

Leadership Update

October 2022

Which BC region are
you joining us from
today?

OVERVIEW

1 ECONOMIC UPDATES

2 LABOUR MARKET FOR CPAS

3 ATTRACTIVENESS OF THE
PROFESSION

4 COMPETENCY MAP 2.0

5 CULLEN COMMISSION

6 STANDARDS UPDATES

7 Q&A

BC CHECK-UP 2022

WORK





Overall Employment

Did BC's labour market expand or shrink?



Labour Compensation

What is the average worker's wage, and what is the gap between female and male wages?



Unemployment and Job Vacancy Rate

How many job seekers are unemployed, and how many unfilled jobs exist?



Industry Changes

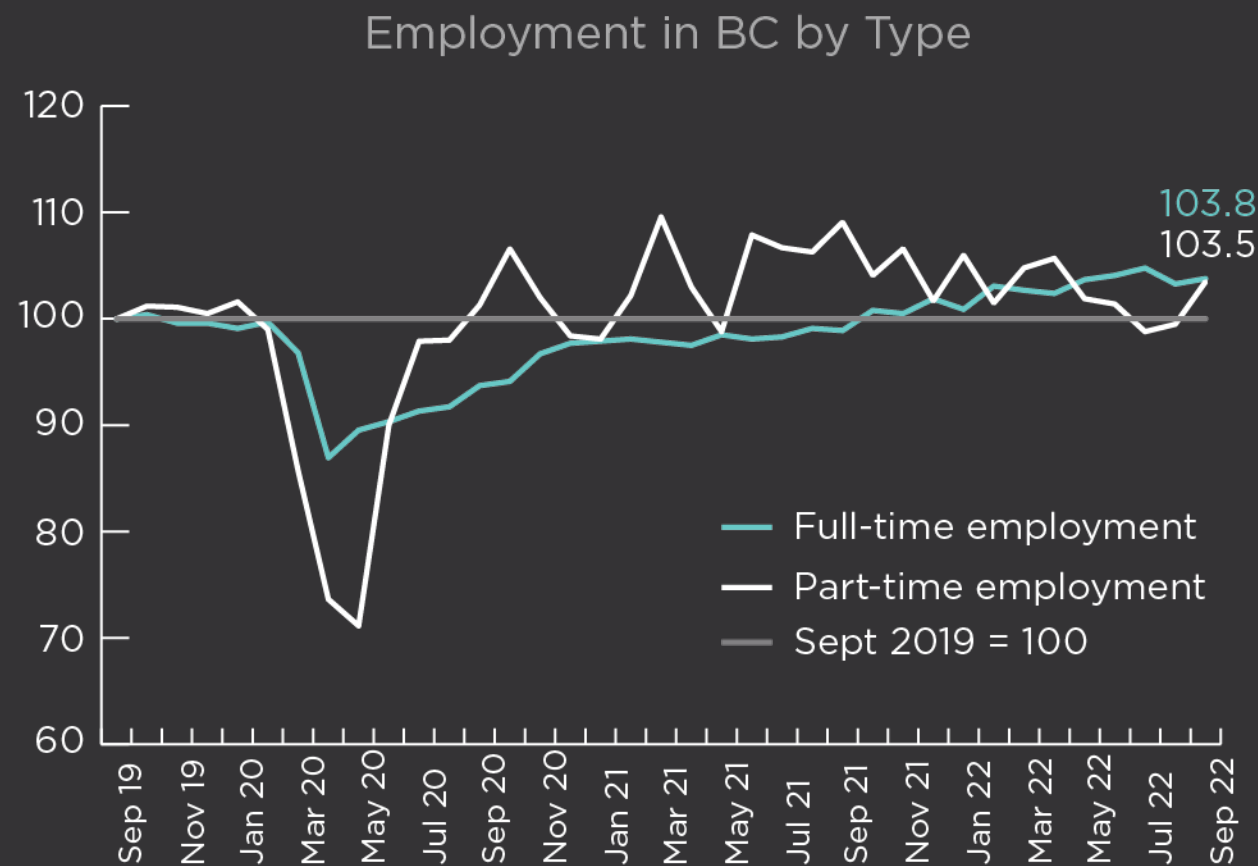
How has employment in the service and goods sector changed?



