

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 web-site at www.icans.ns.ca

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Giving Recognition When Recognition Is Due — Asking For Your Help

The Honors Committee of the Institute is responsible each year for identifying members who deserve recognition for making to difference to their professions, communities, or special organizations. Two types of recognition can be made each year: one member is selected for exemplifying the contribution Chartered Accountants make to non-profit organizations and community-based activities in Nova Scotia and received the Ross L. Towler CA Of The Year Award; and one or more members may be recognized for longer term meritorious service by being awarded an FCA designation by Council.

One of the challenges faced by the Honors Committee each year is ensuring that deserving individuals are identified for consideration. All members are encouraged to take the time and make the effort to nominate their colleagues for such recognition. While CA Of The Year Award nomi-

nation forms have been sent directly to a wide variety of non-profit organizations throughout Nova Scotia, a copy of the nomination form can be found in the Latest News section of the ICANS website. A nomination form for FCA recognition will be mailed to all members in the August mailing.

Please take the time to make sure that the Honors Committee is made aware of members who, in your opinion, deserve recognition.

Survey Results Now In –With Interesting Results

Last November, members were encouraged to participate in an Internet based survey conducted by a professor at the University of Alberta on various aspects of the accounting profession in Canada. ICANS can be proud of its participation rate 18.5% (second only to BC) and even more so that we had an incredibly low “bounce-back” rate of .6% compared to other Institutes who experienced an average bounce-back of 3.6%. Our accuracy rate makes electronic communication with our members very effective, and reflects not only our members’ willingness to keep the Institute informed of changes but also Soula’s attention to maintaining accurate records. Well done!

The results are now being analyzed and a report is being prepared. An initial assessment of the results show that many of assumptions generally made about CAs may warrant further investigation. For example, the reported results indicate that far more CAs spend their time on the core areas of accounting, assurance engagements, and taxation than is commonly alledged, and that the majority of CAs do show their designation on business cards (common perception is that many more than the 11% reported in the survey do not). ICANS members also report a higher result on the degree to which the business community values the CA designation than in other parts of Canada, although ICANS members agree with their colleagues that the reputation dropped considerably higher after the Enron collapse. Much of this information will be reported to you next month, while other more sensitive results will be useful to the Institute in carrying out its strategic plans.

Who (Or What) Is An Ethical Hacker?

Who better than a hacker to find out if your organization’s systems and information are hacker-proof?

That’s the premise behind ‘ethical hacking’, an increasingly popular service that organizations are using to find out how easy or how difficult it might be for someone to bypass their security controls and gain unauthorized access to confidential information.

However, many organizations aren't sure what ethical hacking is, or whether it would be a useful exercise for their organization. To help answer questions and give an overview of the pros and cons of ethical hacking, the CICA has issued a plain-language white paper that explains why an organization should consider it, the types of testing, what ethical hacking entails, and how ethical hacking compares with other kinds of security related services.

Issued by the Information Technology Advisory Committee (ITAC) of the Canadian Institute of Chartered Accountants (CICA), *Using an Ethical Hacking Technique to Assess Information Security Risk* is available on the CICA website at www.cica.ca.

Identifying Top Information Technology Issues for Canadian Business

It May Not Be Letterman, but CICA's "Top Ten List" of Most Important IT Issues May Be More Relevant To You

Chartered accountants continually encounter Information Technology in their daily work and some level of IT proficiency is essential to operate in today's environment. It is therefore important for the accounting profession to keep a watching brief on those technology issues that are likely to be of significance to its members. Attached to this newsletter is an article written by Nova Scotia member Gerald Trites, FCA, who is a member of the CICA Information Technology Advisory Committee on the top IT issues identified by that Committee.

NS Securities Commission Considers New Rules To Restore Investor Confidence

The NS Securities Commission, together with other securities regulators in all provinces and territories other than British Columbia, have issued a series of proposals which are aimed at restoring investor confidence in Canadian public companies. These proposed new rules consist of auditor oversight, certification of Annual and Interim Filings, and changes to Audit Committees. Of particular interest to the CA profession will be the requirement for auditors of most public companies to be subject to the Canadian Public Accountability Board ("CPAB") which the CICA played a significant role in its formation, and over the specific increased reporting responsibilities for CFOs and CEOs of public companies for annual and interim filings. Deadline for comments is September 25th.

These proposed rules can be found on the NS Securities Commission website at www.gov.ns/nssc/. This material should be of particular interest to members who are involved with publicly listed companies or auditors of such entities.

