

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](http://www.icans.ns.ca)

#### In This Issue:

- A New PD Season Begins
- CA Of The Year — Reminder!
- FCA Nomination Forms Available
- IIA North Eastern Conference in Halifax
- New Ontario Public Accounting Framework
- Are You Aware of the "EDGE"?
- Canada Election Act Changes
- Watch For Our New Ads
- Changes/Here And There With Members/ Looking...For A New Career?
- CAreer/Volunteer Opportunities/ Reminder — Important Dates

### Summer Is Over—And A New PD Season Begins

For most of us, summer passed far too quickly this year. The good news, however, is that the end of summer signals the start of another exciting season of professional development seminars.

This year's program has again been expanded, and provides a full slate of high quality, cost-effective seminars, on-line sessions, and other products which are sure to be relevant to the diverse membership needs. In addition to a wide selection of topics in the traditional core competency areas, each year more and more learning opportunities are provided in more general management and executive skills areas. With a passport providing most full-day seminars for \$100, the Institute's program is unbeatable value.

All members have received their copies of the catalogue last month — AND all information is also readily available on the website under Latest News. Don't delay — the deadline for passport registration is **OCTOBER 10** and seminars fill up quickly.

### Ross L. Towler CA Of The Year — Deadline Reminder!

The Honors Committee needs your help to identify candidates for recognition as the recipient of the Ross L. Towler CA Of The Year Award, which is given annually to a member who has contributed exceptional time and energy to a community or non-profit organization. As this award is intended to recognize the often "behind the scenes" contribution (a somewhat unsung hero like many of CAs are), the Committee's task is often challenged by the fact that many deserving CAs are just that. Nomination forms have been distributed to non profit groups, but if you know of a peer that merits consideration, please let us know. Information and a form is available on the website. The deadline for submissions is **SEPTEMBER 15TH**.

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

### FCA Nomination Forms Are In The Mail — Deadline September 26

In addition to the Ross L. Towler CA of The Year Award, the Institute recognizes member who demonstrate long-term meritorious service by awarding FCA designations. You received a nomination form in the last mailing, but additional copies can be downloaded from the website. Take the time to make sure that deserving individuals are brought to the Honors Committee's attention.

### IIA North Eastern Conference 2003 Takes Place in Halifax



ICANS, together with the other Atlantic Institutes, is proud to be a sponsor of the Institute of Internal Auditors North-Eastern Conference 2003, which is taking place at the Casino Nova Scotia Hotel in Halifax from September 28-Oct 1. Details and registration information on this conference, which promises to be an excellent learning and networking opportunity can be found at <http://www.iiahalifax2003.ca>.



## Ontario Announces New Public Accounting Framework

Over 9 months after it passed the highly controversial Bill 213 granting access to public accounting licenses to members of other Ontario accounting bodies, and four months after Professor Ross Daniels released his Report (the "Daniels Report") on recommended changes, the Ontario government announced its plan for reforming public accounting in Ontario. The Ontario Institute (ICAO) has expressed its support for the government's announcement, which ICAO characterized as "a positive first step to safeguard the existing standard and drive it even higher where required".

While the proposed new framework recognizes the potential for all three professional accounting bodies to be licensing bodies, and all three designations would have representation on the new Public Accountants Council of Ontario (PAC), individuals will be licensed only when their professional accounting body is deemed to have established standards for the training and regulation of their members in public accounting which meet high standards to be established by the PAC. According to the Ontario Government's press release "The government will direct the PAC to ensure that Ontario's standards are second to none. They will include regulations relating to education, practical experience, professional development, rules of professional conduct and disciplinary procedures".

Further information on the Ontario government's proposed new framework can be found on the Ontario Institute's website at [www.icao.on.ca](http://www.icao.on.ca). It should be noted that the Ontario government has called for an election subsequent to this announcement.

