

# CA E-SCAN

CA Nova Scotia  
*Strength beyond numbers*

May 2003

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:

- Hooray It's May—Some Tax Season Humor now that it's over
- Oh No, It's May Again — Fees and PD Reports Are Now Past Due
- Deadline for Spring PD Passports Is Approaching Fast
- Minding Your E-Business — A Free Seminar
- Free Tax Seminars
- Other People's Money — A Full-Day Session by the Barristers' Society
- Abraham Briloff Speaks in Halifax—Sponsored by the Accounting Education Foundation
- Celebrating Our Success—An Erratum
- A Proposed New Rule 206 — A Concern?
- Membership Changes/Here And There With Members/Looking...To Hire A CA? ...For A New Career?
- CAreer/Volunteer Opportunities/Reminder — Important Dates

## Hooray—It's May!

For many Chartered Accountants, May 1 symbolizes an annual rite of Spring, as personal tax season is largely history, and many a member can gaze at that set of golf clubs and plan for life after tax (of course, for most practitioners, the pace continues, and it simply means they can start work on all that other work now)!

A lot of income tax-related e-mail humor circulates each year at this time. A particularly good one was shared by **Scott Campbell, CA** and consists of 37 suggestions on how to assist your accountant in preparing your tax return. If you find:

36. *Shop around for the best price on the cost of a "simple tax return." Find an accountant who will commit to a price, then show up with untotaled receipts for two businesses, a rental property and sales of numerous mutual funds. Did you fail to mention the spouse and three working children?*

sounds familiar, the entire list is attached to this newsletter. Maybe some of you will want to send it to that "special" client (perhaps even with a suggestion that they take their work next year to that tax preparation company which has advertised so well this year!)

## Oh No — It's May Again! Your Fees and PD Report May be Past Due!

May 1 was the deadline for payment of your 2003-04 Fees and for submission of your completed 2002 PD Report. If you haven't submitted them already, remember to do so as soon as possible. Members who fail to file submit them by the end of June will face suspension and additional reinstatement fees. Deadline for resigning as a member is **June 15th**.

## Deadline for Spring PD Passport Is Approaching Fast

The catalogue of the 2003 Spring/Summer Professional Development courses has now been mailed to all ICANS members. The complete catalogue and other information is also readily available for reference or downloading from the Institute website. In addition to repeat offerings of various Institute courses, this season offers 12 brand new seminars, as well as a number of new products for self-study and distance learning.

Deadline for ordering a Passport is **May 9th** — a passport provides you with the opportunity to attend high quality relevant seminars at a fraction of the cost of individual registrations. Don't delay!

**May 9th  
Deadline**

## **MINDING YOUR E-BUSINESS: Security and Privacy Matter**

Wednesday, June 11, 2003 (Sydney) Thursday, June 12, 2003 (Halifax)

Privacy and e-security are emerging as major consumer and business concerns, where suppliers, merchants, and customers are starting to demand that measures to address their concerns be in place. The January 1 2004 deadline for the federal Personal Information Protection and Electronic Documents Act (PIPEDA) is rapidly approaching.

The CICA, Canadian Bankers Association, and Canadian Chamber of Commerce are partnering in presenting a series of 25 free seminars across Canada for Chartered Accountants and small to medium businesses. Information on these sessions and registration can be found on the [Canadian Bankers Association website](http://www.cba.ca) ([www.cba.ca](http://www.cba.ca)).

### **Free Tax Seminars**

The Institute is pleased to cooperate with PATTERSON PALMER's Nova Scotia Tax Group, in promoting a Spring series of 2.5-3 hour free seminars on tax topics of interest to Chartered Accountants and their employers/clients. This year's topics will consist of (1) The Creation and Administration of Testamentary Trusts (2) Audits, Investigations and Solicitor - Client Privilege, and (3) Breaking up the sibling controlled company. These seminars will be held at the following locations as follows:

Truro (May 21)  
Halifax (May 30)

Bridgewater (May 27)  
Sydney (June 26)

Kentville (May 28)

An invitation to these seminars, with details on times, locations and RSVP contact information is available on the ICANS website or by contacting Ray Adlington at Patterson Palmer at 474.6570 or [radlington@pattersonpalmer.ca](mailto:radlington@pattersonpalmer.ca).

## **OTHER PEOPLE'S MONEY: Governance Issues Facing Corporate, Charitable and Not-For-Profit Organizations and Their Advisors**

Friday, May 16, 2003, The Lord Nelson Hotel, Halifax 9:00 a.m. to 4:00 p.m.

