC's business limit for a taxation year is $500,000. The $500,000 business limit is shared among associated CCPCs, pursuant to Subdivision B, Subsection 125 (2) of the ITA.

[7] ITA, Subdivision B, Subsection 125 (7).

[8] ITA, Part I.3, Section 181.2.

[9] ITA, Subdivision B, Subsection 125 (5.1).



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

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Gary Mynett:	604.697.5202	Farida Sukhia:	604.697.5271	Lucas Terpkosh:	604.697.5286
Andy Shaw:	604.697.5212	Jessica Jiang:	604.697.5283		

"If a company has a December 31 year-end … we would need to be cognizant of the new rules when doing tax planning for 2018."

The proposed legislation would reduce the $500,000 SBD business limit by the "adjusted aggregate investment income" (AAII) earned by the CCPC or associated CCPCs in *each taxation year ending* in the preceding calendar year. (Note that this is a proposed amendment to the definition of "business limit reduction" in Subsection 125 (5.1) of the ITA, as the reference to the preceding calendar year with respect to AAII is slightly different than the reference to the preceding year for "taxable capital employed in Canada."[10]) The formula would permit a company to earn $50,000 in passive investment income without triggering a grind to its SBD business limit. This means that the $500,000 SBD business limit would be reduced on a straight-line basis from $500,000 to $0 if the CCPC and its associated CCPCs earned between $50,000 and $150,000 AAII in the preceding calendar year.[11]

As a formula, this 5-to-1 reduction of the $500,000 SBD business limit reflects the government's desire to drastically curtail a private corporation's ability to use the tax savings from the SBD to accumulate passive investment assets.

Critical to understanding the proposed reduction of the $500,000 SBD business limit is understanding the calculation of AAII.[12] Under the proposed legislation, AAII is equal to a CCPC's "aggregate investment income" (AII)[13] for the year, with the following adjustments:

> Additions:
- Dividends from non-connected[14] corporations, and
- Income from savings in a life insurance policy that is not an "exempt policy"[15] to the extent that it is not included in AII.[16]

> Deductions:
- Taxable capital gains (and losses) from the disposition of:
  - Property used principally in an active business carried on primarily in Canada by the CCPC or by a related CCPC,[17] and
  - Shares of a connected CCPC, where all or substantially all of the fair market value of the connected CCPC's assets is attributable directly or indirectly to assets that are used principally in an active business carried on primarily in Canada; and
- Net capital losses carried over from other taxation years.

The grind to the $500,000 SBD business limit would be the greater of the reduction resulting from taxable capital employed in Canada in excess of $10 million *or* the reduction for AAII in excess of $50,000.

Final thoughts

Some commentary about the application of the rules for the proposed reduction of the $500,000 SBD business limit suggests that the new rules would apply to taxation years commencing after 2018, but that is not quite correct! It's true that the reduction of the $500,000 SBD business limit would apply for taxation years commencing after December 31, 2018. However, if a company has a December 31 year-end, the grind in the $500,000 SBD business limit will be based on the AAII of the fiscal period or periods of the company in the 12 months ending December 31, 2018—this means *we would need to be cognizant of the new rules when doing tax planning for 2018*. If, however, a company has a November 30 year-end, its first fiscal year-end commencing after December 31, 2018, will be November 30, 2020—this means the tax planning for the grind to the $500,000 SBD business limit would not be an issue until the planning occurs for its year-end or year-ends occurring in the 12-month period ending November 30, 2019.

[10] The wording with regard to AAII addresses the possibility of a company having multiple year-ends in the preceding calendar year to reduce the earnings in the last year-end of the prior year, thereby reducing the grind to the SBD business limit. This wording is not needed for the grind to the SBD business limit because "taxable capital employed in Canada" is a balance sheet item.

[11] The 5-to-1 reduction means that there will be a $5 grind in the SBD limit with every $1 of passive investment income over $50,000 earned by the CCPC.

[12] This is a proposed amendment to Subdivision B, Subsection 125 (7) of the ITA.

[13] ITA, Division F, Subsection 129 (4). Previously, the definition of aggregate investment income was relevant only for calculating the amount of dividend taxes.