One issue of relevance to Nova Scotia's public accountants is that the Ontario Government has upheld the definition of public accounting to include not only audits but also reviews and compilation engagements. The Daniels Report had recommended that compilation engagements accompanied by a "Notice to Reader" would not be subject to licensing. In Nova Scotia, compilations are not covered by the scope of the Public Accountants Act but the Public Accountants Act definition of public accountancy has long been considered to encompass both audits and review engagements. This interpretation is currently under challenge, however, and there has been a suggestion that review engagements should not be a licensed activity. The Institute supports the Board's position that the Act's present definition does include review engagements, and believes strongly that all assurance engagements, both audit and review, should continue to be subject to the appropriately high standards established by the Board. Failure to do so will result in a reduction in the standards which serve to protect the public interest, and will undoubtedly lead to more confusion and less confidence in public accounting in Nova Scotia.

## Are You Aware of the "EDGE"?



**Nova Scotia Business Inc.**

The Nova Scotia Business Inc. (NSBI) has announced a new initiative program for NS business leaders interested in enhancing their business skills and expanding their global business network. The program, Executive Development in Global Entrepreneurship (EDGE) provides two openings for distinguished executive development programs being offered in top Mas-

sachusetts schools. If you or individuals you know may benefit from these programs, further information is still available at <http://www.novascotiabusiness.com>. **URGENT DEADLINE—NEXT WEEK!**

## Canada Election Act Changes Results in New Audit Requirements

On June 19, 2003 amendments to the Canada Elections Act were assented to which become effective on January 1, 2004. These changes have introduced audit requirements, in certain specified circumstances, for registered associations, leadership contestants and nomination contestants. Members who are currently auditors of federal election candidates, or members who may be approached to serve as auditors in the upcoming election, may be approached to provide these additional services and should become familiar with the new requirements. A summary of the pertinent details is included as an attachment.

One disappointing aspect of the changes is that the Standing Committee on Procedure and House Affairs did not see fit to require that registered associations submit an audited financial report, despite the CICA Advisory Group's recommendation.

Necessary amendments to the Rules of Professional Conduct pertaining to the Canada Elections Act are being currently studied.



## Here And There With Members

**Diane Cameron CA**, previously with Grant Thornton LLP Chartered Accountants, is now the General Manager of MacIntosh MacDonnell & MacDonald Law Offices in New Glasgow.

**Michael Coward CA** is now Manager, Internal Audit Services with Loblaws in Weston ON..

**Melinda Lee CA** has left KPMG LLP and is now Senior Manager, Investments with Geosam Investments Ltd.

**Peter Nash CA** is no longer in public practice and has accepted the position of Controller for the Atlantic Resources Opportunities Inc. (ARO) group of companies.

**Henry A Visser LLB CA** has been admitted as a Partner in the Halifax office of McInnes Cooper.

## Watch For Our New Ads!!



ICANS has created a new ad to be used in print advertising in Nova Scotia. The ad, created by Joy Barkhouse of Equinox Communications (our Communications Consultant ) and Hanlon Marketing, combines a distinctive familiar image which reinforces both the CA tagline of "Strength Beyond Numbers" and the fact that the message is as relevant now as it was in the past.

As a relief from the conflict and tragedy of the past few years, the public is seeking comfort images, and the chosen concept reminds them that much simpler times taught them simple lessons which are still relevant today. The image has clean crisp professional lines, and will stand out from the clutter of other ads which appear in typical business publications. It is also "neutral"

to the various careers of our members and students and doesn't involve complications such as whether to use real CAs or actors in the ads etc.

In addition to print ads, the new images will replace the current signage at the Halifax International Airport (take a look next time you're waiting for your luggage). These ads are only one aspect of a comprehensive communications strategy intended to reinforce the CA image and to promote the brand to the general public. Relatively modest amounts have been provided in the budget to provide for other forms of media advertising in accordance with the Institute's overall strategic goals.