ICANS is pleased to assist the Nova Scotia Barristers Society which is offering this innovative conference discussing some of the compelling governance issues facing corporations, charitable, and not-for-profit organizations. The keynote speaker will be Dr. William Dimma, CM, BAsC, PEng, MBA, DBA, Hon DComm (St.Mary's), Hon LLD (York), KCLJ who will speak on **Individual Competence - Collective Impotence in Corporate Governance**. Other sessions include:

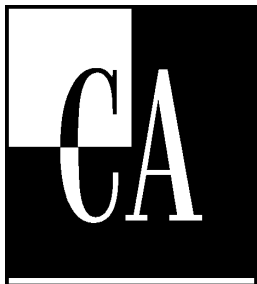
- Dangerous Liaisons - Is Transparency Enough? (Ethics, Conflicts and Risk Implications)
- Risky Business - Does No Profit Mean No Risk in Charitable and Not-For-Profit Organizations?
- Does the State Have Any Place in the Boardrooms of the Nation?
- (Legislating Governance: What Can We Expect and What are the Implications?)
- An Officer and a Gentleman (Best Practices In and Out of the Boardroom - A Case Study)

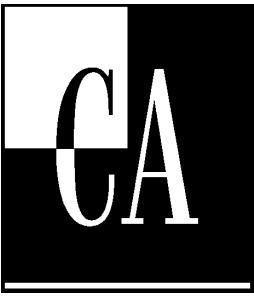
The \$275 registration fee includes all materials and lunch. Registration deadline is May 9<sup>th</sup>, so don't delay! Contact Lori Duggan at the NSBS at 902-422-1491 or email at [lduggan@nsbs.org](mailto:lduggan@nsbs.org) for more information.

## **Accounting for Business Ethics in the Post-Enron World – A Luncheon Address by The Distinguished Abraham Briloff**

The **Accounting Education Foundation Of Nova Scotia** is pleased to sponsor the Administrative Sciences Association of Canada's luncheon speaker Professor Abraham Briloff at a luncheon at the World Trade and Convention Centre on Sunday June 15<sup>th</sup> from 12:00-2:00 PM.

Professor Abraham Briloff, often referred to as the "conscience of the accounting profession," has been engaged in the practice of public accounting for more than half a century and is recognized worldwide as one of the foremost authorities on the





fiduciary responsibilities of the accounting profession. Most notably, on March 6, 2002 he testified on related issues before the Banking, Housing, and Urban Affairs Committee of the United States Senate. He has written extensively on accounting, tax, and financial and legal issues. He is at times controversial and challenging but always thought-provoking in his positions.

Tickets to hear this distinguished authority are \$30.00 (including lunch) and may be ordered from the Institute until June 9<sup>th</sup>. A registration form is attached for your convenience and is also available on the ICANS website.

### ***Celebrating Our Success (?) — Part 2***

While reaction to our recent publication *Celebrating Our Success* has been overwhelming positive, the reaction of one of our success stories was one of surprise. **Leontine Atkins-van Leeuwen, CA** who received the highest mark on the 1989 UFE, had been overlooked!

Leontine is currently a partner with the KPMG Rotterdam, Netherlands office, working primarily in the industrial markets sector. She states: "I certainly believe our CA training is one of the best in the world, after working with most European and South American practices. Canadian CA's are trained to focus on substance over form and to use their professional judgment. The CA designation is therefore something I carry with me proudly and I think back with fond memories of my special KPMG mentors, Brian Rogers, Doug Reid, and Larry Hood (who "sang" my UFE marks to me early one famous morning! Maybe he remembers which song it was??)".



***Leontine Atkins-van Leeuwen CA , omitted but not forgotten!***

Does Leontine like her current location? "I would certainly recommend an "expat" experience to anyone; the only risk is that you may enjoy your time so much that you may not want to come back!"

### **Rule 206 Compliance with Professional Standards**

At its April meeting, Council directed that feedback be obtained from members, and especially those member not in public practice, on a proposed new Rule 206 -- Member's compliance with professional standards and related Council Interpretations which is under consideration by the CICA Ethics Standards Harmonization Committee. It is expected that the amended Rule will be brought to Provincial Institutes in Fall 2003 for approval, together with the new Independence Rules.