Type of Employment

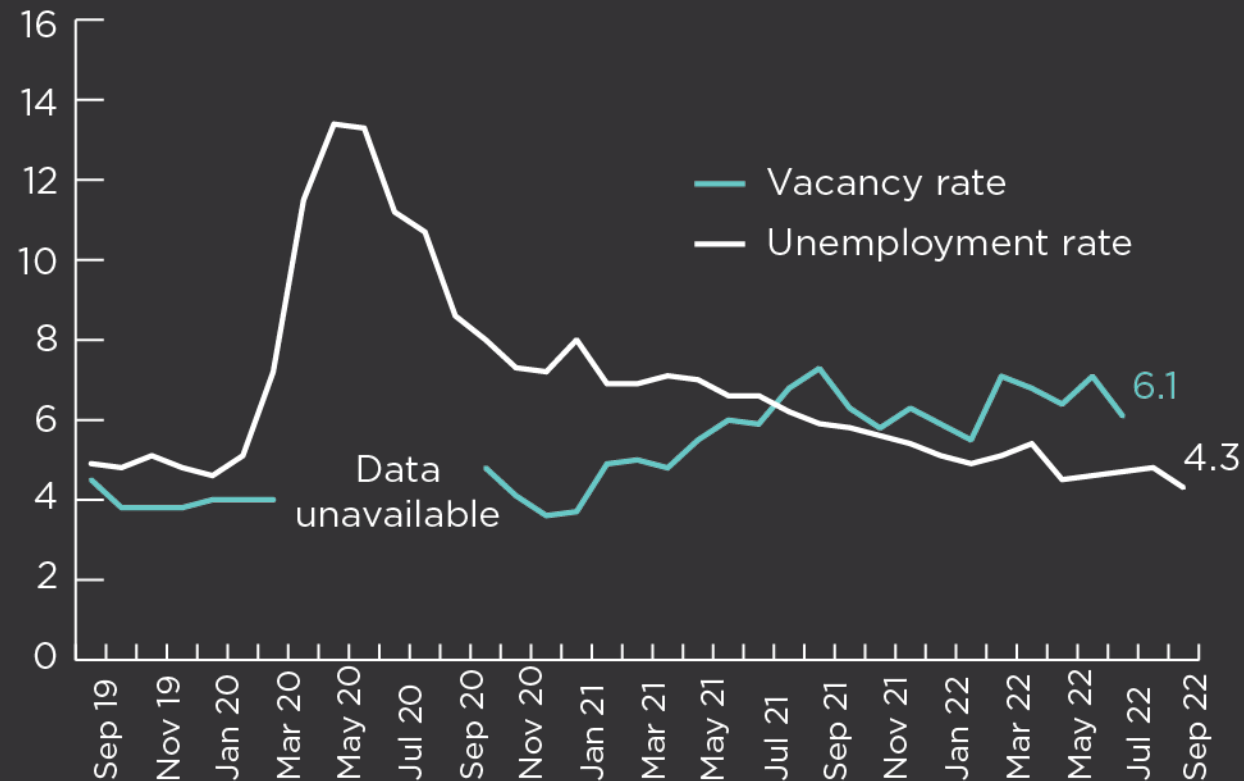
How have part-time and full-time positions changed?

