IN THIS ISSUE . . .

Deadline Reminders
ICANS’ Golf Tournament
JA Awards Gala
Unification Update
CICA Media Release re: MOU Between CICA & ICAP
ICANS’ 2012 Spring/Summer PD Brochure & On-Line Registration
Invitation to Comment: IAASB Plan
Two ICANS Members Receive Queen’s Jubilee Medal
2012 Practitioners’ Forum Date
Practitioner’s Pulse Webinar
CICA Publications Update
CPAB’s 2011 Public Report
CICA Talking Tax Newsletter
Article re: CRA E-Filing
Ac-SOC’s New Chair
PSAB Matters Newsletter
ASB’s FYI Newsletter
Audio Webcast - IFRS Discussion Group
Request for Issues: IFRS Discussion Group
Update: Rate-Regulated Activities
FAQ re: Employee Future Benefits
Final Amendments: Annual Improvements to IFRSs 2009-2010 Cycle
ED: Annual Improvements to IFRSs 2010-2012 Cycle
AASB Guide re: Reporting Implications
Events of Interest
Member Updates
Career Opportunities
Reminders and Important Dates

DEADLINE REMINDERS

June 15, 2012 is the deadline to submit requests for fee reductions.

June 30, 2012 is the deadline to submit resignations.

ON JUNE 18th, WHEN THE GRASS IS GREEN AND THE WIND IS FRESH AND SALTY, WHERE WILL YOU BE?

Spots are still available to participate in ICANS’ 16th Annual Golf Tournament, being held at the Chester Golf Club.

Open to all ICANS members and CA students, the tournament begins with a 1 pm shotgun start, four-person scramble. Following golf (at approx. 6:30 pm) there will be a steak BBQ and prize presentations. The registration fee per person is $130 (HST included).

Forms are available at: http://www.icans.ns.ca/media/documents/GolfRegistrationForm.pdf. (Note: only the first 124 paid players will be registered; the registration deadline is June 8th - no cancellations after deadline date.)

For questions re: registration, contact Cindy Mombourquette at cmombourquette@icans.ns.ca or at 425-3291 (ext. 21); all other inquiries should be directed to Jack Gorrill, CA, at 420-4827.

ICANS SPONSORS VP FINANCE AWARD AT JUNIOR ACHIEVEMENT GALA

On April 29, 2012, ICANS’ CEO Michele Wood-Tweel, FCA, attended the Junior Achievement of Nova Scotia’s (JA) 43rd Annual Awards & Recognition Gala at Saint Mary’s University, where she presented a $500 scholarship award to Bethany Dickey for her role as VP Finance for the fictitious business, Snug That!. Bethany — a participant in JA’s Company Program — is a student of Dartmouth High School and will use the scholarship toward earning a Bachelor of Business Administration degree from Acadia University. A true ‘rising star’, Bethany also won the national Deloitte Inspirational Scholarship, worth $2,500, and she traveled to Toronto to participate in the Canadian Business Hall of Fame on May 8th.

In a post-event press release, JA President & CEO Lynn Coveyduck bid congratulations to all the achievers and advisors, adding: “We’re so proud of the students who are a part of Junior Achievement and it wouldn’t be possible to deliver our programs without the help of our dedicated volunteers. Each achiever should be honoured these volunteers took their time to teach and mentor them over this school year.”

To learn more about JA’s programs and/or to volunteer, visit http://nova-scotia.jacan.org/ or contact Lynn Coveyduck at lcoweyduck@janovascotia.org or by calling (902) 454-4564 ext. 223.
Leaders Endorse the Need for Unifying Canadian Accountants — CICA and CMA Canada issued a media release on May 29, 2012, announcing that a comprehensive survey of Canadian business and thought leaders reveals strong support for a unified accounting profession in Canada. The overwhelming majority of respondents believe that if Canada is to play a lead role globally in the development and enforcement of the highest accounting standards, it is time for the accounting profession to unite under one designation. Respondents were commenting on a proposal to unite the Canadian accounting profession under the new Chartered Professional Accountant (CPA) designation and asked for their views on the prospect of unification.

The proposal, A Framework for Uniting the Canadian Accounting Profession, was issued to Canadian accountants in January 2012 by the CICA, CMA Canada and CGA-Canada. While a number of provincial organizations and CGA-Canada have withdrawn from discussions about unification recently, unification has been completed in Quebec and the majority of Canadian accounting bodies remain committed to seeing unification proceed (see pages 3 to 5 for more info on these developments). In all cases, unification efforts are aligned with the principles set out in the unification framework, which is the basis for this research.

The survey was commissioned by the Canadian accounting profession and conducted by independent consultants. The report concludes that now, more than ever, a unified accounting profession, speaking with one common voice and managing one common agenda, is crucial for the protection of the public interest at a time of exceptional turbulence in global financial markets. Unification would enhance Canada’s competitiveness, contributing to the confidence required to boost investment in Canadian companies, to create Canadian jobs and to better integrate newly-arrived professionals.

The survey results show that respondents believe a nationally united accounting profession would create new efficiencies benefiting both the profession and its clients across Canada. The challenges of uniting 40 separate accounting bodies were noted by all respondents, who recognized the fact that integration of the three professions would take time. However, they were almost unanimous in agreement that unification will benefit Canada and the Canadian economy.


CA and CMA Organizations Confirm Unification Discussions Continue — On May 28, 2012, it was announced that at leadership meetings held in Toronto and Vancouver, national and provincial leaders of the CA and CMA organizations evaluated recent developments in Quebec, the status of unification discussions in other provinces (including member votes supporting unification in Manitoba and BC), and the recent withdrawal of a number of CGA organizations from the discussions. At the conclusion of these meetings, the leaders of both professions independently reaffirmed their commitment to unification and provided direction to the CICA and CMA Canada to continue with national unification activities.