[14] Pursuant to ITA, Part IV, Subsection 186 (4): A payer corporation is connected with a CCPC if it is controlled by the CCPC or if the CCPC owned more than 10% of the issued share capital, having full voting rights and with a fair market value (FMV) of more than 10% of the FMV of all of the issued share capital of the payer corporation.

[15] Defined in ITA Regulation 306. It is very rare for a life insurance policy in Canada not to be an "exempt policy."

[16] If a life insurance policy is not an "exempt policy," the income would already be in AII by virtue of the income inclusion rules, pursuant to ITA 12.2 (1).

[17] Note that this does not extend the definition to "associated" CCPCs.

Contrary to statements made by the government and the Department of Finance during the consultation process in July and September 2017, there are no rules in place to grandfather the earnings of passive investments held by a private company before the proposed change in tax law takes effect. Aside from the exemption of the first $50,000 of AAII, which by the government's own admission equates to earnings on $1 million of passive investments, there is no recognition of or accommodation for the fact that private company owners need to accumulate investments in their companies as a safety net for economic slowdowns and as pension for when they retire.[18]

The government said it expects that 3% of companies currently claiming the SDB would be affected by the proposed tax rules.[19] If that is indeed the case, it seems like the government is using a sledgehammer to swat a fly. ■

[18] Although the owner of a company can participate in a Registered Pension Plan (RPP) as defined in Regulation 8515 of the ITA—otherwise known as an Individual Pension Plan—the retirement benefits available under such an RPP are less than the benefits available to an employee, and are far less than the amount available to an employee of the federal government.

[19] Department of Finance Canada, *Tax Measures: Supplementary Information*, February 27, 2018. (**budget.gc.ca/2018/docs/tm-mf/si-rs-en.html#Toc507170859**)

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PD PASSPORTS 2018-2019

PD passports for 2018-2019 are now available for purchase. These passports entitle you to six days of passport-valid seminars held between September 1, 2018, through August 31, 2019, and can significantly reduce your training costs. We offer two different types of PD Passports to meet your needs: 1) The **Personal PD Passport** is non-transferable and is suitable for individuals who want to attend multiple seminars; and 2) the **Flexi PD Passport** is perfect for companies or groups of individuals who want to share passport days. You can purchase as many passports as you require. For more information or to purchase, please go to our website at **pd.bccpa.ca/pd-passports.php**.

PD NEXUS

NEW Maximizing Diversity

July 24 | Vancouver Convention Centre, West

Join us at this new PD Nexus day to learn why diversity and inclusion are so important to personal and organizational success.

Planned plenary and breakout sessions include presentations on the following:

- Why Diversity and Inclusion Is Best Championed by Financial Leadership
- Opportunities and Challenges of Inclusion
- Accommodating Disability in the Workplace
- Reframing Gender Equality
- Bridging the Generational Divide
- Unconscious Bias: It's in Our People and Our Processes
- Boost Innovation through Diversity and Inclusion

PD NEXUS FOR FALL

Details on sessions and speakers for our fall PD Nexus lineup will be provided in future flyers and emails and on our website at **pd.bccpa.ca**.

Scientific Research & Experimental Development (SR&ED) Symposium

October 5, 2018 | Vancouver

Estate Planning

October 23, 2018 | Vancouver

Public Practice Insights

November 15, 2018 | Vancouver

Business Insights

December 7, 2018 | Vancouver

WEB-BASED PD OPTIONS

PD AudioWeb

PD AudioWeb titles are direct audio recordings from live PD seminars. These recordings are available as downloadable MP3 audio files. Available titles include:

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- Employment Standards Overview
- Retirement Planning for Financial Professionals
- Tax Issues in Starting a Business

Corporate Finance Institute—Archived Webinars

These webinar titles are designed for finance professionals and industry practitioners who want to master the art of corporate finance. Available titles include:

- Behavioural Finance Fundamentals
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- Financial Modeling Using VBA
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These high-quality, audio-only verifiable PD courses are delivered via mobile application (smartphone, tablet, or listening via the web desktop version). Course content includes expert interviews, interesting case studies, and media clips. Available titles include:

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- Lies, Alternative Facts and Professional Skepticism
- Planning Foundations

EXECUTIVE PROGRAMS

NEW ERM Fundamentals

Oct 14-17 | Sutton Place Hotel, Vancouver

This three-day, seven-module program has been designed to help finance leaders prepare for, and quickly react to, evolving business threats and opportunities. By understanding and properly managing risk, businesses can thrive, create value, and achieve a competitive advantage.