OVERALL EMPLOYMENT



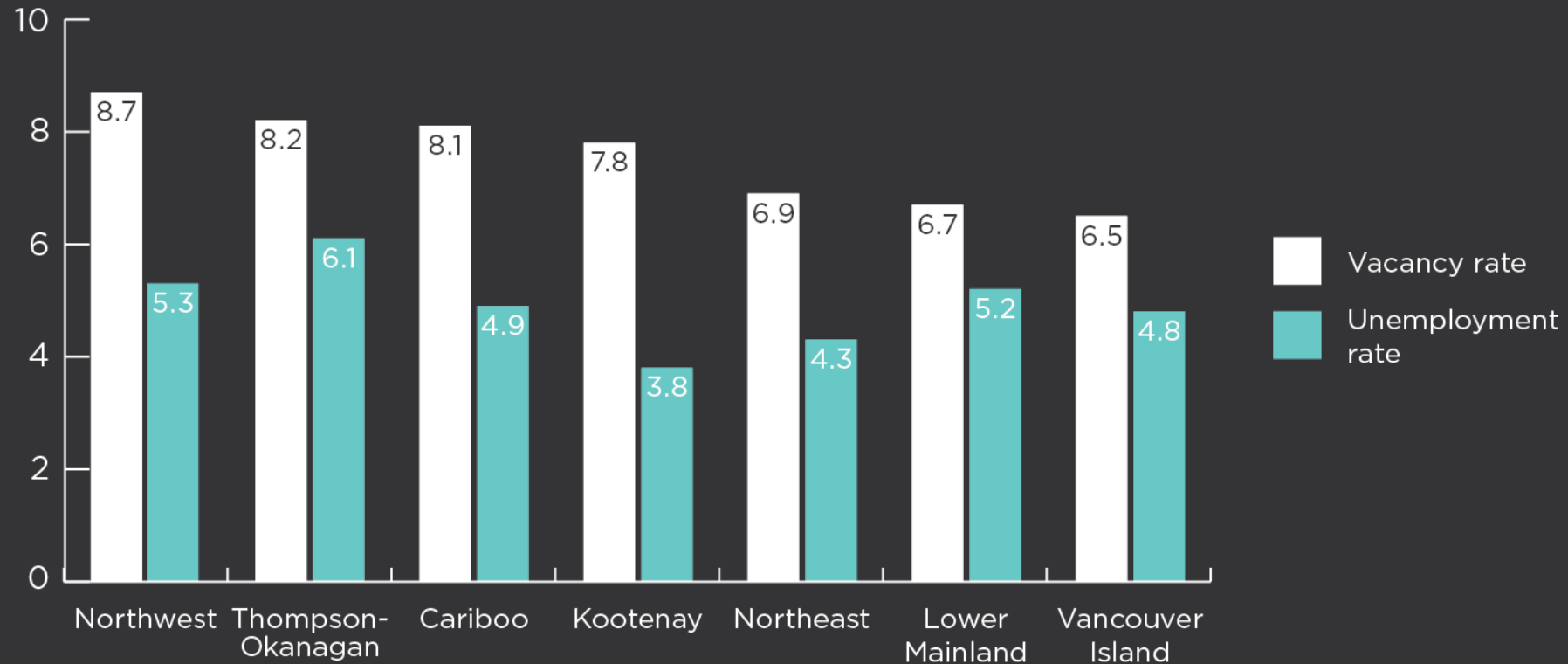
UNEMPLOYMENT

Leadership Update - 2022



REGIONAL UNEMPLOYMENT AND JOB VACANCY

BC Regional Unemployment vs Job Vacancy Rate



EMPLOYMENT CHANGES

Goods Industries



-0.3% since Sep 2019

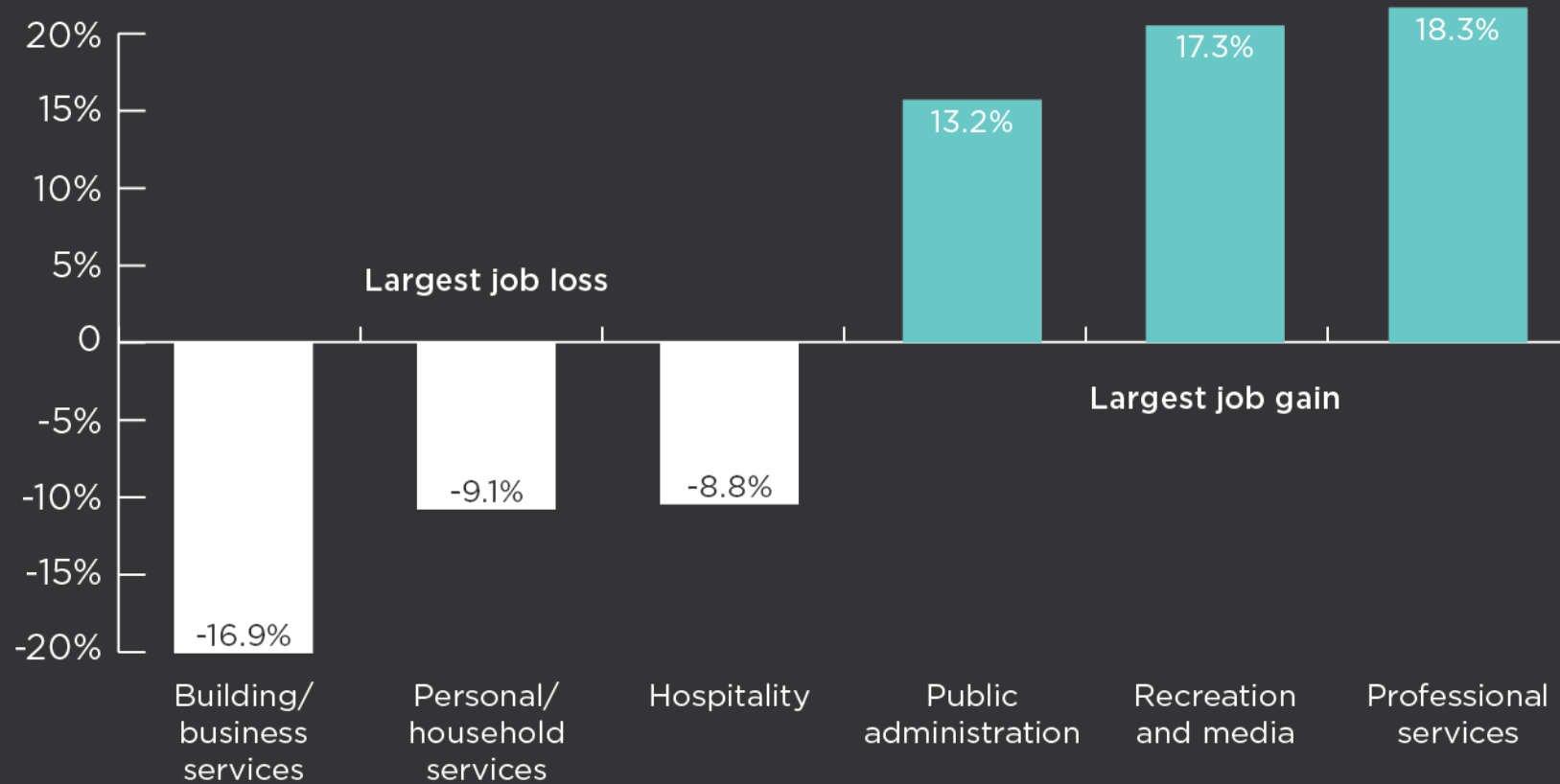
Services Industries



+4.7% since Sep 2019

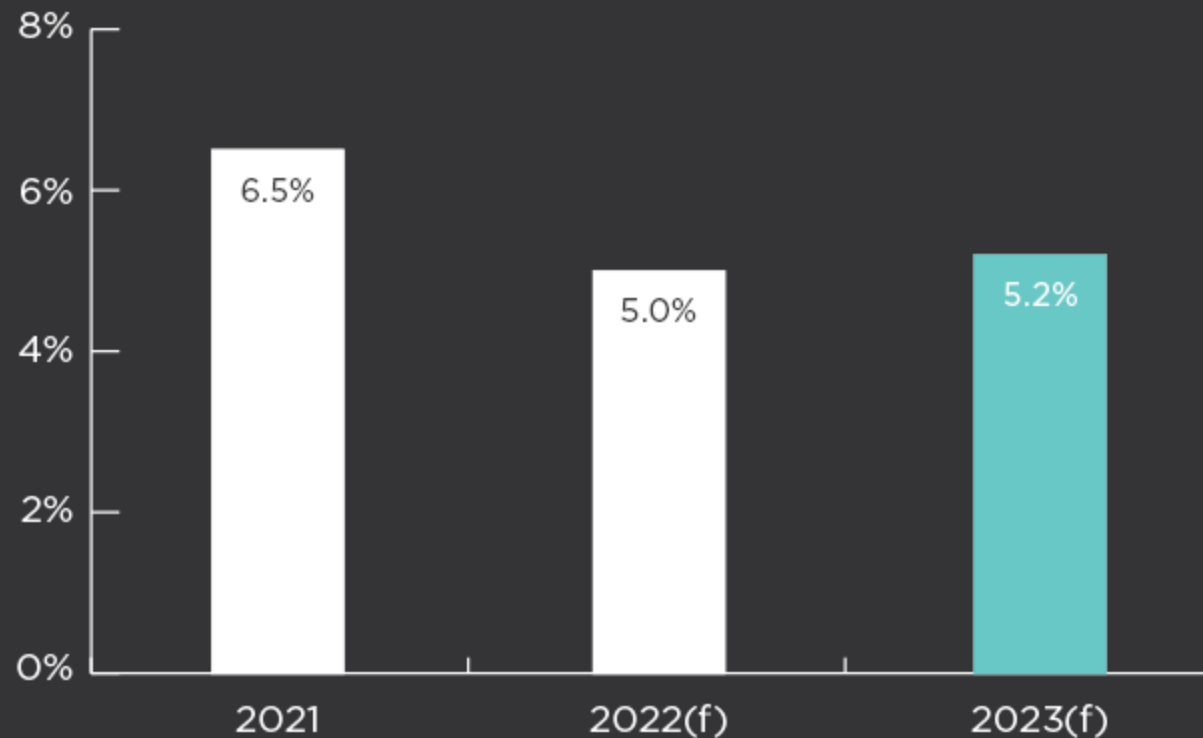
EMPLOYMENT BY SECTOR

BC Industry Employment, Biggest % Change,
July 2022 compared to July 2019

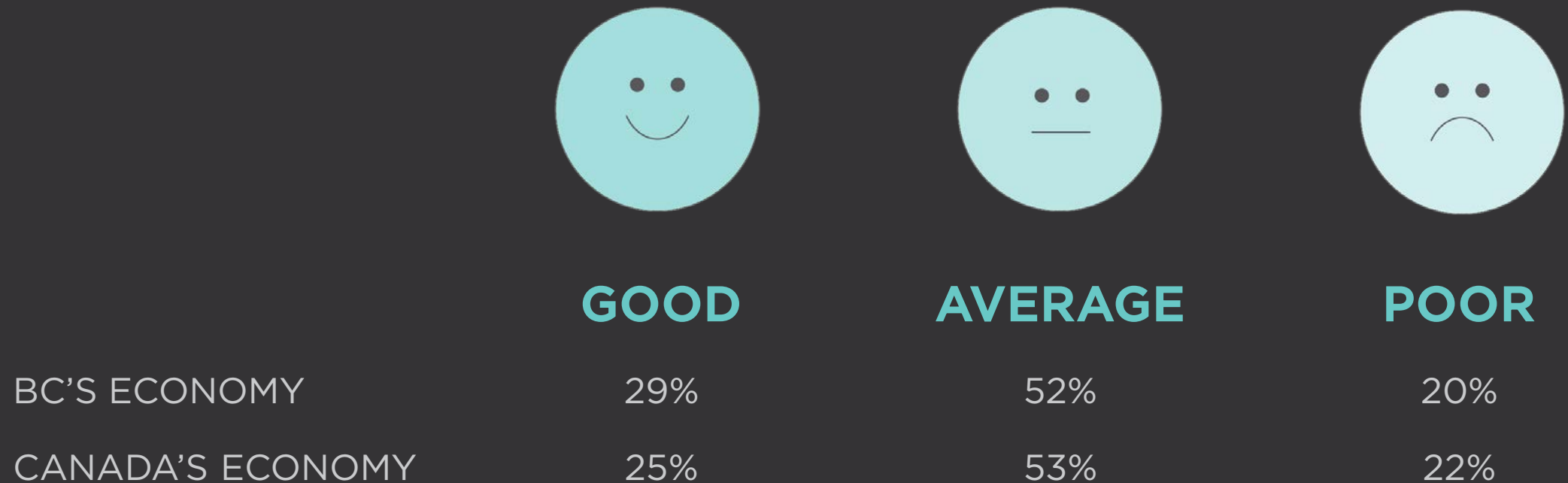


UNEMPLOYMENT RATE FORECAST