Canada’s new Chartered Professional Accountants (CPA) designation became a reality earlier this month with the passage of legislation unifying the CA, CMA and CGA Quebec accounting bodies. With this milestone, all professional accountants in Quebec now hold a CPA issued by the new CPA Ordre. Beyond Quebec, unification discussions continue in all jurisdictions. Participating bodies represent the majority of the profession in Canada and include all CA bodies other than CA Alberta and all CMA bodies other than CMA Ontario. In addition, CGA Alberta remains committed to unification. In short, unification is proceeding in jurisdictions across Canada, although as expected, progress is not uniform across the country or across designations. [In Nova Scotia, discussions continue regarding a provincial unification proposal between ICANS and CMANS.](http://cpacanada.ca/)

The position of the participating bodies has been consistent since exploratory unification discussions were launched with members one year ago. Then, as now, national and provincial leaders of the CA and CMA organizations believe strongly that uniting all three Canadian accounting organizations through the creation of the Canadian CPA would best protect the public by creating a common set of high ethical and practice standards and strengthen the profession’s influence and value both at home and internationally.

The leaders of both professions were disappointed in the recent decision by most CGA bodies, including CGA-Canada ([http://visioncga.org/](http://visioncga.org/)) to withdraw from the formal discussions, and stated that they remain open to pursuing unification with all CGA organizations under the eight overarching principles incorporated in the national Unification Framework issued in January.
UNITING THE CANADIAN ACCOUNTING PROFESSION (continued from page #2)

The CA and CMA organizations, working with those CGA provincial affiliates participating in unification discussion, will continue to develop the new CPA certification program (http://cpacanada.ca/certification-program/details-of-the-canadian-cpa-certification-program). A draft competency map for the new program has already been created and development of program modules will commence shortly.

CMA Canada and CICA are also working with the remaining CGA bodies in unification discussions to develop the plan to create CPA Canada. CPA Canada will be the new national body that will support provincial CPA bodies. Its first task will be to take over development of the new CPA certification program.

Progress is being made despite the challenges along the way. As the professions’ leaders said from the beginning, trying to bring 40 different organizations under a single designation is a complex and challenging task, but they continue to be committed to unifying the accounting profession in Canada, because it is the right thing for Canada and for the members.

For details on related provincial developments, please see below, along with info on pages 4 and 5 of E-SCAN, and/or consult the CPA News page at: http://cpacanada.ca/blog/category/news/.

Newfoundland Update — In a member communication issued on May 30, 2012 (http://cpacanada.ca/wp-content/uploads/2012/05/CGA-Member-student-Notice-May-30-2012.pdf), CGA-NL advised its members that it notified ICANL and CMA-NL on May 25th that it is withdrawing from unification discussions in the province. In response, the ICANL (http://cpacanada.ca/wp-content/uploads/2012/05/ICANL_message.pdf) and CMA-NL (http://cpacanada.ca/wp-content/uploads/2012/05/CMANL_message.pdf) have reaffirmed their commitment to unification and will be continuing discussions as part of the national initiative.

BC Update — In a member communication issued on May 24, 2012 (http://www.cga-bc.org/about_us.aspx?id=24950), CGA-BC announced they will no longer be participating in unification discussions in BC. In response, the ICABC (http://www.ica.bc.ca/kb.php3?artid=3294) and CMA BC (http://cma-bc.informz.ca/CMA-BC/archives/archive_209425.html) have reaffirmed their commitment to unification and will be continuing discussions as part of the national initiative.

ICABC Releases Vote Results: Shows Support for Unification — On May 23, 2012, the Institute of Chartered Accountants of British Columbia (ICABC) issued a message to its members to inform them that the ICABC has released the preliminary results of its members’ vote that was held from May 1 - 18. Those results indicate that over 4,800 BC CAs voted, representing 43 per cent of the membership — the highest participation level in decades: 52 per cent support the unification of the existing accounting Acts into one Act; 9 per cent believe that elected Council should decide; and 39 per cent do not support unification. The ICABC Council states that now has a clear mandate to continue unification discussions in BC, as part of a national initiative. To view the ICABC message to its members, click on: http://www.ica.bc.ca/kb.php3?artid=3294.

Quebec CPA Ordre Announces Board of Directors — On May 18, 2012, the new Quebec Ordre des CPA issued the following media release to announce its Board of Directors:

The Chartered Professional Accountants Act is in Force — The Chartered Professional Accountants Act came into force on May 16, 2012, thereby establishing the Ordre des comptables professionnels agréés (CPA) du Québec with a membership of 35,000 accounting professionals who were until now, members of the Ordre des CA, the Ordre des CGA and the Ordre des CMA. This unification means that the strengths and expertise of these three ordres are now combined within the Ordre des CPA.

According to the new Chair of the Ordre des CPA, Stephan Robitaille, FCPA, FCGA, “this is a historic day since we are witnessing the outcome of the fifth attempt in nearly 40 years to unify the accounting profession in Quebec. This extraordinary achievement will certainly enhance the protection of the public, but also promote the development of the profession and consolidate its presence at the international level.”

“We are very pleased with the creation of the new Ordre des CPA and are proud that Quebec is leading the way for the accounting profession in Canada. This successful move will certainly be a model and an inspiration for our counterparts across Canada,” added Daniel McMahon, FCPA, FCA, new President and CEO of the Ordre des CPA.
Positive Impacts — With a single gateway to the mechanisms for protecting the public and regulations that draw on the highest ethical and professional standards of the three orders, the new Ordre des CPA has the tools it needs to better protect the public. Unification also allows for the introduction of a new single core designation and globally recognized business credential for professional accountants in all economic sectors. Strengthened by the distinctive competencies of its members and the synergies they create, the accounting profession will be in an even better position to serve the business community, as well as organizations.

