

E-SCAN is a regular newsletter distributed electronically as a means of maintaining timely communication of, and encouraging a dialogue on, topics relevant to Chartered Accountants and students of the Nova Scotia Institute. Copies of recent issues can be obtained from the Institute website at www.icans.ns.ca.

RECOGNIZING NOVA SCOTIA CAs WHO HAVE MADE A DIFFERENCE

Do you know a CA who has donated significant time and expertise to a Nova Scotia charity or community organization? Or, perhaps you know a CA whose long-term, meritorious service to the profession, his/her career or achievements in the community, have brought honour to the profession? If so, please tell us, because she/he may be eligible to receive our **2004 Ross L. Towler CA of the Year Award** or an **FCA** designation (Fellow Chartered Accountant)!

CA of the Year — Created in 1996 as an annual recognition for ICANS' members, this award was renamed the *Ross L. Towler CA of the Year Award* in 1997, as a tribute to the Institute's former executive director, Ross Towler, upon his retirement after 28 years of dedicated service. In particular, the award honours CAs who have voluntarily made a strong contribution to the success of their community. To date, eight outstanding CAs have received this award, including:

- 1996 Michael O'Shea**, Berkshire Securities Inc., Sydney
Nominated by the Cape Breton Regional Hospital Foundation
- 1997 Stephen Maltby**, BMO Nesbitt Burns, Amherst
Nominated by the YMCA of Cumberland
- 1998 Daniel Gibson**, The Shaw Group Limited, Halifax
Nominated by the Central Dartmouth Minor Baseball Association
- 1999 Loretta Bourke**, Raymond F. Bishop, Port Williams
Nominated by the Evangeline Club
- 2000 John MacKinnon**, UCCB, Sydney
Nominated by The Elizabeth Fry Society of Cape Breton
- 2001 Darryl Haley**, PricewaterhouseCoopers LLP, Moncton
Nominated by Reaching Out Youth & Mental Health Inc.
- 2002 Jim Eisenhauer**, ABCO Group Ltd, Lunenburg
Nominated by the St. John's Anglican Church Restoration Campaign Committee
- 2003 Judy Steele**, Emera Inc.
Nominated by the Canadian Breast Cancer Foundation, Atlantic Chapter



Picture of the 2003 Ross L. Towler CA of the Year Award, presented to Judy Steele.

Note: the **deadline for nominations is September 17, 2004**. While application forms are being mailed to ICANS' members (we also mailed approx. 300 forms to various Nova Scotia charities and non-profit organizations), you can also access one under the Events section of our website at www.icans.ns.ca or call the Office at (902) 425-3291.

FCAs — All CAs who have been a member in good standing of the Institute for at least 15 years or have been a member in good standing of one or more Provincial Institutes for at least 15 years, are eligible for nomination. That said, the members of the Honours Committee are not eligible for nomination. The names of past recipients can be found on the back cover of *Celebrating Our Success* (March 2003) or by calling the Institute at (902) 425-3291. Note: the **deadline for nominations is September 24, 2004** and again, while application forms are being mailed to ICANS' members, they can also be downloaded from our website at <http://www.icans.ns.ca/events.asp?cmPageID=156>.

Note: Nomination forms for both awards should be mailed to:
The Institute of Chartered Accountants of Nova Scotia
c/o The Honours Committee
1791 Barrington Street, Suite 1101 Halifax, Nova Scotia B3J 3L1

And again, we encourage you to take the time to give these award nominations your focussed attention and careful consideration, as they are both excellent ways to recognize your colleagues and to raise greater awareness for the importance of volunteerism within our profession, and within our greater community. Thank you!

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MERGER PROPOSAL UPDATE

While the Institute's formal Town Hall information sessions — held throughout the province to give members an opportunity to discuss and gain a better understanding of this important issue — are now complete, we'd like to remind you that it's never too late to get information, ask questions or forward feedback. In particular, information is still available on the CICA Website at http://www.cica.ca/index.cfm/ci_id/20170/la_id/1.htm, which includes a series of FAQs at http://www.cica.ca/index.cfm/ci_id/21493/la_id/1.htm, that reflect feedback received by ICANS and other Institutes from its members.