BC Unemployment Forecast (BMO, Aug 26, 2022)



STATE OF THE BC ECONOMY



FUTURE OF WORK

As of August 2022,
nearly **two-thirds**
(63%) of CPAs in BC
work at least one day
remotely.



HIRING EXPECTATIONS

- 40% expect to **increase the level of staff** over the next year (10% expect to decrease).
- 44% have seen **staff turnover increase** over the past year.
- A third plan to **hire employees to work outside office(s) location.**

On average, how many
days a week do you
work remotely?

Have you moved to a new residence as a result of the ability to work remotely?



2022 LABOUR MARKET STUDY

- As of June 2022, **28,000 CPAs** were working in BC.
- Between 2022 and 2027, demand for CPAs is expected to increase at an average annual rate of **1.3%**.



2022 LABOUR MARKET STUDY

- Between 2022 and 2027, supply for CPA is forecasted to grow at an average annual rate of **2.2%**.
- Today, the unemployment rate for many CPA occupations is below **2%**, while job vacancies have soared.

2022 LABOUR MARKET STUDY

- From 2025 onwards, there will be a **small surplus** of CPAs.
- But, the CPA labour market outlook is expected to **remain tight** and unemployment will **remain low**.

A LOOK AHEAD



An increase in recruitment of new CPA candidates would not alleviate challenges today, or in the short-term.

ATTRACTIVENESS OF PROFESSION

- What is driving prospect career choices?
- How attractive is the CPA profession and designation?
- How is the CPA pipeline faring?

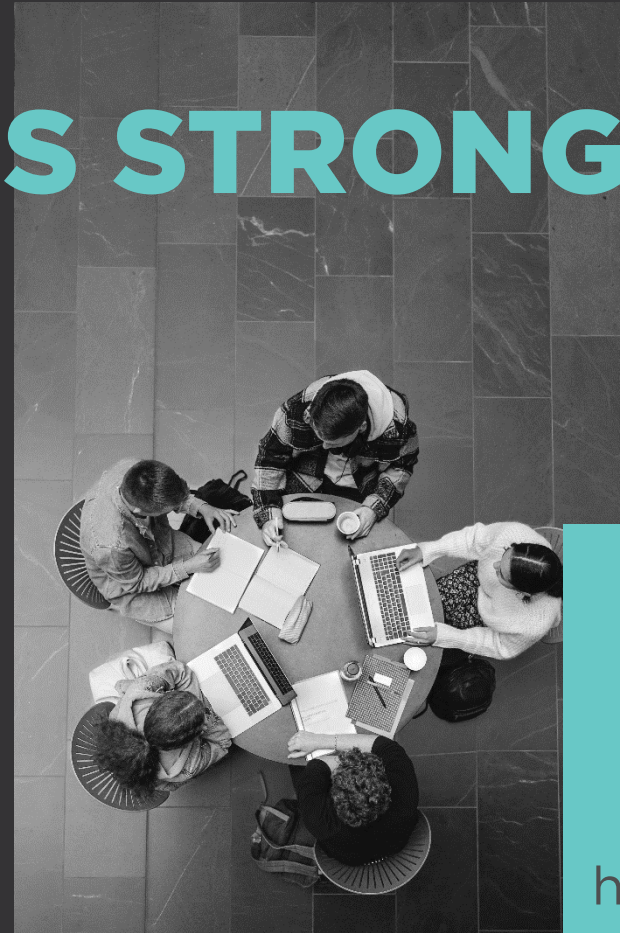


68%

of accounting students indicate they're likely to pursue a CPA designation.

