

# The Year In Review

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In any year, your Executive, Council and staff deal with a large number of matters ranging from relatively routine items to issues requiring a great deal of work and consideration. This year was certainly no exception with several “non-routine” issues requiring our attention. The year can be fairly well summarized into three main issues:

## CA/CMA Merger

This issue monopolized much of Council’s time throughout the year and, as your Council, we believed it was our duty to inform and update members of this very significant issue. In addition, we wanted to obtain member reaction and feedback so we could effectively communicate our members’ concerns to the National body. The Institute sponsored 12 face-to-face meetings with members across the province, providing a forum for information and feedback. In addition, the Institute informed and updated important information regarding this issue through the ICANS website and through *E-SCAN*.

As you are all well aware, the merger initiative failed to get the required support and as such, was abandoned. However, the initiative resulted in many positives for our profession, including a renewed and demonstrated pride in our designation. In fact, member interest and involvement was heightened, as members became more aware of the issues facing the profession; issues such as shrinking numbers, increased competition and members’ focus on industry. Most importantly, this initiative clearly demonstrated that your leaders were listening to members and representing their interests.

## Strategic Plan

During the past year, your Council approved the National Strategic Plan, which represents our profession’s plan for the future. The plan provides a renewed vision and sets out four major strategic thrusts:

- Public Trust
- Education
- Branding
- Member Services

Essentially, the Strategic Plan provides our profession with a roadmap for the future and is critical to our long-term strength as a profession. The merger discussions provided the Institute with an excellent opportunity to present the Strategic Plan to our members and many of the town hall meetings dedicated considerable time to this topic. In addition, we posted the Strategic Plan on our website and received feedback from members.

Furthermore, you should know that your Executive, Council and staff have all taken a very active role in the development of programs, initiatives and action plans to meet the Plan’s strategic thrusts.

## Executive Director

The past year started with the Institute operating without an executive director, as Bob Caswill resigned his position just prior to the annual meeting to pursue other interests. On an interim basis, we were fortunate to hire Lauchie McKenzie to serve as the Executive Director and I would like to take this opportunity to publicly thank Lauchie for his outstanding service during the past year. Lauchie displayed commitment, eagerness and outstanding professionalism in filling the position on an interim basis. His service went above and beyond the call of duty and I will personally be forever indebted for his willingness to serve ICANS in this capacity.

As promised, Council conducted an executive search to fill the executive director position on a full-time basis. And, as you were all notified, we have appointed Michele Wood-Tweel, CA, to the position. I can assure you that she is an excellent choice and as such, our Institute is in excellent hands moving forward. Note: Michele joined the ICANS team in August.

## Other

We continue to work on a regional basis to bring forward an Atlantic voice to National matters. Lauchie and I were your representatives on the Atlantic Region Officer Group (AROG) -- Lauchie was the Secretary and I served as Chair. On a National basis, the Protocol Agreement is being reviewed in light of the new governance structure and we continue to have input into this process through the Council of Presidents and the AROG.

## In Conclusion

Finally, it has truly been a great honor and a learning experience to serve as President of our Institute. I want to personally thank each member of Council, as well as all of the volunteers of the various ICANS committees for your efforts over the past year. I would also like to thank the ICANS staff for their support and hard work. I especially want to thank Kathie, Soula and Cindy for their incredible efforts during the past year -- your support and hard work have made the experience quite enjoyable and productive.

And, of course, I want to thank each of you, the members of our Institute, for the tremendous honor you have given me in the opportunity to serve as your President. I am happy to give you this update and I would be pleased to take any questions, which you may have.



John MacKinnon, CA  
President



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## ANNUAL REPORT 2005

# ICANS

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## MANAGEMENT DISCUSSION AND ANALYSIS

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Your Council and Institute staff have once again worked diligently to deliver the highest quality of service in a cost effective manner to the members – all within a framework of fiscal responsibility. At the same time, the Institute remains committed to the protection of the public interest as the primary responsibility.

### Financial Results

Operating results for the year ended April 30, 2005 produced a excess of revenues over expenses of \$73K, primarily attributable to positive results in our revenue producing activities and continued prudent management of our expenditures.

### A Prudent Surplus Policy

The Institute continues to maintain a \$150k restricted reserve for exceptional professional conduct matters and has accumulated an unrestricted surplus of \$440k at 30 April 2005. As this unrestricted surplus balance exceeds the targeted surplus amount of one-half annual fees, no increases in member fees were approved for the coming fiscal year. Current branding and educational initiatives arising from the implementation of the Profession's recently adopted Strategic Plan will require significant investment by CICA and the Provincial Institutes over the next few years. Our excess surplus should assist ICANS in moderating anticipated future fee pressures. Council has approved a breakeven Budget for the coming year.

### Management's Responsibility

All information in the annual report is the responsibility of management. Complete financial statements of the Institute have been prepared by its management in accordance with Canadian generally accepted accounting principles, and are available on request. The significant accounting policies are summarized in the notes to the financial statements.