New Federal Legislation Enacted Regarding Political Contribution Limits

The Federal Government recently enacted Bill C-24 which includes amendments to the federal *Canada Election Act* setting out political limits pertaining to individuals and corporations. These amendments will come into effect on January 1 2004 and set out limits for individual donors, corporations, and trade unions, prohibit corporate and union contributions to leadership contestants, prohibits most forms of indirect contributions, and sets out new disclosure and audit requirements for electoral district associations, leaderships contestants and nomination contestants.

The CICA Research Studies group is presently revising the *Guide for the Auditor of a Candidate in a Federal Election*, and will publish it prior to the next federal election. The full text of Bill C-24 is available on the government website at www.parl.gc.ca.

Your Chance To Make a Difference To Young Nova Scotians

Junior Achievement is a non-profit organization whose mission is to inspire and educate young Canadians to value free enterprise, to understand business and economics, and to develop entrepreneurial and leadership skills. In addition to the financial support and volunteer time provided by the Institute for JA programs, many CA firms and individual members demonstrate their own strong support for this organization, which plays a major role in developing skills and motivation which leads to success in future business endeavours for many Nova Scotia teenagers.

JA is currently seeking volunteer advisors to assist student companies with everything from capitalization and product selection to liquidation and windup. The advisor's role is not to make decisions for the students but to provide guidance, share experiences, and to keep the students on track. If you are interested in becoming involved in this worthwhile project, please contact Brenda Farris at Junior Achievement of Nova Scotia by e-mail bfarris@janovascotia.org or by telephone at 902-454-4564.

JA Nova Scotia serves all of Nova Scotia, and members in smaller communities can play a particularly important role in their community youth.





Membership Changes

The Institute is pleased to welcome the following new members:

Chris Sheldon Arsenault CA
Lisa Boucher CA
Taranjit S. Sekhon CA

The following members have been granted retired status:

Andrew Charles Carras CA
Glendon Wilbert Smith CA

The following members have resigned from the Institute effective April 30th:

Kimberley Anne Bustin
Stefan Mikal Gashus
Gerald Edward Hobson
Dana Rae Kavanagh
John Andrew Martin
Shawn Patrick MacMullen
Cecil Lloyd McCallum
Michael J. Van De Wiel

In Memoriam

Paul Jonathan Veinotte, CA on July 23, 2003

Here And There With Members

Jennifer Ammouri CA, previously with Chandler & Davis Chartered Accountants, has accepted a position of Operations Control Analyst with Loblaws.

Andrew F. Brathwaite CA of R. S. Kirby & Co. Ltd. has transferred to that firm's Christ Church Barbados office.

Krista A. Harris CA has transferred from CBC Halifax to CBC Toronto.

Pamela G. Muir CA has left the Workers Compensation Board of Nova Scotia to accept a position in the Department of Finance, Province of Nova Scotia.

Looking To Hire A CA? For A New Career?

Consider posting your opportunity on the website as well. CAs can also post their availability for a reasonable fee as well. Check out the website for further details.

Career Opportunities On The Website

Check the site for recent career postings which are added to the site on a weekly basis. Current postings are:

Internal Auditor — Workers Compensation Board of Nova Scotia
CA Student — Hunter & Belgrave Chartered Accountants

Other career opportunities, together with information and guidance on career counselling, etc., can be found at CA Source, on the [CICA Website](http://www.cica.ca) (www.cica.ca).

Volunteer Opportunities

Volunteer Opportunities can be found on the ICANS website. The following positions are currently open:

Treasurer — The Flower Cart (New Minas)
Treasurer — Bedford Youth Development Association
Treasurer — Canadian Mental Health Association (Halifax/Dartmouth)

Reminder — Important Upcoming Dates

September 15

Deadling for Ross L. Towler CA Of The Year Award Nominations

September 16-18

Uniform Evaluation (UFE)

September 26, 2003

Halifax Universities Careers Fair (WTCC)

September 26, 2003

Deadline for FCA Nominations

October 30, 2003

Annual Practitioners Forum in Truro

November 3-7, 2003


PD Week in Halifax

November 28, 2003

UFE Results Release

WATCH FOR:

All members will receive an August mailing which will include not only their 2003 Fall/Winter PD Catalogue, a new Council Interpretation, but also their copy of the 2003 Annual Report.