A New Team in Place — For several months now, the leaders of the three orders have been preparing for the creation of the new Ordre des CPA. Everything is now in place to ensure a seamless transition, with the valuable assistance of its Board of Directors and Executive Committee, which are composed of the following members:

- **Stephan Robitaille** (Chair), FCPA, FCGA, Desjardins Securities, Laval
- **Manon Durivage** (First Vice-Chair), FCPA, FCA, BDO Canada, Montreal
- **Nathalie Houle** (Second Vice-Chair), FCPA, FCMA, Desjardins Securities, Lévis
- **Marc Bélanger**, FCPA, FCMA, Qualité Investissements, Montreal
- **Alain Dugal** (Executive Committee Member), CPA, CA, PwC, Montreal
- **André Dugal**, CPA, CA, KPMG, Montreal
- **Ginette Fortin**, FCPA, FCGA, National Bank of Canada, Montreal
- **Jacques Lefebvre** (Executive Committee Member), ASC, Corporate Director, Quebec City
- **Suzanne Missionneau-Benoit**, Consultant, Mont-Tremblant
- **André Milville**, CPA, CA, Comptroller of Finance of Quebec, Quebec City
- **Hélène Racine**, CPA, CA, HEC Montréal, Montreal
- **Nelly Rodrique**, Société des établissements de plein air du Québec (Sépaq), Quebec City
- **Alain Tremblay**, CPA, CA, CA•IT, Lemire Morin Tremblay Inc., Gatineau
- **Germain Trottier**, Quebec City
- **Sylvie Valois**, CPA, CMA, Bombardier Aerospace, Dorval
- **Rénald Vigneault**, FCPA, FCGA, Société de Bienfaisance Marie-Soleil et Jonathan, Montreal

- **CGA Alberta and CMA Alberta Release Provincial Merger Proposal** — On **May 17, 2012**, CGA Alberta and CMA Alberta issued a communication stating that, in support of the Unification Framework and new CPA Certification Program, the CGA Alberta and CMA Alberta Boards have developed a provincial merger proposal, based on common principles. To review the Alberta proposal, click on: [http://cpacanada.ca/wp-content/uploads/2012/05/AB_Unification-Plan-FINAL1.pdf](http://cpacanada.ca/wp-content/uploads/2012/05/AB_Unification-Plan-FINAL1.pdf).

- **ICAS Member Consultation Results and Merger Discussion Update** — On **May 15, 2012**, the Institute of Chartered Accountants of Saskatchewan (ICAS) issued a communication to its members to provide them with an update on the unification consultation process, which includes the preliminary results of feedback provided to the ICAS Council and management from town hall discussions and an online survey. Those results indicate that over 20 per cent of ICAS’ resident members attended a town hall meeting and that 74 per cent of attendees definitely or probably support the national and provincial unification proposals. Key preliminary statistics from the online member survey indicate 839 members responded (a 43 per cent response rate) and that 50 per cent are supportive of unification of the CA, CMA and CGA accounting bodies in Saskatchewan, 34 per cent are opposed and 16 per cent are undecided. Note: on **May 25th**, CGA Saskatchewan notified ICAS and CMA Saskatchewan that it will no longer be participating in unification discussions in the province and sent the following communication to its members ([http://www.cga-saskatchewan.org/news_media/news_blogs/12-05-28/CGA-Saskatchewan_ends_merger_talks.aspx](http://www.cga-saskatchewan.org/news_media/news_blogs/12-05-28/CGA-Saskatchewan_ends_merger_talks.aspx)). In response, ICAS ([http://www.icas.sk.ca/merger-update](http://www.icas.sk.ca/merger-update)) and CMA Saskatchewan ([http://smac-saskatchewan.informz.ca/SMAC-Saskatchewan/archives/archive_210326.html](http://smac-saskatchewan.informz.ca/SMAC-Saskatchewan/archives/archive_210326.html)) have reaffirmed their commitment to unification and will be continuing discussions as part of the national initiative.

To read more about the ICAS member consultation results, click on: [http://cpacanada.ca/wp-content/uploads/2012/05/May-15-ICAS-Member-email.pdf](http://cpacanada.ca/wp-content/uploads/2012/05/May-15-ICAS-Member-email.pdf).
UNIFYING THE CANADIAN ACCOUNTING PROFESSION (continued from page #4)

- **Update on Ontario Unification Discussions** — On May 15, 2012, the Institute of Chartered Accountants of Ontario (ICAO) confirmed in a message to its members that unification of the profession remains their goal despite announcements from CMA Ontario (http://cmao.informz.ca/CMAO/archives/archive_206982.html) and CGA Ontario (http://www.unitedprofession.org/2012/05/15/cga-ontario-terminates-unification-discussions/) that they are no longer participating in unification discussions. The ICAO emphasized that it remains part of the national unification, believing that unification would benefit all accountants, protect the public interest and strengthen the future of accounting in Canada. ICAO therefore intends to stay involved with developments across Canada and to work with those parties who share similar beliefs. To read ICAO’s member communication, click on: http://www.icao.on.ca/unification/documents/Unificationwithdraw.pdf

**Unification Discussion Resources**

- **ICANS’ Town Halls** — Two Town Halls were recently held: the first was open to all members on April 26, 2012, and the second held on May 16, 2012, was by invitation to recent CA grads and it featured ICANS member Robert Kelly, FCA. Additional Town Halls will be offered across the province following the release of the Nova Scotia unification proposal, which is currently under development by ICANS and CMANS — stay tuned for details.