**These Proposed New Rules Have a Potential Impact on All Members—especially those not in public practice and those who serve on Boards and Audit Committees.**

**Members are requested to review the proposed changes and provide their feedback and comments by June 15, 2003.**

The proposed new rule and interpretation responds to a specific concern expressed by the Ontario Securities Commission about the quality of financial reporting in Canada and the role of the Institute in disciplining those the OSC viewed as offenders. While expressing support for a GAAP regime that requires the application of professional judgment rather than compliance with narrowly prescribed rules, the OSC was of the view that instances of the misapplication of accounting standards contained in the *CICA Handbook* had been, and were being, accepted as the legitimate exercise of professional judgment within the "GAAP range" or on the "fringe of GAAP". In the OSC's view, this leads to acceptance of inappropriate accounting and deterioration in the quality of financial reporting.

The proposed new rule would apply not only to members who actually perform audits, but to all CAs who are responsible for the preparation of an entity's financial statements, including the most senior member employed by the entity. In addition, CAs who are members of audit committees or boards of directors would be required to apply their CA skills in fulfilling their responsibilities. The proposed rule stresses that in ap-

plying professional judgment to the interpretation and application of GAAP, a member must not rely on an extreme interpretation of an accounting principle which most members of the profession - applying generally accepted accounting principles - would reject as an unfair presentation of the financial position or results of operations of the entity in question.

Some members may feel that the proposed changes do not reflect more than a clarification of a member's responsibilities under the current Rule 206 and guidance on the appropriate measures to take. Others suggest that the new Rule adds to a member's obligations, and may significantly limit a CA from serving on a Board of Directors or on audit committees.

You are encouraged to download the proposed new Rule and related Council Interpretations from the News Section of the Institute website and to email your comments on the proposed changes to Wenda Bennett, CA (wbennett@icans.ns.ca) by **June 15, 2003**.

## Membership Changes

**Joan Margaret Bradley, CA** and **John Wiersma CA** have been admitted to membership through affiliation with the Ontario Institute.

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

**Dennis Cross**  
**Jeffrey Ingelman**  
**Melanie D. Rakochy**  
**Allan Peters**

## Here And There With Members

**Leslie Ann Bent, CA**, formerly with Anderson Consulting in Etobicoke, is now with CIBC in Toronto, ON.

**Paul Derby, CA**, formerly with Dockrill Horwich Rossiter, is now practising public accounting as Paul Derby Chartered Accountant.

**Bill Gullage, CA** has left xwave Solutions and is now Chief Financial Officer at MedMira Inc.

**Jason Hale, CA**, formerly with WBLI Chartered Accountants, has accepted a position in the Halifax office of Grant Thornton LLP.

**William Hogg, CA**, who retired recently as Deputy Minister of Finance, has recently received the Lieutenant Governor's Medal for Excellence in Public Administration.

**Frank Mader, CA** has ceased public practice and is now with the Nova Scotia Securities Commission.

**Troy MacDonald, CA**, formerly with Emera Energy has returned to public practice with Grant Thornton LLP in Halifax.

**Neil Morley, CA** has left KPMG LLP and accepted a position with the Nova Scotia Department of Finance.

## 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:

National Consultant, Tax & Estate Planning — Maritime Life Assurance  
Vice President, Taxation — Maritime Life Assurance  
Staff Financial Accountant — Rector Colavecchia Roche Chartered Accountants  
Controller — Land developer and construction company  
Director of Finance and Human Resources — minutes outside of Halifax  
Manager of Financial Planning & Analysis — Crown corporation in Halifax  
Vice president, Finance — local Halifax company  
Senior Controller — large Halifax company





Chartered Accountant — Hemming Weir Casey Inc.

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:

- Provincial Treasurer — NS Council of Girl Guides of Canada
- Treasurer — Chester Skating Club
- Treasurer — The Learning Disabilities Association of Nova Scotia (LDANS)

### Reminder — Important Upcoming Dates

**May 7, 2003**

Deadline for registration for CFP Examination

**May 9, 2003**

Deadline for Spring PD Passport

**May 23, 2003**

Deadline for golf tournament registrations  
Deadline for High School Scholarship Applications