MARK YOUR CALENDARS! FALL 2018 PD WEEKS

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

VANCOUVER

November 19-24 | Vancouver Convention Centre, West
December 10-15 | Vancouver Convention Centre, West

KELOWNA

October 15-19 | Coast Capri Hotel

PARKSVILLE

October 29-November 2 | Quality Resort Bayside Inn

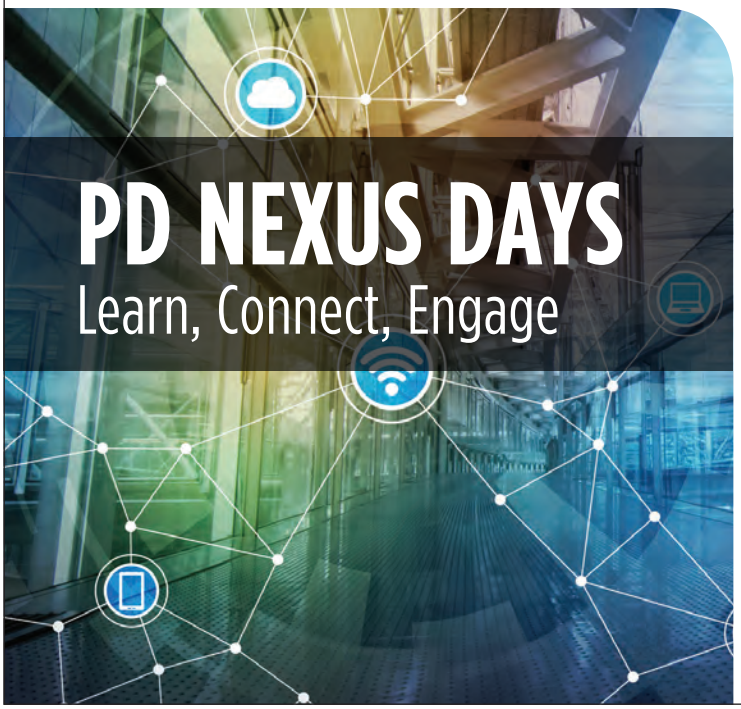
SURREY

November 26-30 | Sheraton Guildford Hotel

VICTORIA

October 22-26 | Victoria Conference Centre
November 26-30 | Victoria Conference Centre

Many more seminars will be available this fall, so watch for your Fall 2018/ Winter 2019 PD catalogue or check **pd.bccpa.ca** in August for more details.



PD Nexus: Scientific Research & Experimental Development (SR&ED) Symposium

October 5, 2018
Vancouver Convention Centre, West

This new PD Nexus day will feature presentations and workshops exploring case studies on common SR&ED topics. Planned sessions include:

- An update on CRA services and tools
- An update on recent case law
- A discussion of the current trends practitioners are seeing with the CRA
- A roundtable discussion with CRA representatives to answer common questions and address any recent announcements or program changes

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



Enterprise Risk Management Fundamentals

October 14-17, 2018
Sutton Place Hotel, Vancouver

This three-day, seven-module program will help finance leaders prepare for and quickly react to evolving business threats and opportunities. By understanding and properly managing risk, businesses can thrive, create value, and achieve a competitive advantage.

Curriculum:

- Introduction to enterprise risk management
- Establishing context for managing risk
- Risk identification and assessment
- Risk treatment and response
- Risk monitoring
- Risk reporting
- Going forward

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

Kudos!



Liisa Atva, CPA, CA, an educator, business advisor, and author of *The Ask: How Much is a Small Business Worth?*, has received the 2018 Communicator Award from the Canadian Institute of Chartered Business Valuators for her significant contributions to promoting the business valuation profession.



Giulio Bonifacio, CPA, CGA, has been appointed president, CEO, and director of CopperBank Resources Corp. in Vancouver. Giulio has held senior executive roles in the mining industry for more than 30 years, including 12 years as founder, president, CEO, and director of Nevada Copper Corp.