In addition, if you didn't get a chance to participate in the National Member Survey — arranged by CICA and the Provincial Institutes to gauge membership reaction to the proposed merger and to determine areas in which the profession must work to provide further information — you can contact ICANS directly with your feedback to Lauchie McKenzie, FCA, Executive Director at mergertalk@icans.ns.ca or (902) 425-3291. You can also refer to other Provincial Institute websites (links are available on the ICANS website) to review their information.

Over the next month the Council's of the various Provincial Institutes will be meeting to consider the Report of the Strategic Planning Task Force. Once this step is completed the Report will be made available to all members. The Nova Scotia Institute Council met on July 30th and endorsed the Report. Council was very supportive of the overall Goal and the proposed areas of strategic action.

The Chairman of the Strategic Planning Task Force has prepared a short paper on the relationship between the Strategic Plan and the proposed CMA merger. This article provides a good overview of the Strategic Plan. You can download this article by clicking on [Merger with the CMA's: Is it Consistent with the CA Strategic Vision](#). Also available are two interesting articles on some of the research material gathered on behalf of the Strategic Planning Task Force. Refer to [CAs, how they are perceived by Employers and Clients](#) and [What we heard from CA's](#).

BACK TO SCHOOL!

When you receive your brochure for ICANS' **2004 Fall/Winter Professional Development Sessions** in mid-August, find a quiet spot right away to flip through it and identify sessions pertaining to your area of interest. Why the rush? Well, the **deadline to purchase passports is Friday, October 22, 2004**, so we're urging all members to register early, to ensure that you get your first choice of sessions.

And remember — PD is a great way to maintain a commitment to life-long learning! Questions/comments? Please contact **Kathie Slaunwhite** (kslaunwhite@icans.ns.ca) or **Soula Keramaris** (skeramaris@icans.ns.ca), or call ICANS at (902) 425-3291.

2004 ETHICAL LEADERSHIP SUMMIT

As you start gearing up for the Fall and making plans to attend functions and conferences, don't forget to include the 2004 Ethical Leadership Summit, being held in Halifax from **September 21-22, 2004**. Presented by CMA Canada, the Summit (of which ICANS is a presenting sponsor) will offer members of our business community the opportunity to meet and discuss issues related to ethical decision-making. And BONUS — the event also features a performance by well known Canadian comedian **Rick Mercer**, who will share his unique insight into the ethical behavior of leaders! For further information and/or to register, visit www.cmans.com or call **Leslie Murphy** at (902) 422-5836 ext 23.

A FAREWELL GATHERING FOR FORMER ICANS EXECUTIVE DIRECTOR, BOB CASWILL

About 40 members attended an evening farewell reception on July 29th for former ICANS Executive Director, **Bob Caswill CA**, at the Velvet Olive restaurant/bar in Halifax. At this event, attendees had a chance to offer Bob their thanks for the tremendous contribution he has made to the Institute over the past several years, working tirelessly for our members in the many roles that the position of Executive Director entails.

In particular, ICANS Council recognized Bob's work and dedication by presenting him with a new digital camera — the perfect gift for a CA who loves to dabble in the creative side of business! And, of course, all attendees used the reception to offer Bob their best wishes, as he pursues other endeavors that will certainly benefit from his strong leadership and management.



Bob Caswill CA (L), former ICANS executive director, accepts a farewell/thank you gift from ICANS President John MacKinnon CA, on behalf of the membership.



Don't let the innocent smile fool you.

Peggy Gates-Hammond knows that tax is serious business. As a CA and CFP with years of experience as a tax advisor, her skills mesh perfectly with the other professionals here at Baxter Harris Neonakis. In fact, she's part of the reason we're now known as Baxter Harris Neonakis, Lawyers & Tax Advisors. Of course, the smile could also mean she's just saved you a bundle on tax.

bhn

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MEDIA WATCH

As highly respected business leaders, CAs are often sought for their opinions on a variety of issues. In July 2004, the following ICANS members graciously volunteered their time and expertise in responding to media requests:

Jamie O'Neil CA, KPMG LLP, Halifax
David Bruce CA, Bruce & Associates Inc., Halifax

If you're interested in representing ICANS as a media spokesperson, let us know! In particular, the *Halifax Herald* features a weekly *Business Forum* column, of which ICANS members have been regular contributors to. In each issue, the questions vary, but they are all business-related, so it's a great way to showcase CAs as professional leaders.