The accounting systems employed by the Institute include an appropriate system of internal controls to provide reasonable assurance that transactions are properly authorized. Assets are protected from loss and unauthorized use, and financial records are complete and properly maintained to provide reliable information in the preparation of financial statements and other data.

Institute management is responsible for the preparation of timely financial statements that are reviewed in detail by the Executive Committee. Any requirements for corrective action are brought to the attention of Council. Council reviews quarterly financial statements at its regular meetings.

Council has approved the annual financial statements on the recommendation of the Audit Committee.



Lauchlin C. McKenzie, FCA  
Interim Executive Director

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## AUDITOR'S REPORT

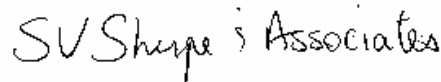
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### TO THE MEMBERS OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NOVA SCOTIA

The accompanying summarized statements of financial position and operations are derived from the complete financial statements of THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NOVA SCOTIA as at April 30, 2005 and for the year then ended on which I expressed an opinion without reservation in my report dated May 11, 2005. The fair summarization of the complete financial statements is the responsibility of management. My responsibility, in accordance with the applicable Assurance Guideline of the Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In my opinion, the accompanying financial statements fairly summarized, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.



S V Shupe & Associates  
Chartered Accountant  
Darmouth, Nova Scotia  
May 11, 2005

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## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NOVA SCOTIA

### Summarized Statement of Financial Position

April 30, 2005

|   | 2005             | 2004      |
|---|------------------|-----------|
| <b>ASSETS</b>   | <b>\$</b>        | <b>\$</b> |
| Cash, accounts receivable and prepaids                          | 851,803          | 727,473   |
| Investments ( <i>market value \$411,514; 2004 - \$414,145</i> ) | 396,267          | 400,876   |
| Capital   | 47,550           | 43,494    |
|   | <b>1,295,620</b> | 1,171,843 |
| <b>LIABILITIES</b>  |                  |           |
| Accounts payable and unearned fees                              | 631,472          | 570,681   |
| Deferred lease incentive  | 26,637           | 37,293    |
|   | <b>658,109</b>   | 607,974   |
| <b>NET ASSETS</b>   |                  |           |
| Invested in capital assets                                      | 47,550           | 43,494    |
| Internally restricted for Professional Conduct                  | 150,000          | 150,000   |
| Unrestricted  | 439,961          | 370,375   |
|   | <b>637,511</b>   | 563,869   |
|   | <b>1,295,620</b> | 1,171,843 |

## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NOVA SCOTIA

### Summarized Statement of Operations

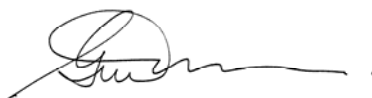
Year Ended April 30, 2005

|   | 2005<br>Budget | 2005<br>Actual   | 2004<br>Actual |
|---|----------------|------------------|----------------|
| <b>Revenues</b>   | <b>\$</b>      | <b>\$</b>        | <b>\$</b>      |
| Member fees   | 609,500        | 611,705          | 601,038        |
| Investment and other income                             | 34,900         | 31,495           | 33,968         |
| Revenue producing activities and professional standards | 526,700        | 573,277          | 507,651        |
| Total Revenue   | 1,171,100      | <b>1,216,477</b> | 1,142,657      |
| <b>Expenses</b>   |                |                  |                |
| Member services and administration                      | 693,700        | 688,875          | 617,880        |
| Revenue producing activities and professional standards | 477,400        | 453,960          | 466,907        |
| Total Expenses before following item:                   | 1,171,100      | <b>1,142,835</b> | 1,084,787      |
| Loss on Disposal of capital assets                      |                |                  | 1,050          |
| Total Expenses  | 1,171,100      | <b>1,142,835</b> | 1,085,837      |
| <b>Excess of Revenue (Expenses) for the year</b>        |                | <b>73,642</b>    | 56,820         |

Approved on behalf of the Institute:



President



Treasurer

*Complete Audited Financial Statements are available upon request.*

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## ICANS' Council and Committees

### AUDIT

Sue Carson, Clay Coveyduck *Lay Rep*, Don Flinn, Gordon Moore *Chair*,  
Lauchlin McKenzie

### EXECUTIVE

John MacKinnon, *Chair*, Don Flinn, Gordon Moore, Sue Payne,  
Lauchlin McKenzie

### HONORS

Paul Goodman *Chair*, Colin MacKinnon *Lay Rep*, John Carter, Sheila Gillis,  
Andrew Hare, Lauchlin McKenzie

### HUMAN RESOURCES

Gordon Moore, Sue Payne *Chair*, John MacKinnon *ex-officiating*

### MEMBERSHIP

Thomas Brockway, Ted Doane, Joseph Flinn, Ann MacGillivray *Chair*,  
Lori Marenick, Edward Raine, Lawrence Nestman, Maura Timmons,  
Lauchlin McKenzie