Danial Buckle, CPA, CA, has been appointed as chief financial officer of Grande West Transportation Group in Aldergrove. Prior to this appointment, Danial served for eight years as the finance director and corporate secretary of Fortress Paper in North Vancouver.



Jessica Jang, CPA, CA, has been appointed as director of corporate finance for Amacon at the company's Vancouver office. Jessica joined Amacon as a senior corporate accountant in 2011 and was promoted to corporate controller in 2012.



Mia Maki, FCPA, FCMA, an entrepreneurship professor at the University of Victoria and head of Quimper Consulting, has received the Colin Lennox Award for Technology Champion from VIATEC (Victoria Innovation, Advanced Technology and Entrepreneurship Council) for her long-standing and wide-ranging support of the Greater Victoria tech sector.



Bassam Moubarak, CPA, CA, a director for Highway 50 Gold Corp. in Vancouver, has been appointed as a strategic advisor for Global Energy Metals Corp. in Vancouver. Bassam has 10 years of executive experience, including CFO positions with LiTHIUM X Energy Corp. and Goldrock Mines Corp.

Elizabeth Richards, CPA, CA, was recently appointed as the interim CFO for New World Resource Corp. in Vancouver. Prior to this appointment, Elizabeth was an audit principal with Davidson & Company LLP in Vancouver, where she worked for 12 years.



Rick Thorpe, FCPA, FCMA, has been named an Honorary Fellow of Okanagan College. Active in the community and at the board level, Rick has served as an MLA, a BC cabinet member, deputy chair of BC's Treasury Board, and chair of the CRA's Board of Management. He also helped reposition BC's grape and wine industry.

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



Nastco/iStock/Thinkstock

Kudos!

Two CPABC members have received 2018 BC Community Achievement Awards from the British Columbia Achievement Foundation: **Kevin Albers, CPA, CGA**, CEO of M'akola Housing Society in Victoria, and **Andy Yu, CPA, CA**, vice-president and controller of Nevada Copper Corp. in Vancouver and past president of the Cerebral Palsy Association of British Columbia. Both have been recognized for their outstanding contributions to the community.



Kevin Albers



Andy Yu

The Business Council of British Columbia (BCBC) has elected two CPABC members to serve on the executive committee of its board of governors: **Douglas French, FCPA, FCA**, executive vice-president and chief financial officer for TELUS in Vancouver, and **Walter Pela, FCPA, FCA**, managing partner of KPMG LLP for the Greater Vancouver Area. Douglas and Walter joined the BCBC board of governors in July and November 2017, respectively.



Douglas French



Walter Pela

In Memoriam



We wish to send our condolences to the family, friends, and colleagues of **Jack Yolland, FCPA, FCA**.

Jack earned his accounting designation in 1949 and worked as manager of Campbell, Shankland and Imrie's office in Trail for five years before becoming its original partner. The firm continued under the name Campbell, Shankland & Yolland until 1960, when Jack became its senior partner and formed Yolland, Soligo & Byers.

In 1968, Jack joined the board of governors of Selkirk College. He retired from public practice the following year to become an instructor, and taught accounting and business courses at Selkirk College for the next 20 years (taking a year's leave in 1975 to complete his MBA at the University of Western Ontario). From 1979 to 1984, he provided leadership as chair of Selkirk's business administration department. Jack received an Excellence in Teaching Award from Selkirk College in 1982 and retired from teaching in 1989. He was active with the Institute of Chartered Accountants of British Columbia (ICABC) through much of his career and committed to representing the interests of members in the Interior. In addition to serving on the governing council and several committees, he was an active member of two regional clubs.

In the community, Jack's wide-ranging contributions included helping to develop the Trail Youth Hostel, organizing tax clinics for local seniors, helping the community of Montrose gain incorporation, and serving as a charter director of the Kootenay Society for Handicapped Children in Creston. He was also a longtime contributor to Rossland Light Opera, the Trail Rotary Club, the BC Seniors Games, and Red Mountain Ski Resort.

Jack was 92 years old and still hitting the slopes when he was elected to the ICABC Fellowship in 2012. He passed away on December 18, 2017, at the age of 97.