For details, call Joy Barkhouse at (902) 425-3291 or drop a note to her at communication@icans.ns.ca.

CORRECTION NOTICE

In the July 2004 *E-SCAN*, we wrongly noted that **Paula Gallagher** was a CA when we included her name in our list of "Media Watch" participants (page 6). While Paula works for a CA firm, she is in fact, not a CA herself.

We apologize for the confusion.

HAVE YOU HEARD?

The CICA's Manager of Communications and External Relations, Angela Kooij, recently issued an FYI to all Institutes re: a July 14, 2004 *Financial Post* "Whistleblower" column entitled, *Canada's Pyramid Accounting: Income in Canada Wouldn't Quality as Income in the U.S.*, by Al Rosen that derides the profession and its standards. In response, the Chair of the **Accounting Standards Board (AcSB)** opted to run a rebuttal (see Terence Corcoran's column in the July 20th issue), a full, detailed analysis of which can be found on <http://www.acsbcanada.org>.

For your information, below is a summary of the points raised in AcSB's rebuttal. In addition, CICA is interested in receiving feedback on the matter from the membership. To this end, you can email Angela at angela.kooij@cica.ca.

Notes from AcSB's Rebuttal re: Al Rosen's July 14th "Whistleblower" column in the *Financial Post*:

- The Chair of AcSB agrees with Rosen that investors need full, fair and reliable financial information, yet he states that Rosen's commentary is none of the above.
- While Rosen claims that Canadian accounting standards are set in a vacuum, separate from the U.S. and international community, AcSB says this is wrong and that in fact, for a number of years, Canadian and U.S. GAAP have been on a path of convergence and equality, and that a similar effort is underway internationally, with AcSB playing a key role.
- In fact, AcSB says that it collaborates with the U.S.'s Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB), through coordinated work programs and joint projects. In addition, AcSB also works to ensure that these converged standards reflect the needs of Canadian investors.
- In addition, while Rosen praises the U.S. style 'rules-based' accounting standards vs. Canada's 'principles-based' system, AcSB claims that many consider the U.S. system to be too 'rules-based' and a major contributing factor in some of the recent financial reporting scandals in the U.S. Instead, a mix of principles and detailed guidance is the model national and international standard-setters will use in the future.
- In Rosen's column, he decries what he sees as a lack of stakeholder involvement in standard-setting. However, the nine-person AcSB is comprised of volunteers from a range of constituencies and the Board is always looking for new members, including those representing the retail investor. The AcSB is also overseen by the 26-person Accounting Standards Oversight Council (AcSOC) - an independent body, which provides input and recommendations to the Board on specific standards, as well as on direction issues.
- Furthermore, Rosen claims that the U.S. got fed up with a long list of financial manipulation and tricks, and introduced tough rules to curb them, while, in many cases, Canada's accounting rule-setters and securities commissions ignored the problem. Conversely, AcSB says that from January 1, 1999 to date, the U.S. standard-setter has issued, revised and withdrawn accounting standards on 19 occasions. The AcSB and its staff carefully considered all these actions and in five instances, the U.S. material was considered irrelevant, because the situations covered don't arise in Canada. In 10 instances, Canada adopted requirements that are fully harmonized with the U.S. standards, and the remaining four instances deal with derivative instruments and hedging (Statement of Financial Accounting Standards No. 133 or FAS 133). In addition, the AcSB has already introduced important elements of FAS 133 (as amended) and expects to issue a new suite of standards in 2004 that will fully harmonize with FAS 133.
- Rosen also observes that for 1999-2003, the five-year total income reported by BCE Inc. was approx. \$15 billion using Canadian GAAP and \$2.7 billion using U.S. GAAP. However, the AcSB says Rosen fails to point out the following:
 - In 2002, BCE adopted several new accounting standards; in Canada, the effect of which is excluded from income of the current period, whereas the U.S. requires the catch-up adjustment to be included in income. Moreover, the AcSB says that most financial analysts—and investors—prefer the Canadian approach (which is the same used by the IASB). Rosen also fails to mention that the U.S. standard-setter proposes to change its standard to conform with the Canadian treatment.
 - In 2002, BCE reported a substantial gain in its income statement under Canadian GAAP when its holding in its subsidiary (Nortel) was reduced. In the U.S., this dilution gain was reported directly in shareholders' equity as a capital transaction. AcSB concedes that both treatments have conceptual merit and states that a proposed global standard is being prepared by the U.S. standard-setter and the IASB, whereby the U.S. approach (taking these gains and losses directly to retain earnings) would be used until the parent – subsidiary relationship is severed; at which time the gain or loss would be included in income.