- **ICANS Audio Presentation** — In the event you have not been able to attend one of the Town Hall presentations ICANS has been hosting re: the unification of Canada’s accounting profession, an AUDIO PRESENTATION, featuring ICANS’ CEO Michele Wood-Tweel, FCA, has been prepared and posted on the ICANS’ website. To listen to the brief presentation (i.e., less than 20 minutes in length), just click on the following link: http://www.snwebcastcenter.com/custom_events/icans/site/ns_201203.

- **CPA Canada Update** — Read about the latest unification developments in the new CPA Canada Update. To read the May 29th issue, click on: http://cpacanada.ca/cpa-canada-update-may-29-2012/.

- **Town Hall Q&A Video Links** — Senior executives from various provincial CA, CMA and CGA Town Hall meetings answer questions from members about the unification process and organizational structure, CPA designation and CPA certification process in a series of three videos now available on the ‘Resources’ page of the CPA website. To access the compiled links, click here: http://cpacanada.ca/blog/2012/05/04/town-hall-qa-video-excerpts-now-available/.

- **Academic Paper Outlines Potential Benefits of Unification for Self-Regulation** — An academic analysis authored by William Lahey LLM, Associate Professor, Schlich School of Law, Dalhousie University, concludes that unification would strengthen and streamline the profession’s self-regulatory function and enhance its capacity to fulfill its ultimate self-regulatory mandate to protect and advance public interest. To access a summary of the paper, including a link to the full report, click here: http://cpacanada.ca/wp-content/uploads/2012/05/SRO_Final_OverviewLinked.pdf.

- **Unification Articles** — The April 28, 2012 edition of Les Affaires contains an article entitled, Merging the Ordres Will Secure the Future of the Profession, that quotes several CA firms and highlights the benefits of unifying the accounting bodies in Quebec. To read the article, click on: http://cpacanada.ca/wp-content/uploads/2012/05/LesAffaires_Eng_translation1.pdf. In addition, the Canadian Academic Accounting Association (CAAA) released a special issue of their member newsletter focusing on the unification of the accounting profession in Canada, as viewed from various perspectives. The on-line issue can be accessed at: http://www.caaa.ca/AccountingPerspectivesAP/SpecialIssue/index.html
RECIPROCAL MEMBERSHIP MOU SIGNED BY CA INSTITUTES OF CANADA AND PAKISTAN

The CICA issued a media release on May 7, 2012 to announce that CICA and the Institute of Chartered Accountants of Pakistan (ICAP) signed a Memorandum of Understanding (MOU) on reciprocal membership arrangements. The MOU specifies the criteria by which members of one body are eligible for membership in the other. It was signed by the CICA on behalf of the provincial and territorial Institutes/Ordre of Chartered Accountants of Canada and the Institute of Chartered Accountants of Bermuda (ICAB), which has long been affiliated with the CICA.

“Our profession is known as a leader in international labour mobility and in foreign credential recognition, said CICA President and CEO Kevin Dancey, FCA. “It is important to help internationally trusted professionals earn their Canadian CA, as this fosters mobility and helps us attract the brightest and the best individuals.”

The MOU recognizes that there is substantial equivalency in the core knowledge component of the accounting education for CAs in both countries and will reduce the admission requirements for qualified CAs from Pakistan. Under the MOU:

- An ICAP member who holds a recognized university degree will be eligible to become a Canadian CA by passing the Canadian Uniform Evaluation (UFE), which is offered annually in Canada. In addition, the candidate must meet the profession’s experience requirements.
- Individuals with a Canadian CA designation will be eligible to become an ICAP member by passing the ICAP’s examination in Advanced Taxation and Corporate Laws.

“This increased recognition of accounting education programs in Pakistan is a true benefit for our members,” said Rashid Rahman Mir, President, ICAP. “It is very encouraging to see our efforts being acknowledged by the CICA. This is a great example of two accounting bodies working together to provide windows of opportunity in today’s global environment.”

That said, Kevin Dancey also noted that, “The Canadian CA profession has considerable expertise in determining substantial equivalency of foreign qualifications in a manner that is fair, consistent, transparent and timely.”

ICANS’ 2012 SPRING/SUMMER PD PROGRAM

Just a reminder . . . if you’re looking to fill some PD hours, there are still courses available in ICANS’ 2012 spring/summer PD program. To access a copy of the spring/summer PD Brochure and/or to view an updated PD calendar visit: http://www.icans.ns.ca/forthepublic.asp?cmPageID=196.

And, don’t forget . . . now you can register on-line. Just click on: https://ebusiness.icao.on.ca/esns/scriptcontent/index.cfm. Once at the ‘welcome page’, click on the ‘Member Login’ button. The first time you log in you will need to set-up your account; your username is your six digit CICA number (without the ‘C’), located on your fee invoice in the address box ‘Reference #’ (this will be your ICANS number on a go forward basis). You will need to set up your password by clicking on ‘Reset My Password’; please ensure you use the preferred email address that you use to receive ICANS emails. You will then receive an email prompting you to create your password.

Also, please remember, there is an additional $25.00 + HST late filing penalty per course once the deadline date — two weeks prior to the course date — has past. So, don’t delay; make sure you register for your preferred courses while spaces are still available. And, as always, if you have any questions, please contact Danielle Roode at droode@icans.ns.ca or Kathie Slaunwhite at kslaunwhite@icans.ns.ca, or you can call the Institute at (902) 425-3291.