Jantarat/iStock/Thinkstock

The Future Is Bright: Convocation Celebrates the Class of 2018

May 12, 2018, was an occasion for celebration as hundreds of graduates came together for CPABC's annual Convocation at the Vancouver Convention Centre. Altogether, 834 graduates from BC (833) and the Yukon (1) were recognized. Present to cheer them on was an audience of more than 2,400 people, including family members, colleagues, friends, and dignitaries and representatives from the profession and several post-secondary institutions.

After welcoming remarks from CPABC's incoming Board Chair Barry Macdonald, FCPA, FCA, outgoing Chair Heather Banham, FCPA, FCGA, addressed the class of 2018. Banham acknowledged how much the graduates had achieved during their studies and spoke of the opportunities to come. "You have proven to yourselves that you are capable of remarkable accomplishments," said Banham. "You have completed a demanding program of studies, held yourself to the highest standards, and gained a powerful, versatile skill set…. Positions in management, leadership, and the C-suite are all options for you—so choose an area that you are passionate about and set your sights high."

Also in attendance was CPA Canada Chair Terry LeBlanc, FCPA, FCGA. In his remarks to the assembly, LeBlanc noted that CPAs work in a complex and fast-paced business environment—one that offers many opportunities. "It's an exciting time to be a CPA and to be on the path to becoming a CPA," he said. "CPAs are operating in a challenging global landscape where business, finance, culture, public policy, and technology constantly intersect…. It's a bright future full of momentum and possibility, and I look forward to seeing you accomplish great things in your field."

Following LeBlanc's speech, the graduates each had a chance to cross the stage and receive an energetic and enthusiastic response from the crowd. Later, valedictorian David Yuen, whose performance on the September 2017 writing of the Common Final Examination garnered him a place on the national honour roll, emphasized the important role that peers play in each other's success. "The letters behind our name don't just show people that we are accounting professionals—the designation also binds us as a group," he said. "We belong to a strong network of peers who can provide encouragement and inspiration to each other."

The Convocation ceremony wrapped up with concluding remarks from Heather Banham and was followed by a celebratory gala.







Top & middle: Graduates mingle before the start of the procession. Bottom: CPABC's 2017 Honour Roll pose for a group shot. Standing (l to r): Ryan Slater; Trevor Hodgins; Param Purewal; Thomas Drinkwater, CPA; Richard Dasler; Cole Leonoff; Lissa Paul; David Yuen (valedictorian); and Erik Vagle. Seated (l to r): Jennifer Bickley (née Wells); Nico Van den Hooff; Hardeep Kang; Sarah Wang; and Chelsea Bohonis-Schiemann.



Photos by Alistair Eagle for Ron Sangha Productions. For more Convocation photos, visit CPABC's Flickr page at **flickr.com/cpabc/sets**.















Ceremony video at youtube.com/user/cpabritishcolumbia

1. Graduates make their way into the auditorium as the ceremony begins. 2. Time for a crowd shot before the speakers take to the podium. 3. Steve Vieweg, FCPA, FCMA, CEO of the CPA Western School of Business, addresses the graduates. 4. Incoming CPABC Board Chair Barry Macdonald, FCPA, FCA, welcomes graduates and guests. 5. Graduates applaud as their peers cross the stage. 6. CPA Canada Chair Terry LeBlanc, FCPA, FCGA, and outgoing CPABC Chair Heather Banham, FCPA, FCGA, congratulate a graduate. 7. Valedictorian David Yuen describes the graduating class as a strong, supportive network. 8. A graduate poses for a photo with Heather Banham and Terry LeBlanc. 9 & 10. Graduates celebrate with their proud families.







Masters of Change: CPABC's 2018 Spring Pacific Summit

CPABC's 2018 Spring Pacific Summit was a standout success, drawing a crowd of more than 350 CPAs and other business professionals to the Vancouver Convention Centre for three days (May 30-June 1) of education and networking. Delegates attended the sold-out event to get the latest news about issues affecting the accounting and business professions, expand their skill sets, and network with peers and leaders in the profession.

With more than 20 professional development sessions offered over the course of three days, the Spring Pacific Summit also gave attendees the chance to fulfil their annual CPD requirements. These PD sessions offered insights on many topics pertaining to the rapidly evolving business climate, including emerging economic trends, cybersecurity, mergers and acquisitions, and organizational sustainability.