- In summary, AcSB says that Canadian accounting standards are viewed in the world's major capital markets as being of high quality, although there certainly are areas that can and will be improved (e.g. Rosen identified some important issues, namely revenue recognition, start-up costs and development costs). While AcSB is examining these issues, it's also in the process of consulting stakeholders and the AcSOB on the future direction of financial reporting in Canada to help establish a strategic plan and priorities for the next five years.

Again, for further info on this issue and/or on AcSB's strategic planning process, visit www.acsbcanada.org.

IN OTHER NEWS . . .

- Talks between the **CAs, CGAs and CMAs in Quebec** re: a merger have entered a second phase — see www.oqaq.qc.
- The Ontario government has **withdrawn Bill 213** and tabled a new Act that maintains the current high public accounting standard for Ontario.
- A **new report** commissioned by the **International Federation of Accountants' (IFACs) Public Sector Committee (PSC)** considers best practices in budget formulation and reporting under different budget models and government administrative arrangements. The IFAC also issued a **new International Education Standard (IES)** calling on every professional accountant to develop and maintain competence relevant for their work and professional responsibilities — see www.ifac.org/News.
- **Changes at *The Bottom Line*** — Patrick McMannus, managing editor of this monthly Canadian magazine for accountants and finance professionals, and publisher Gary Rodrigues, left the company after a front-page headline said CAs were merging with CGAs, instead of CMAs.
- **CAMagazine** garnered 20 nominations for the annual Kenneth R. Wilson Memorial Awards, which recognizes outstanding achievements in business journalism, and **CAMagazine.com** was nominated for the new "Best Website" award.

NEW MEMBERS

The following individual was recently admitted to membership through affiliation:

Stanley Ward Hopkins CA (from Saskatchewan)

RESIGNATIONS

The following individuals resigned their memberships effective April 30, 2004:

Nancy Adams	Michael O'Neill
Mark Anderson	David Pugsley
Lorne Bay	David Shimoda
Judith Fraser	Dan Smith
Paul Hickey	Michael Zwicker
Brigitte Langevin	
John Olding	

RETIRED

The following individuals have been granted retirement status, effective May 1, 2004:

Douglas Murdock CA
Peter Scott CA
Hugh Tweedie CA

HERE AND THERE WITH MEMBERS

James Foran CA, previously with KPMG's Halifax Office, is now the Assistant Controller for West End Capital Management (Bermuda) Ltd., located in Halifax.

Carolyn Humphrey CA, previously with the Underwriters Reinsurance Company (Barbados) Inc., is now the Vice President of UIManagement Inc. in Bridgetown, Barbados.

Career OPPORTUNITIES ON THE WEB

Did you know that career postings are added on a weekly basis to the Institute's website (www.icans.ns.ca)? Log on for details about the following postings:

Sales and Marketing Accountant—High Liner Foods Incorporated, Lunenburg
Manager — Accounting Standards Compliance, Montreal, Toronto, Halifax or Stellarton.

Manager — Corporate Compliance, Toronto or Halifax based.

Financial Standards Manager — Staffing Strategists International, Halifax.

International Controller — Major Drilling Group International Inc., Moncton.

Note: Other career opportunities, together with valuable information and guidance on career counseling, etc., can be found at CA Source, on the CICA Website (www.cica.ca).

VOLUNTEER OPPORTUNITIES

Volunteer opportunities are also posted regularly on the ICANS website under the Members menu. Currently, the following opportunity is available:

Accountant/Accounting Student — St. Paul's United Church

REMI NDER — IMPORTANT UPCOMING DATES

- **2004 Ethical Leadership Summit**
September 21—22, 2004
- **UFE**
September 21—23 ,2004
- **2004 Fall/Winter PD Passport Deadline**
October 22, 2004
- **2004 Fall/Winter PD Week**
November 15-19, 2004
- **UFE Release**
December 3, 2004
- **Members' Luncheon**
December 17, 2004
- **Convocation**
February 12, 2005
- **Annual Meeting and Golf Tournament, Chester**
June 6, 2005

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