INVITATION TO COMMENT: IAASB PLAN

The Auditing and Assurance Standards Board (AASB) is issuing an “Invitation to Comment” to encourage Canadian stakeholders to provide input on the “Plan for a Post-Implementation Review of the Clarified International Standards on Auditing” issued by the International Auditing and Assurance Standards Board (IAASB). This feedback will assist the IAASB in determining its priorities for 2014 and its next three-year strategic planning cycle. To access the “Invitation to Comment,” click on: http://www.frascanada.ca/canadian-auditing-standards/documents-for-comment/open-for-comment/item62829.pdf. The Plan is available on the IAASB website at: http://www.ifac.org/sites/default/files/publications/files/20110926-IAASB-ISA_Implementation_Phase_II%20Plan-FINAL.pdf. Please refer to paragraph eight in the IAASB’s Plan and provide feedback on the key areas that are of particular interest to the IAASB. Comments should be sent directly to the IAASB, with a copy of the response to the AASB. If copies of responses to the IAASB are received before September 7, 2012, the AASB will be able to take Canadian stakeholders’ comments into account in formulating its own response to the IAASB’s Plan.

Please send your comments to Greg Shields, CA, Director, Auditing and Assurance Standards, CICA, 277, Wellington Street West, Toronto, ON, M5V 3H2 or email them to ed.assurancesstds@cica.ca.
At ICANS’ 2012 FCA Dinner — held on May 16th in the Compass Room at Casino Nova Scotia — members David Hope, FCA (left), and Paul Cormier, FCA, each received a Queen Elizabeth II Diamond Jubilee Medal in recognition of their respective contributions to the CA profession. The medal serves to honour significant contributions and achievements by Canadians and is part of the Jubilee year celebrations organized by the Government of Canada.

ICANS’ 2012 PRACTITIONERS’ FORUM

Mark your calendar . . . ICANS’ 2012 Practitioners’ Forum is happening on October 25th in Truro — details to follow in the coming months.

CATO WEBSITE

To learn more about CA Training Offices (CATOs), please visit www.icans.ns.ca and click on the following button:

PRACTITIONER’S PULSE WEBINAR

In case you missed this webinar — which took place on May 24, 2012 (May 31, 2012 in French) — you can access an archived overview at http://www.snwebcastcenter.com/event/?event_id=2689. Each 75 minute webinar features four short segments providing a ‘round-up’ on hot topics affecting your practice. Featured speakers highlight and answer specific questions, provide tips and guidelines to dealing with issues, and point to available resources. This first webinar featured the following topics and key developments affecting practices:

- Accounting Standards — hot issues on ASPE and not-for-profit organizations accounting standards;
- Auditing — hot issues on CAS, reviews and compilation;
- Practice Management — tools and results of a practice management survey in Canada; and
- Tax — what’s new.

Questions? Please contact Andrée Lavigne, CA, CICA, at: Andree.Lavigne@cica.ca.

CICA PUBLICATIONS UPDATE


Note: as a thank you to members and customers, enclosed in the catalogue is a special discount code, which offers 10 per cent off orders in the CAsstore before June 15, 2012.
CPAB SAYS FIRMS MUST PLACE GREATER FOCUS ON AUDIT EXECUTION

On April 3, 2012, the Canadian Public Accountability Board (CPAB) issued a media release stating that Canadian audit firms must place a greater focus on the consistent execution of audit work.

“The results of our 2011 inspections are disappointing,” said CPAB CEO Brian Hunt, FCA. “We are particularly concerned that, in many cases, the same systemic inspection findings are being identified year after year without significant improvement.”

CPAB’s 2011 inspections found deficiencies in the application of Generally Accepted Auditing Standards (GAAS) in firms of all sizes. The Big Four firms, which audit 94 per cent of reporting issuers by market capitalization, had a GAAS deficiency rate of 20-26 per cent on the files CPAB inspected. In the case of other national, regional and local firms, this rate was higher. This means the work done on these files did not fully support the audit opinion and more work had to be done; in a few cases there were more fundamental problems with the audit. CPAB noted in its report that its inspection findings are consistent with those of audit regulators in other countries.

As a result of its findings, CPAB has required certain firms to develop action plans to improve audit quality. These plans include short-term actions to deal with 2011 year-end audits and longer-term actions to further enhance audit quality. “We are pleased the audit firms recognize that the status quo is not acceptable and have responded positively,” said Mr. Hunt. “CPAB will closely monitor the firms’ action plans throughout 2012 and 2013 to assess whether they have been implemented effectively. We fully believe the firms are capable of implementing the necessary improvements.”

While there has been little progress over the past year in terms of audit quality, Mr. Hunt said CPAB believes investors should continue to have confidence in the integrity of public company financial statements audited in Canada. “Our inspections did not lead to many restatements, and firms are progressing on their remedial action plans,” he said.

Mr. Hunt also pointed out that the deficiency rate cited in CPAB’s public report will not necessarily be consist across all reporting issuers or industry sectors, because accounting and audit complexity vary. In addition, he added that CPAB’s inspections continue to identify problems in the execution of the audit work.

“It was disconcerting to note that the majority of audit deficiencies we found related to basic audit procedures, not the audit of complex transaction,” he said. “CPAB believes the 2011 inspection results are unacceptable and would not expect audit committees or the investment community to tolerate such a high deficiency rate. Continued vigilance is called for by investors and by all those responsible for the financial statements, including preparers, their audit committees and auditors.’

In its assessment of the root cause of the audit deficiencies identified, CPAB said firms’ senior audit engagement personnel need to spend more time with their staff to ensure that audit risks are appropriately identified and that the audit strategy to address these risks is properly executed.

CPAB’s public report also discusses several issues relevant to today’s complex audit environment, including whether audit firm structures remain appropriate, challenges relating to auditing in foreign jurisdictions, the impact of audit fee pressure on audit quality, the role of audit committees, and the relevance and transparency of financial statements and audits.