Delegates also gained valuable takeaways from the summit's three keynote speakers: Leadership expert Michelle Ray shared methods to increase personal accountability and navigate change productively; Shachi Kurl, executive director of the Angus Reid Institute, provided a forward-thinking synopsis of BC politics, policy, and economic trends; and Shawn Kanungo, strategist and general partner at Queen & Rook Capital, described how organizations can harness the benefits of disruptive technology.

The summit itinerary also included two special presentations: an executive update from CPABC and a panel discussion entitled "Mastering Disruptive Change." The former was presented by CPABC President & CEO Lori Mathison, FCPA, FCGA, LLB, and executive members of the CPABC board, who outlined the latest CPABC news and initiatives. The latter was presented by a panel of three C-suite CPAs from the fitness, digital publishing, and fashion industries: Carey Dillen, CPA, CA, president of YYoga; Karm Sumal, CPA, CGA, co-founder and CEO of Daily Hive; and Morgan Whitney, CPA, CA, CFO of Indochino. Dillen, Sumal, and Whitney provided insights on how to identify and manage change in today's fast-paced business environment.

As always, the summit gave CPAs an opportunity to connect with fellow members and CPABC's leadership team and staff while having fun at the same time. For example, the Welcome Reception on May 30 gave delegates a chance to unwind, make new contacts, and participate in some entertaining activities, and the Exhibitors Networking Reception on May 31 encouraged them to mingle, take part in prize draws, and discuss business solutions with trade show exhibitors.

The spring event wrapped up on June 1. Our fall event will take place from September 26 through 28 in Victoria (see pages 13 and 33), and registration is now open!







Top: CPABC staff chat with members during the Welcome Reception. Middle: Outgoing Board Chair Heather Banham, FCPA, FCGA, welcomes guests to the reception. Bottom: Delegates answer the Spring Pacific Summit's question of the day.



Photos by Alistair Eagle for Ron Sangha Productions. For more Summit photos, visit CPABC's Flickr page at **flickr.com/cpabc/sets**.













1. Audience participation during Michelle Ray's keynote address. 2. Michelle Ray energizes the crowd. 3. Shachi Kurl paints a picture of BC's political and economic future in the second keynote address. 4. CPABC President & CEO Lori Mathison, FCPA, FCGA, LLB, thanks Shachi Kurl for her insightful presentation. 5. Delegates mingle and check out the trade show. 6. Keynote speaker Shawn Kanungo explains why disruptive technology can be a positive force. 7. Carey Dillen, CPA, CA, shares her thoughts on managing disruptive change during the panel discussion (Karm Sumal, CPA, CGA, pictured right). 8. Lori Mathison leads the "Mastering Disruptive Change" discussion with panellists Carey Dillen, Karm Sumal, and Morgan Whitney, CPA, CA.





How Do You Stay #CPABCfit?

We all know that stress can be damaging to our physical and mental health. That's why it's so important to lead a healthy lifestyle by staying physically active, eating a healthy diet, engaging with others, and finding ways to quiet our minds.

CPABC offers a variety of resources to support members, candidates, and students in living healthy and balanced lives. Here are just a few examples:

- In collaboration with its Vancouver Chapter and Young Professionals Forum, CPABC formed a co-ed team to compete in the Vancouver Ultimate League (**vul.ca**) this past spring. The league runs to mid-August, with games every Tuesday night. Named "Note DISClosure," the team is comprised of 18 CPABC members, CPA PEP candidates, and CPABC staff representing a variety of ages and skill levels. If you'd like to join the team, contact David Chiang, CPA, CA, CPABC's VP of member advice and programs, at **dchiang@bccpa.ca**. The team also welcomes spectators to cheer them on!
- If golf is more your speed, note that six CPABC chapters will be holding their annual golf tournaments this summer, and CPABC will be holding its annual golf tournament on September 13. Come hit the links with your peers—check your local chapter's website or watch for details in upcoming chapter emails.
- CPABC members, candidates, students, and their immediate family members can access confidential counselling services through Morneau Shepell. The cost of these services is covered by CPABC. Services include confidential counselling offered in various ways (face to face, by telephone, or online). For the full list of services, visit **bccpa.ca** and choose Benefits and Member Savings Program > Counselling under the Members tab.
- CPABC's Benefits and Member Savings Program gives you access to discounts for passes and memberships with organizations like Oxygen Yoga & Fitness and GolfBC. Visit **bccpa.ca/members/member-benefits** for details.