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Copies of current and past issues are available on the Institute's website at www.icans.ns.ca

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Top IT Topics - a Canadian Perspective

Prepared by Gerald Trites, CA•CISA, FCA

Member of the Information Technology Advisory Committee of the Canadian Institute of Chartered Accountants and Professor at St Francis Xavier University

Chartered accountants continually encounter Information Technology in their daily work and some level of IT proficiency is essential to operate in today's environment. It is therefore important for the accounting profession to keep a watching brief on those technology issues that are likely to be of significance to its members.

Each year, a listing of the top ten technology issues is published by the AICPA, after an electronic survey of over 200 of its members. The survey is based primarily on those technologies which the AICPA feels are likely to have a significant impact on business in the year ahead. The top item in its 2003 list is Information Security. The full list can be found at <http://www.aicpa.org/news/2002/p030102.asp>.

The CICA's Information Technology Advisory Committee (ITAC) also maintains a list of top technology issues, currently consisting of 17 items, with the top 5 rated by ITAC in terms of their importance to the accounting profession. This list represents the consensus of ITAC members, all of whom are senior members practising in, or heavily involved in, information technology and risk management. The main criteria they use revolve around the impact of these technologies on the accounting profession and the business community, as well as their currency and the presence of unresolved issues. ITAC maintains the list as a guide in mapping out its work plan.

A comparison of the two lists reveals not only some overlap, but also some interesting differences.

Three of the items on the AICPA list - *Privacy* (#10) *Wireless Technologies* (#6) and *Intrusion Detection* (#7) – are not on the ITAC list because ITAC has already acted on these issues. With respect to Privacy, a great deal of legislation and guidance has been issued in the past few years, including two ITAC documents: *20 Questions Directors should ask about Privacy* (a version of which was also developed for small business) and *Privacy Compliance: a Guide for Organizations and Assurance Practitioners*, which are on the CICA web site (www.cica.ca/privacy). Nevertheless, ITAC still views privacy as one of the most important and pervasive issues facing not just the accounting profession, but also Canadians in general, and is still monitoring this issue even though it is not on its current list. Further, along with information security, privacy pervades almost every other item on ITAC's list. ITAC has also recently released white papers on *Wireless Technologies (Security for Wireless Systems)* and *Intrusion Detection (Using an Ethical Hacking Technique to Assess Information Security Risk* – in the IT community, this technique is referred to as "penetration testing"). Both have been posted on the CICA web site (www.cica.ca/itac).

There are other items on the AICPA list that are also on the ITAC list, but which have not been rated. *Customer Relationship Management* (#9 on the AICPA list) has been on the ITAC list for several years. *Application Integration* (#3 on the AICPA list) is covered in various ways in the ITAC list. For example, supply chain integration tools like *E-procurement* and *Supplier Relationship Management* are closely related to this topic.

ITAC's second and third priorities – *Electronic Filing and Reporting* and *IT Outsourcing* - are not on the AICPA list at all. ITAC has commissioned a research study on the former and is considering producing a white paper on the latter. The "electronic filing" phenomenon is one that is growing strongly in Canada (as it is in the US and elsewhere), with many government agencies and the regulators moving towards the speed and convenience of e-filing. Nevertheless, there are several security and privacy issues that need to be resolved. A number of those agencies are actively considering the use of *Extensible Business Reporting Language (XBRL)*, to act as a

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common technology and to help address some of the administrative, cost and security issues. XBRL is a system of tagging data that enables relatively easy retrieval by those who have the tagging methodology built into their web browsers or business applications.

The risks of IT outsourcing have also hit the headlines in Canada recently, through such stories as the lost hard drive owned by ISM Canada, which contained data owned and outsourced to ISM by Co-operators General Insurance Co of Saskatchewan that included private information about thousands of individuals. Fortunately, it was later found.

ITAC's number one priority item - *Secure e-Business Infrastructure* - is very similar to the top AICPA item of *Information Security*. ITAC's item, however, focuses more directly on e-Business, taking the matter of security a step further. In addition, ITAC's number 4 priority is *User Authentication - Auditing*, which is an important element of security, so, clearly, security is a very important issue with both groups. Finally, ITAC's number 5 priority - *Digital Asset Management* - bears some similarity to the number 2 item on the AICPA list - *Business Information Management*.

Few aspects of life are as rife with change as information technology. The AICPA list changed this year with the addition of six new items. The ITAC list is updated at least yearly and, often, more frequently. Both lists make a good watching brief on the changes in information technology, changes that affect all of us.