CPA RECOGNITION IS STRONG

- The CPA designation continues to be among the top credentials among prospects.
- Consideration and intent to pursue the CPA designation increased.
- Those most likely to consider a CPA are looking for specific career paths that are secure and will meet their long-term needs.



awareness of
CPA among
high school and
PSIs is key.





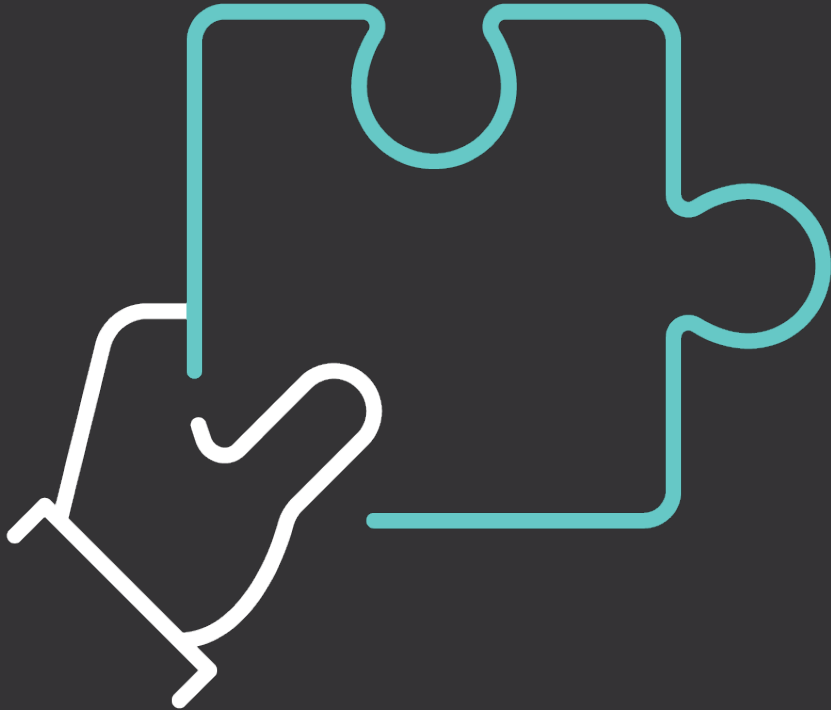
WORKING TOGETHER

The CPA profession and employers
must work together to keep the
student pipeline healthy.

READYING FOR THE FUTURE

The world is rapidly evolving and the expectations of business and society have changed. Technology and innovation are creating new areas of opportunity where CPAs can excel, provided they have the right skills.

COMPETENCY MAP 2.0 (CM 2.0)



Competency Map 2.0 reflects the changing landscape of our profession, as well as new workplace expectations and requirements. We expect the first students to enter a CPA program based on Competency Map 2.0 in late 2024 or early 2025.



PRINCIPLES OF CM 2.0

- Need to be evergreen and reflect evolving marketplace requirements.
- Need to adopt a mindset where CPAs are value creators.
- Need to have principles based competencies, and to directly connect technical and enabling competencies.
- Need to align with global accountancy community.

KEY THEMES OF CM 2.0

1. At the pre-certification level, we need generalists, not specialists.
2. CPAs need to learn a Foundational Common Core.
3. CPAs need to have enough lateral knowledge to speak with other experts.

KEY THEMES OF CM 2.0

4. CPAs need to continue to protect the public.
5. CPAs should be known as more than tax, accounting, and assurance providers.
6. We need to ensure we are speaking a consistent global language

THE FUTURE OF CERTIFICATION

CM 2.0

All CPA students will have the same Foundational Common Core, with the option of completing requirements for licensure.

Certification 2.0

Program will outline where, when, and how those skills and competencies will be learned and assessed.

Together, CM 2.0 and Certification 2.0 will result in an agile, competitive, and innovative program.

PRINCIPLES OF CERTIFICATION 2.0

1.

Develop competent and ethical CPAs.

2.

Build a learner-centric model.

3.