**June 4, 2003**

Annual FCA Dinner

**June 7, 2003**

CFP Examination

**June 9, 2003**

Annual Meeting and Golf Tournament

**June 15, 2003**

Deadline for comments on Rule 206  
Luncheon with Abraham Briloff



**REMINDER ICANS 7th Annual Golf Tournament & Barbeque (and Annual Meeting)**

**Monday, June 9th, 2003**  
**Chester Golf & Country Club**

### At-a-glance

- ICANS was established in 1900 with just ten founding members. Today, our members number over 1,750, including students registered with the Atlantic School of Chartered Accountancy.
- The Canadian Institute of Chartered Accountants, together with the provincial and territorial Institutes/Ordre, represents over 76,000 CAs and students in Canada and Bermuda.
- Research indicates that more than 50% of companies listed in the *Report on Business* ROB 1000 for the past several years have had at least one CA in the top five positions; CEO, President, CFO, COO or Corporate Secretary. Even more important is the contribution that CAs are making to their companies. ROB 1000 companies that had a CA as their top officer have consistently performed better.  
*Source: Multiple ROB 1000 Listings*

**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)

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## How To Assist Your Accountant To Prepare Your Tax Return.

1. Leave all receipts and documents folded in the original envelopes, preferably unopened.
2. Alternatively, carefully fold up all receipts and cram them into small envelopes, letter size or smaller.
3. Best of all, tightly roll receipts into tubes (with the printing on the inside) and wrap them in elastics.
4. To challenge your accountant, indiscriminately mix receipts from different fiscal periods.
5. If you have employment expenses or business expenses to claim, don't save all the receipts. One or two from various months will show "the average monthly amounts I spent" - be sure that you save the most expensive months. Your accountant knows what to fill in for the gaps.
6. Always include and mix up as many duplicate copies of receipts as possible. Shuffle them like a deck of cards. Your accountant will enjoy sorting and matching before beginning to add and enter.
7. This is particularly fun with receipts for RRSP contributions made in the first 60 days. Give your accountant duplicate copies of those already deducted in the previous year. Tell the issuing financial institution you have lost your receipts, and get as many duplicates issued as possible. After all, if your accountant doesn't catch the duplication, you are perfectly entitled to the deduction.
8. Make an appointment to meet with your accountant as early as possible, insisting that you have all your receipts. When you come in to collect your completed tax return, produce one or two receipts that have arrived in the mail in the meanwhile. It always gets a big laugh when you say, "Will these affect my return?"
9. Help your accountant by summarizing transactions using a computer spreadsheet. Make errors in the formulas. Indiscriminately mix expenses, such as business entertainment and office expenses. Provide only hard copy, not the actual templates on disk. Demand a significant reduction in fees, stating "I have done all the work."
10. If you have a small business, do your own bookkeeping using a package like "Quicken." Creatively mix personal and business expenses and by all means create separate accounts for PST paid, and GST if you use the Quick method. When this results in your accountant taking twice as long to do the job, angrily demand a reduction in fees because "I have done all the work."
11. Give your accountant helpful advice such as "I am sure you can deduct baby diapers as a child care expense. My brother has done so for years and has passed three audits."



Making vague references to items you have read in the newspaper, heard on the news or best of all, heard from your hair stylist will keep your accountant guessing.

12. The more staples you can drive through bundles of documents the better. These should always be driven through the center rather than the corners. Heavy-duty staples are best.
13. Be sure to discard your Notice of Assessment or Reassessment as soon as it arrives in the mail. It is only a worthless piece of paper. This is also true of prior years tax returns, particularly if self-prepared or by another accountant.
14. Provide your accountant with either the total kilometers or business kilometers driven, but never both. Better still, just provide the odometer reading at the end of the year. Best of all, just advise your accountant to claim "whatever you can get away with." All really good accountants know this number.
15. If you commence leasing a piece of equipment part way through the year, always fail to mention this and provide only the monthly lease payment. ("Around \$500" should suffice.) Your accountant loves trying out his math skills to get a supportable number.
16. For purposes of business use of home expenses, provide your accountant with only the total amount of your mortgage payment, including property taxes and insurance. Accountants are trained to deduce the interest component.
17. After your accountant has presented your tax return to you, if you don't like the tax result, reach into your briefcase and pull out a fist full of receipts and say "I found these last week in my desk/files/garbage can but didn't want to bother you with them - will they make a difference on how much I owe?" This is best done at 6:30 PM on April 30th. Think of it as a delayed April fools joke. Accountants have a great sense of humour!
18. After the initial meeting with your accountant (but before your return is prepared) always ask "How does it look? Will I be getting a refund? How much?" After all, every good accountant can calculate a tax return instantly in his or her head. The computer on their desk is just for show.
19. When your accountant requires a form such as a T2200 be sure to argue, saying things like "No one else in my company requires them, and have been deducting auto expenses for years." Your accountant asks just to annoy you.
20. Always look offended and amazed when your accountant asks you to pay for your tax return before leaving his or her office. After all, you do not expect to pay for a meal before walking out of the restaurant, do you?
21. Provide your accountant with lots of cash register tapes bearing no identification of what was purchased. Accountants instinctively know.
22. Provide your accountant with fictitious, erroneous and inflated information on tax installments paid. After all, if he or she puts it on your tax return, CCRA must accept it.