In 2011, the CPAB inspected 88 audit firms and reviewed 245 audit engagements. These included Canada’s Big Four firms, 10 other firms reviewed annually, 56 regional and local firms, and 18 follow-up inspections. CPAB’s inspection process identifies the higher-risk clients of each firm and the engagements inspected are chosen from this subset. Following each inspection, CPAB sent each firm a private report that identified key recommendations to improve audit quality. The firms are required to implement each recommendation to CPAB’s satisfaction within a prescribed period of time, and CPAB follows up to ensure its recommendations are implemented. The firms have implemented, or are implementing, substantially all of the recommendations made in 2011.

The full public report of CPAB’s 2011 inspections is available at www.cpab-ccrc.ca.

CICA TALKING TAX E-NEWSLETTER

The CICA has introduced a new e-newsletter entitled, CICA Talking Tax, which provides valuable updates on Canadian tax policy and practices, as well as highlights tools, resources and other activities. If you are interested in receiving this free e-newsletter, subscribe here: http://www.cica.ca/focus-on-practice-areas/taxation/cica-tax-talk/index.aspx. Note: you may unsubscribe at any time.

May 2012, Page 8
**CRA PROPOSING MANADATORY E-FILING FOR TAX PREPARERS AFTER 2012**

The government has proposed a new mandatory e-file requirement for tax preparers who are paid annually to prepare more than 10 income tax returns for taxpayers. This surprise new requirement was included in Bill C-38 along with certain other 2012 federal budget measures. The new e-file requirement will be effective for 2012 income tax returns filed after December 31, 2012. The new requirement is contained in proposed subsections 150.1 (2.2), (2.3) and (2.4) on pages 8 and 9 of Bill C-38, which received first reading on April 26, 2012. The proposals contain a new definition of “tax preparer” for this purpose and impose penalties for non-compliance.

**Mandatory E-File Requirement**

The proposed legislation introduces subsection 150.1 (2.2), which defines a “tax preparer” as a person or partnership that accepts consideration to prepare more than 10 “returns of income” of corporations or more than 10 “returns of income” for individuals (other than trusts) in a calendar year. An employee who prepares these returns in performing their employment duties is not considered a “tax preparer” for these purposes. These “tax preparers” must electronically file “any return of income that they prepare for consideration” under proposed subsection 150.1 (2.3), although up to 10 corporate returns and 10 individual returns may be filed by other means.

**Penalty**

The associated penalty for non-compliance of the mandatory e-file requirement is $25 for each individual return and $100 for each corporate return that is not e-filed (see proposed subsection 162 (7.3) on page 10 of Bill C-38). A consequential amendment to the subsection 162 (8.1) penalty provision applicable to partnerships was made (see page 10 of Bill C-38). As a result, partnerships will have the same rights as corporations to object to or appeal this penalty. Also included in the Bill, as part of a tax technical clean-up, is an amendment to subsection 162 (8.1) to include the graduated penalties for failure to properly file certain prescribed information returns under subsection 162 (7.01), (late-filing penalty for prescribed information returns), and subsection 162 (7.02), (failure to file prescribed information returns in the proper manner). As a result, partnerships can now object to or appeal any such penalties.

**Specific E-File Exceptions**

The proposed e-file requirement is also subject to several exceptions, as set out in new subsection 150.1 (2.4). “Tax preparers” may not be required to file electronically where:

- The CRA has specified that the returns are one of the 11 types of returns not acceptable for filing in electronic format, such as returns for individuals with multi-jurisdictional income or taxpayers who are immigrants, emigrants or non-residents of Canada (see the full list of exclusions — [http://www.efile.cra.gc.ca/l-xclsns-eng.html](http://www.efile.cra.gc.ca/l-xclsns-eng.html) — on the E-File site — [http://www.efile.cra.gc.ca/](http://www.efile.cra.gc.ca/)).
- The returns are for corporations described under paragraphs 205.1 (a) to (c) of the Income Tax Regulations that are not currently subject to the mandatory electronic filing requirement for corporations under subsection 150.1 (2.1).
- The CRA has refused or revoked the “tax preparer’s” application to be authorized to file electronically for the year, because the “tax preparer” does not meet the criteria for filing in subsection 150.1 (2).

All of these amendments come into force on January 1, 2013. Bill C-38 is available at: [http://www.parl.gc.ca/LegisInfo/BillDetails.aspx?Language=E&Mode=1&billId=5514128](http://www.parl.gc.ca/LegisInfo/BillDetails.aspx?Language=E&Mode=1&billId=5514128) on the Parliament of Canada’s website (http://www.parl.gc.ca/). To share your thoughts on this proposal, contact Gabe Hayos, FCA, CICA’s VP of Taxation at [Gabe.Hayos@cica.ca](mailto:Gabe.Hayos@cica.ca) or on his blog at [CAConnect](http://www.caconnect.com/english/community/?id=5663688011135442343).

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**ACCOUNTING STANDARDS OVERSIGHT COUNCIL ANNOUNCES NEW PUBLIC SECTOR ACCOUNTING BOARD CHAIR**

The Accounting Standards Oversight Council (AcSOC) is pleased to announce the appointment of Rod Monette, FCA, as Chair of the Public Sector Accounting Board (PSAB), effective May 1, 2012. To read the full media release, click on: [http://www.frascanada.ca/accounting-standards-oversight-council/news-and-publications/item64567.aspx](http://www.frascanada.ca/accounting-standards-oversight-council/news-and-publications/item64567.aspx).

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**PSAB MATTERS — APRIL 2012**

The April 2012 issue of PSAB Matters includes a message from the Chair, Nigel Bellchamber, and articles on topics of interest to public sector stakeholders, including: Handbook Section - Reporting Principles Underlying Financial Statement Presentation; Highlights of New Standards; Project Status; Documents for Comment; and What’s New.