Cater to unique needs of diverse learners.

4.

Be relevant to market demand and be attractive.

5.

Ensure flexibility and adaptability.



cpaleadstheway.ca

**What recruitment
challenges is your
business currently
experiencing?**

How has your
business adapted
to attract workers?

INNOVATION IS KEY



This is a time for change and evolution. The more we can innovate and adapt as CPAs, the better equipped we will be to meet the future.

ANTI-MONEY LAUNDERING (AML)



Money laundering is a global issue. CPA Canada and CPA provincial and territorial bodies continue to collaborate in the fight against money laundering.

THE CULLEN COMMISSION



The Cullen Commission Report was released in June. It looked into money laundering in BC and provided recommendations to prevent and combat money laundering.

KEY RECOMMENDATIONS TO BC GOVERNMENT

1. Establish an independent AML commissioner.
2. Work with federal and other provincial governments to create a pan-Canadian beneficial ownership registry.
3. Study the nature and scope of work performed by unregulated accountants.

KEY RECOMMENDATIONS TO CPABC

1. Do more in parallel to the federal AML regime.
2. Enhance its regulatory focus on AML specific issues, such as use of trust accounts.
3. Improve client identity and source of funds verification processes.

COMPILATION ENGAGEMENTS STANDARD

Changes from old Section 9200

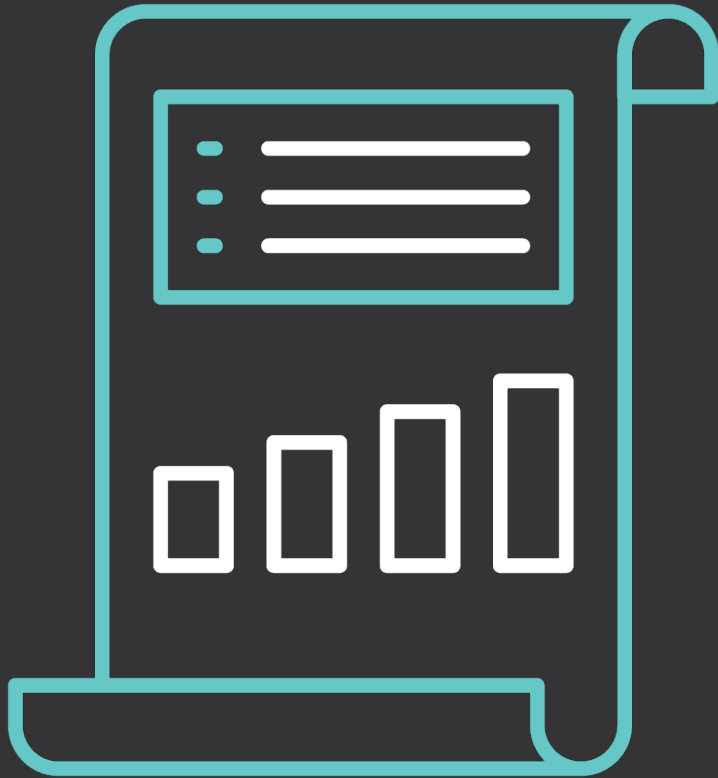
- There is more documentation around the entity and its environment
- There is a need to agree on the basis of accounting and ensure that the basis of accounting is properly disclosed.



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QUALITY MANAGEMENT STANDARDS

Key Highlights



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- Firms are required to design and implement their system of quality management by December 15, 2022 and to evaluate their system within one year following this date.
- Related services engagements do not include tax and consulting services but will include legal and real estate trust engagements. Effective date for related services engagements is December 15, 2023.

PRACTICE REVIEW

CPABC's Practice Review Program protects the public through assessing a firm's compliance with professional standards, and by taking appropriate follow-up or remedial action in cases of non-compliance.



94%

pass rate out of
937 completed
practice
inspections.

PROTECTING THE PUBLIC

The profession puts **protection of the public** at the forefront, and it is directly supported by extensive training and education of CPA members. Our commitment to **lifelong learning** defines the services CPABC offers to members and the public.



**THANK
YOU**