If CCRA does NOT accept it and you receive a lesser refund than expected, blame your accountant.

23. Never bother to keep receipts for things like auto or business use of home expenses. Just say "You know what to deduct" or "Just use the same amounts as last year." Keep saying the latter for at least 10 years.
24. Early in February, call your accountant with information like "I made about \$50,000 last year and had about \$400 per paycheck deducted. How much do I need to put into an RRSP to avoid paying tax?" Keep calling throughout the month to provide additional information and request revised estimates.
25. Of course, you should expect all this to be included in the basic charge for your tax return.
26. Feel free to call your accountant up throughout the year and spend two or three hours on the phone discussing any and all subjects. Expect this time to be factored into the basic charge for your tax return.
27. Be sure to argue with your accountant over what items must be accepted as business expenses. After all, if an accountant deducts it on a tax return, CCRA must accept it.
28. Spouses should refuse to have their tax returns prepared by the same accountant and refuse to provide the other with relevant information. This way, each spouse can maximize and claim all available tax credits.
29. Prepare your own tax return and bring it to an accountant to "check over for accuracy and E-file." Expect to pay no more than \$5 for this service.
30. When your accountant's office calls to tell you your family's tax returns are ready, be sure to ask what the results for each family member are. If not in line with your expectations, be sure to demand a detailed explanation of why. Never wait until the final presentation in person to do this - besides, your accountant has all the results and details for hundreds of clients memorized.
31. To save your accountant time (and therefore yourself money) summarize expenses such as "total auto expenses". Arbitrarily prorate some components to the business use portion but not others.
32. If you have a personal "in" with your accountant, play on this to get your tax return done cheap or free. Then, refer all friends and family members at the same price.
33. Immediately discard all documents pertaining to the ACB of capital properties and do not concern yourself with trifles like dividend reinvestments, stock splits or share exchanges. After all, this new-fangled tax on capital gains surely will not last.
34. Arbitrarily transfer residences between family matters, with or without consideration. Mix up ownership and residency any way you want. Expect a principal residence exemption under all circumstances.

35. Advise your accountant to "Claim the investment income for the family where it will do the most good" and arbitrarily change this allocation from year to year.
36. Shop around for the best price on the cost of a "simple tax return." Find an accountant who will commit to a price, then show up with untotaled receipts for two businesses, a rental property and sales of numerous mutual funds. Did you fail to mention the spouse and three working children?
37. Hold your accountant responsible for tax law. Tearfully demand, "How do they expect me to pay that" or "How can I raise a family, pay for a house and pay these taxes?" Your accountant DOES have the power to make an exception in your case.



# The Accounting Education Foundation of Nova Scotia

The Foundation is pleased to be the Awards Luncheon sponsor for the upcoming Administrative Sciences Association of Canada conference being held in Halifax on June 14-17<sup>th</sup>.

## Professor Abraham Briloff, CPA

Emanuel Saxe Distinguished Professor Emeritus  
of Baruch College, New York

*"Accounting for Business Ethics  
in a Post-Enron World"*

**Sunday June 15, 2003**

**Luncheon 12:00 – 2:00 PM**

Cost \$30.00 (no HST, collected on behalf of the ASAC)

★Deadline for registrations is Monday June 9th★

Payment by cheque may be mailed to The Institute of Chartered Accountants of Nova Scotia, 1791 Barrington Street, Suite 1101, Halifax, NS, B3J 3L1. Payment by *VISA* or *MasterCard* may be mailed or faxed to 423-4505 (an authorized signature is required).

**Please include payment with this registration form.**

NAME: \_\_\_\_\_ CA  FCA  OTHER   
\_\_\_\_\_ CA  FCA  OTHER

COMPANY & MAILING ADDRESS: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

CHECK ONE: CASH   
VISA

CHEQUE ENCLOSED   
MASTERCARD

CARD NO.: \_\_\_\_\_ EXPIRY DATE: \_\_\_\_\_ TOTAL: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_