The April 2012 issue of FYI — which details activities of the Canadian Accounting Standards Board (AcSB) and staff — includes a message from the Director, Peter Martin, CA, and articles on other topics of interest to stakeholders, including: IFRS news (AcSB Defers the Changeover Date for Entities with Rate-regulated Activities to 2013; IFRS Discussion Group: April 2012 meeting; IFRSs as the Global Standards: the IFRS Foundation and Monitoring Board’s New Strategies); Private Enterprises and Not-for-Profit Organizations — Repairs and Maintenance to Part II; Private Enterprises, Not-for-Profit Organizations and Pension Plans — Employee Future Benefits: Proposals to Abolish Smoothing; Documents for Comment; and Deadlines. To read the newsletter in full, click on the following link: http://www.frascanada.ca/accounting-standards-board/news-and-publications/fyi-newsletter/item64565.pdf.

AUDIO WEBCASTS — IFRS DISCUSSION GROUP APRIL 19, 2012 MEETING

REQUEST FOR ISSUES - IFRS DISCUSSION GROUP
The next meeting of the IFRS Discussion Group will be held in Toronto on July 19, 2012. Individuals are encouraged to submit issues relating to the application of IFRSs in Canada by June 1, 2012. For more info, click on: http://www.frascanada.ca/international-financial-reporting-standards/ifs-discussion-group/item55349.aspx.

UPDATE — RATE-REGULATED ACTIVITIES
In this document, the AcSB staff answers stakeholders’ questions about the AcSB’s one-year extension of the mandatory changeover date to IFRSs for entities with qualifying rate-regulated activities. Get details on the AcSB’s decision and what other actions are being taken to move this topic forward at: http://www.frascanada.ca/accounting-standards-board/item64425.aspx.

FAQ — EMPLOYEE FUTURE BENEFITS EXPOSURE DRAFT
This document contains frequently asked questions (FAQs) to help you better understand the proposed changes to the accounting standards for defined benefit plans. These changes apply to private enterprises and not-for-profit organizations. Questions include information about the project; its scope; the elimination of deferral and amortization; measurement; disclosure; interactions with other projects/standards; effective date and transition; and additional details. To access a copy, click on: http://www.frascanada.ca/standards-for-private-enterprises/projects/active/item64393.pdf.

FINAL AMENDMENTS - ANNUAL IMPROVEMENTS TO IFRSs 2009-2010 CYCLE
The IASB has issued a collection of amendments to IFRSs in response to six issues addressed. The amendments are effective for annual periods beginning on or after January 1, 2013. For more info, click on: http://www.ifrs.org/NR/rdonlyres/B8D1BB3C-41A1-4EC0-A2D7-509533FC0882/0/AIP2009_2011November11.pdf.

EXPOSURE DRAFT - ANNUAL IMPROVEMENTS TO IFRSs 2010-2012 CYCLE
The IASB has issued an Exposure Draft proposing amendments to 11 IFRSs resulting from its annual improvements project. The project provides a streamlined process for dealing efficiently with a collection of narrow-scope amendments to IFRSs. These amendments meet the criteria for the annual improvements process that were approved by the IFRS Foundation Trust in February 2011, as part of a revision to the Due Process Handbook for the IASB (http://www.ifrs.org/NR/rdonlyres/C3D78611-8792-441F-B426-6AF5189C83B8/0/DueProcessIASC2011.pdf). The comment deadline is September 5, 2012; click here to submit a comment letter: http://www.ifrs.org/Current+Projects/IASC+Projects/Annual+Improvements/ED+May+2012/Comment+Letters/Comment+Letters.htm.

GUIDE - REPORTING IMPLICATIONS OF NEW AUDITING AND ASSURANCE STANDARDS (8th Edition)
This publication provides guidance on reporting issues that may arise during the current period of change to new auditing and accounting standards. To access the guide, click on: http://www.frascanada.ca/canadian-auditing-standards/resources/reference-material/item50999.pdf.
BUSINESS FAMILIES FOUNDATION ON-LINE COURSE
“The Family Business Puzzle” — a seminar presented by Dalhousie University’s Centre for Family Business and Regional Prosperity — is based on the Business Families Foundations RoadMap Program, providing tools and techniques for advising on the unique issues of family business. Offered exclusively for advisors to family businesses, this blended learning format includes an on-line multi-media course (http://www.businessfamilies.org/en/programs/business-family-fundamentals-for-professionals) — involving approx. 15 hours of pre-work — followed by an interactive full-day session on June 1, 2012 with participants from a variety of professional firms. Topics covered include: Dynamic System of Family, Ownership and Business; Family Types of Ownership; Relationship Transitions in Business Families; Business Family Stepping Stone Process; Business Family Governance Structures and Agreements; Business Family Strategic Planning Process; Guiding Principles for Conflict Management; and Addressing Successions and Transitions. For more info, click on: http://familybusiness.dal.ca/Education/For_Advisors_to_Family_Business/index.php and/or contact Leslie Crowell at leslie.crowell@dal.ca or at

HALIFAX TO HOST THE CICA 2012 NATIONAL CONFERENCE FOR SME ADVISORS
Join your colleagues from coast-to-coast this summer as they gather in Halifax for a learning and family experience like no other. From August 8 to 10, 2012 (optional workshop on August 7th) the CICA Conference for SME Advisors will be held at the Westin Nova Scotian. This unique conference delivers hands-on practical and proven tools to build a better practice and better businesses for your clients. This year’s conference includes: a keynote address by David Chilton, author of The Wealthy Barber Returns; technical updates on ASPE, IFRSs, and tax and how these impact your practice; state-of-the-art IT practices to help maximize your firm’s efficiency; and our ever-popular ‘family and friends’ sessions. In addition, ICANS CEO Michele Wood-Tweed, FCA, will present a fast-paced update on the profession’s efforts and about what lies ahead. Highlighting profession directions and trends, the session will consider changes afoot and possible opportunities. For more info, contact Mary Olynik, CA, Principal, CICA Continuing Education, at mary.olynik@cica.ca and/or visit www.cpd.cica.ca/SMEAdvisors to see a preliminary brochure.