### NOMINATING

Bob Bean *Chair*, John MacKinnon, Sue Payne, Lauchlin McKenzie

### PLANNING COMMITTEE

Don Flinn, Gordon Moore, John MacKinnon *Chair*, Sue Payne,  
Lauchlin McKenzie

### PROFESSIONAL CONDUCT

#### Review

Gary Armstrong, Alan Barkhouse, Clay Coveyduck *Lay Rep*, Lauchlin  
McKenzie

#### Complaints Committee Panel

Daniel Avery, Alan Barkhouse *Chair*, Gordon Caldwell, James Cameron,  
John Carter, Grant Galbraith, Eugene Hurlbert, Claudette Kehoe, Ross  
Landers, Brad Langille, Ira MacInnis, James Power, Roy Salmon, Elaine  
Sibson, William Slattery, Robert Teale, Gerald Trites, James Trussler,  
Kent Williams, Paul Willison

#### Conduct Committee Panel

Gary Armstrong *Chair*, Paul Campbell, Roger Carroll, Claude Carter,  
Alan Conrod, Kevin Dean, Elisabeth Duncan, Leo Gallant,  
Paul Goodman, Andrew Hare, Cheryl Inman, Carl Kent, Kenneth  
Mader, Elaine Morash, Marvyn Robar, Garry Stafford, Peter Wilde,  
Bryon Wilson, Nicola Young

### PROFESSIONAL DEVELOPMENT

Bruce Densmore *Chair*, Ron Harnish, Elizabeth Hicks, Reinhard Jerabek,  
Stephen Moore, Jane Roy, Jim Trussler, Lauchlin McKenzie

### PROFESSIONAL STANDARDS REVIEW

Don Flinn *Chair*, Wanda Leese, Gordon Moore, Cathy MacGregor,  
Lawrence Roche, Stephen Shupe, Randall Smith, Gerald Trites, Mark  
Winfield

### RECRUITMENT

Tanya Boudreau, Scott Ellison, Michelle Gerrard, Catherine Johnston  
*Chair*, Tanya MacNeil, Peter Nash, Krista Robinson, Donna Singleton,  
Lauchlin McKenzie

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Mary Oxner, Malcolm Pitman, Lauchlin McKenzie

### TASK FORCES

#### Golf

Peter Boyd, David Bruce, Marc Furlotte, Phil Gaunce, Jack Gorrill *Chair*,  
Greg Simpson

#### Practitioners Forum Coordinator

David Yuill

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## Representatives on Board and Committees

### ATLANTIC SCHOOL OF CHARTERED ACCOUNTANCY

Leo Gallant, Kirk Higgins

### PUBLIC ACCOUNTANTS BOARD OF NOVA SCOTIA

Gerald Inman, Earl Walsh

### CANADIAN TAX FOUNDATION

Elaine Sibson, Past Chair

### CANADIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Gerald Trites

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## Nova Scotia Representatives to the Canadian Institute of Chartered Accountants and Inter-provincial Committees

### ACADEMIC ADVISORY COUNCIL

Joan Conrod, Nicola Young

## Nova Scotia Representatives to the Canadian Institute of Chartered Accountants and Inter-provincial Committees

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### ALLIANCE FOR EXCELLENCE IN TAXATION: BOARD

David Blom

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Gerald Trites

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### BOARD OF DIRECTORS

David Hope

### BOARD OF EVALUATORS

Darren Nantes, Claudette Kehoe

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Joy Barkhouse

### CA COMMUNICATION WORKING GROUP

Joy Barkhouse

### CICA/CANADIAN INSTITUTE OF CHARTERED BUSINESS

#### VALUATORS LIAISON COMMITTEE

John Carruthers

### COMPETENCY MAP COMMITTEE

Jason Varner

### CORPORATE GOVERNANCE/NOMINATING COMMITTEE

David Hope

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David Hope, John MacKinnon

### COUNCIL OF SENIOR EXECUTIVES

Lauchlin McKenzie

### CAS MEMBER RELATIONS TASK FORCE

Lauchlin McKenzie

### DIFFERENTIAL REPORTING ADVISORY COMMITTEE

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### ELECTRONIC FILING AND REPORTING ADVISORY GROUP

Gerald Trites

### EMERGING ISSUES COMMITTEE

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### GAAP HIERARCHY TASK FORCE

Kevin Malloy

### GOVERNANCE AND MANAGEMENT OF THE PROFESSION TASK FORCE

David Hope

### GOVERNMENT AFFAIRS ADVISORY COMMITTEE

Elaine Sibson

### HUMAN RESOURCES AND COMPENSATION COMMITTEE

David Hope

### IMPACT CA

Elaine Sibson, Jerry Inman

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J. William Vienneau

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### REGIONAL EDUCATION DIRECTORS GROUP

Dan Trainor

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Nicola Young

### SEGMENT DISCLOSURES TASK FORCE

Suzanne Wile

### SELECTION COUNCIL

David Hope, John MacKinnon

### SERVICE ORGANIZATIONS TASK FORCE

James Murray