## 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.

Other career opportunities, together with valuable 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 are posted regularly on the ICANS website under News. The following positions are currently open:

- Auditor — The Epilepsy Association of Nova Scotia
- Treasurer — Bayers Westwood Family Resource Centre
- Treasurer — The South Shore Waldorf School Association (Conquerall Mills)
- Treasurer and Board Members — Two Planks and a Passion Theatre Association
- Treasurer — Bedford Youth Development Association

## Reminder — Important Upcoming Dates

### September 15

Deadline 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

### September 28-October 1, 2003

Institute of Internal Auditors North Eastern Regional Conference 2003  
"Navigating a New Direction"

### October 2, 2003

Annual Practitioners Golf Tournament, Truro Golf Club

### October 10, 2003

Deadline for PD Passport Registrations

### October 15, 2003

Chamber of Commerce Business to Business Expo

### October 30, 2003

Annual Practitioners Forum in Truro

### November 3-7, 2003

PD Week in Halifax

### November 28, 2003

UFE Results Release

September  
2003  
Page 4

CA

E-SCAN is a monthly publication of the Chartered Accountants of Nova Scotia, and is sent to members by e-mail.

Copies of current and past issues are available on the Institute's website at [www.icans.ns.ca](http://www.icans.ns.ca)

Institute of Chartered Accountants of Nova Scotia

1791 Barrington Street  
Suite 1101  
Halifax, Nova Scotia  
B3J 3L1  
Tel: (902) 425-3291  
Fax: (902) 423-4505  
[icans@icans.ns.ca](mailto:icans@icans.ns.ca)  
[www.icans.ns.ca](http://www.icans.ns.ca)

Executive Director  
Robert Caswill, CA  
[rcaswill@icans.ns.ca](mailto:rcaswill@icans.ns.ca)

Director of Professional Standards  
Wenda Bennett, CA  
[wbennett@icans.ns.ca](mailto:wbennett@icans.ns.ca)

Director of Professional Development  
Kathie Slaunwhite  
[kslaunwhite@icans.ns.ca](mailto:kslaunwhite@icans.ns.ca)

Membership Registrar  
Soula Keramaris  
[skeramaris@icans.ns.ca](mailto:skeramaris@icans.ns.ca)

Administrative Assistant  
Cindy Mombourquette

# Changes to the Canada Elections Act – New Audit Requirements Effective January 1 2004

Author: David Moore, CA, Research Studies Director, CICA

Recent changes to the Canada Elections Act, which were assented to on June 19, 2003, have introduced audit requirements for the following:

- Registered Associations
- Leadership contestants, and
- Nomination contestants

These changes will come into effect on January 1, 2004

## Registered Electoral District Associations

Under new Section 403.01 of the Act, an electoral district association of a registered party has to be registered and must appoint an auditor, as well as a financial agent, whose names are to be included in the application registration. The signed consents of the auditor and the financial agent so to act are also required (403.12). There are certain eligibility requirements for the auditor (see below).

Within six months after becoming registered, the association must provide a statement, prepared in accordance with generally accepted accounting principles, of its assets and liabilities, including any surplus or deficit, as of the day before the effective date of registration. The financial agent has to provide a declaration that the statement is complete and accurate (403.05). An audit of this statement, however, is not required.

The fiscal period of a registered association is to be the calendar year (403.06) and, if necessary, electoral district associations will have to change their fiscal periods accordingly, once they are registered (403.07). The financial agent should provide a financial transactions return for each fiscal period (403.35 (1) (a)).

An audit is **only** required if the registered association has, in a fiscal period, accepted contributions of \$5,000 or more in total or incurred expenses of \$5,000 or more in total. In such a case, the auditor is to report to the association's financial agent on the financial transactions return of the association for that period. An examination is to be made, in accordance with generally accepted auditing standards, that will enable the auditor to give an opinion on whether the return presents fairly the information contained in the financial records on which it is based (403.37 (1)). If such is not the case or, if based on the examination, it appears that proper accounting records have not been kept, the auditor must report accordingly (403.37 (2)). For all fiscal periods, including those where an audit is required, the financial agent must include a declaration in the prescribed form that the financial transactions return is complete and accurate (403.35 (1) (c)).