CPABC's ultimate team Note DISClosure.

- Through CPABC's Benefits and Member Savings Program, you can also take advantage of savings at spa resorts, such as Harrison Beach Hotel in Harrison Hot Springs and Bighorn Meadows Resort in Radium Hot Springs. And if you don't have time for a weekend away, enjoy an evening's entertainment instead, with discounted tickets to hit musicals and orchestral performances.

Your health matters

Whether you want to alleviate the stresses of daily life by joining a fun league, seeking confidential advice, or getting away for the weekend, be sure to take advantage of the CPABC resources available to you. Get active and engaged today, and motivate others by sharing your story on Twitter using the hashtag #CPABCfit.

If you have any questions about the resources available to CPABC members, candidates, and students, please contact Shobna Nand, co-ordinator of member services, at ***snand@bccpa.ca****.*

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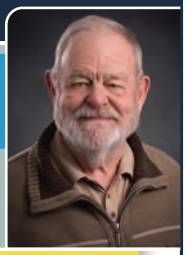
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Ray at Launch Academy in Gastown. The offices are a hive of activity, providing space for staff, a rotating roster of early-stage tech startups, and well-behaved dogs like Keopi.

MEMBER PROFILE

Ray Walia, CPA, CMA

CEO, Launch Academy

Profile by Michelle McRae
Photo by Kent Kallberg Studios

Award-winning entrepreneur and investor Ray Walia has focused on making Vancouver a hub for technology and innovation for more than a decade. In this Q&A, the CEO of Launch Academy shares his thoughts on tech life.

Is Vancouver a major tech hub yet?
Vancouver has come a long way over the last 10 years. Larger tech companies are setting up offices here, we've seen some homegrown successes, and our university programs, specialty developer bootcamps, and incubators show that we're committed to producing homegrown talent and nurturing foreign talent immigrating to Canada.

However, other cities around the world are actively growing their own tech industries too, so we can't take our foot off the gas. We need to keep reinvesting in our industry and expanding our global reach.

Is that why you partnered with Canada's Start-up Visa Program? How does it work?
Having built multiple businesses in Canada and invested in companies around the world, I've seen firsthand the benefits of building a tech company here, and the Start-up Visa Program enables talented entrepreneurs from around the world to do the same. As a designated program partner, Launch Academy can provide a letter of support to assist in a company's application process. We only recommend companies that have pre-existing relationships with us. Those that don't can apply for Maple, a program we created to aid international companies with their growth and expansion in Canada and North America. Through Maple, we provide a landing pad with resources, mentorship, networking, and business matchmaking to overcome the challenges that occur when moving a business and family to Canada.

What is it about the tech startup world that most inspires you?
For me, it's really about the people I get to collaborate with every day. They motivate me to try my hardest to help them achieve their goals and be successful. Also, it's a lot easier to build an online business on a global scale than a brick-and-mortar one, so that's another big draw. And the challenges are dynamic, because the tech landscape is constantly evolving with new emerging technologies.

Combined with the responsibilities that come with building a startup, it makes for a pretty interesting day-to-day life.

What do you find most rewarding about mentoring other entrepreneurs?
Helping them move past a massive roadblock. When you can show them that the challenges they're experiencing aren't career-ending—they're just part of the process.

However, a guilty secret to mentoring is that I often learn more than I teach. Tech is changing so fast that no one is truly an expert in anything anymore—or, at least, not for long. So the onus is on entrepreneurs to stay current. Mentoring and advising other startups is one way to do this. It can expose you to new ideas, new technologies, new solutions, and new industries outside of your own.

What's your advice for a new entrepreneur?
Be patient. The "next big idea" is often idealized as an overnight success, but it's so far from that. I work with entrepreneurs every single day and see the blood, sweat, and tears they pour into their work. The road to success is not linear, and the majority of entrepreneurs fail completely before they succeed. You just have to be patient and surround yourself with like-minded people. ■

A longer version of this Q&A is posted at **industryupdate.ca**.

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