The CICA's Advisory Group on *the Audit of a Candidate in a Federal Election* expressed its concerns over the lack of an annual audit to the Standing Committee on Procedure and House Affairs, but no action was taken by the Committee to address these concerns.

A copy of the auditor's invoice is to be submitted to the Chief Electoral Officer, who, on receipt of the prescribed return and declarations, will provide the Receiver General with a certificate that sets out the amount, up to a maximum of \$1,500, of the expenses incurred for the audit. On receipt of the certificate, the Receiver General will pay the amount set out in it to the auditor out of the Consolidated Revenue Fund (403.39).

## Leadership contestants

Leadership contestants of registered parties must also be registered (435.05 (1)). They must appoint a financial agent and an auditor, whose names are to be included in the application for registration, accompanied by their signed consents so to act (435.06 (1) and (2)). There are certain eligibility requirements (see below).

An audit of the leadership campaign return is only required if the leadership contestant has accepted contributions, or incurred leadership expenses, of \$5,000 or more in total. In such a case, a process similar to that for registered associations is to be followed (435.33). The Act does not provide for any reimbursement of the audit fee by the Receiver General.

## Nomination contestants

When a nomination contest is held, the registered party (or the registered association if the contest was held by the association) has to file a report, within 30 days after the selection date, with the Chief Electoral Officer. The report is to include the date on which the nomination contest began, the selection date, the names and addresses of each nomination contestant as of the selection date, the names and addresses of their financial agents, and the name of the person selected (478.02 (1)).

A nomination contestant who has accepted contributions, or incurred nomination expenses, of \$10,000 or more in total must appoint an auditor **without delay** (478.25(1)). Again, there are certain eligibility requirements for the auditor (see below). After the auditor is appointed, the nomination contestant must, without delay, provide the Chief Electoral Officer with the auditor's name address, telephone number and occupation and a signed declaration by the auditor accepting the appointment (478.25 (4)). A process similar to that for registered associations and leadership contestants is then to be followed. The Act does not provide for any reimbursement of the audit fee by the Receiver General.

## Eligibility requirements

The following are eligible to be the auditor of a registered association, leadership contestant and nomination candidate, as well as a federal election candidate:

- a person who is a member in good standing of a corporation, an association or an institute of professional accountants; or

- a partnership of which every partner is a member in good standing of a corporation, an association or an institute of professional accountants

(registered associations 403.11 (1); leadership contestants 435.1 (1); nomination contestants 478.25 (2); federal election candidates 85 (1)).

The following are not eligible:

- election officers and members of the staff of returning officers;
- chief agents of registered parties or eligible parties and registered agents of registered parties;
- candidates and official agents of candidates;
- electoral district agents of registered associations;
- leadership contestants and their leadership campaign agents;
- nomination contestants and their financial agents; and
- financial agents of registered third parties

(registered associations 403.11 (2); leadership contestants 435.1 (2); nomination contestants 478.25 (3); federal election candidates 85 (2), which has been revised to add some of those indicated above to the list of persons not eligible to act as auditor of a candidate).

Further, only one auditor at a time is allowed (registered associations 403.14; leadership contestants 435.13; nomination contestants 478.26; federal election candidates 88).

It should be noted that a person may be appointed as an agent of a registered association, a leadership contestant, or of a nomination contestant, notwithstanding that the person is a member of a partnership that has been appointed as an auditor, in accordance with the Act for the registered party (403.1(3), 435.1(3), 478.05(2)).

#### **A guide for the Auditor of a Candidate in a Federal Election Pursuant to the Canada Elections Act**

The guide is being updated to reflect changes to the Act as they affect federal election candidates and their auditors. The new edition should be published (and posted to the CICA web site) well ahead of the next federal election.

#### **Questions**

Any questions relating to audit requirements under the Canada Elections Act should be directed to the following:

Andrée Lavigne ([andree.lavigne@cica.ca](mailto:andree.lavigne@cica.ca))

David Moore ([david.moore@cica.ca](mailto:david.moore@cica.ca)).