CICA CONTINUING EDUCATION 2012
The gateway to your continuing education is just a click away! Click through CICA’s web communities and what you’ll find is a diverse range in class and online learning in core areas such as income tax and financial reporting, and in unique practice areas and industries such as information security and corporate finance. Moreover, you’ll find weekly information updates on key tax, technology, financial reporting, practice management and other topics, easy registration options, and improved access to hundreds of hours of verifiable CPD credits in convenient, easily accessible and affordable e-Learning formats, including the current and always popular Xtensions products, new corporate finance modules, the Select Series of information technology topics and new e-Learning courses.

Also, coming up next, are the following CICA Conferences and Courses:
- June 12 - 15 in Calgary, AB & Sep. 10 - 13 in Toronto, ON — IFRS Immersion 2 Course (specialized topics) — http://cpd.cica.ca/IFRSImmersion2/
- June 14 - 15 in Toronto, ON — Financial Services — http://cpd.cica.ca/FSCTC/
- August 13 - 16 in Halifax, NS — IFRS Immersion 1 (core topics) — http://www.cpd.cica.ca/IFRSImmersion/about.cfm
- Aug. 18 - 22 in Niagra Falls, ON — CICA In-Depth Tax Course, Part 3 — http://cpd.cica.ca/part3/
- Sept. 5 - 7 in Ottawa, ON — Public Sector Financial Reporting & Accounting — http://cpd.cica.ca/PSABCourse/
- Sept. 19 - 21 in Toronto, ON — In-Depth Brokers and Investment Dealers — http://cpd.cica.ca/Brokers/
- Oct. 11 - 12 in Ottawa, ON — Public Sector and Not-for-Profit Financial Reporting Conference — http://cpd.cica.ca/PublicSector/
- Nov. 3 - 7 in Whistler, BC — Foundations in International Tax — http://www.cpd.cica.ca/InternationalTax/about.cfm
- Nov. 3 - 9 in Canmore, AB — Income Tax Practice Course — http://www.cpd.cica.ca/tp/about.cfm
- Nov. 10 - 14 in Mont Tremblant, QC — Advanced Tax Issues for the Owner-Managed Business — http://cpd.cica.ca/ati/

For information on all CICA Continuing Education courses and products, please visit: www.cpd.cica.ca.
REMINDERS AND IMPORTANT DATES

- ICANS Annual Meeting & Golf Tournament
  Jun. 18 - Chester Golf Course
- 2012 Practitioners’ Forum
  Oct. 25 - Truro, NS

CAREER OPPORTUNITES ON THE WEB
Employment and volunteer opportunities can be found at http://www.icans.ns.ca/events.asp?cmPageID=192. Check out the following:

VOLUNTEER OPPORTUNITIES
- Treasurer - Adsum for Women & Children
- Financial Reviewer - Hike Nova Scotia
- Treasurer - HomeBridge Youth Society
- Accountants - Union of Nova Scotia Municipalities, Municipal Auditor General Oversight Committee
- Treasurer - Saint George’s Youthnet
- Treasurer - The Schizophrenia Society of Nova Scotia

EMPLOYMENT OPPORTUNITIES
- Controller
  - Dartmouth, NS
- Senior Manager, Corporate Finance
  - Halifax, NS
- Senior Tax Specialist
  - Dartmouth, NS
- Senior Tax Specialist
  - Halifax, NS
- Manager, Internal Reporting
  - Halifax, NS
- Senior Fiscal Negotiations Advisor
  - Halifax, NS
- Senior Corporate Accountant
  - Halifax, NS
- Senior Accountant
  - Grand Cayman, Cayman Islands
- Financial Planning Specialist
  - Halifax, NS

Note: Other career opportunities, together with valuable information and guidance on career counseling, etc., can be found at “CA Source.”

ARE YOU ON THE MOVE?
If so, be sure to update ICANS with your new address. Just email your info to ICANS’ Membership Registrar, Danielle Roode at droode@icans.ns.ca.

COMMUNITY CORNER
It’s no secret that CAs are extremely community-minded. In fact, many of our members are involved in local/national charities and non-profit organizations, and help to coordinate important events.

If you are a CA involved with a non-profit organization that’s planning an event and you’d like to share this info with other ICANS members, let us know!

Send your info (title, date, location, NPO/charity name, contact) to communication@icans.ns.ca and ICANS will promote it in E-SCAN’s ‘Community Corner.’

RECRUITMENT BROCHURES
If you are interested in having copies of ICANS’ Recruitment Brochure to distribute to students, please contact Cindy Mombourquette at cmombourquette@icans.ns.ca or by calling (902) 425-3291 (ext. 21)

CONGRATULATIONS TO . . .
Dr. F. Barry Gorman, CA, Associate Professor, Saint Mary’s University (SMU), who was awarded Professor Emeritus during SMU’s spring convocation.

Ed Harris, FCA, Counsel, McInnes Cooper, who was recently presented the Tax Court of Canada Medal.

Shannon MacDonald, CA, Atlantic Practice Managing Partner, Deloitte & Touche LLP, on receiving a 2012 Top 50 CEO Award from Atlantic Business magazine.

COMMUNITY CORNER

IN MEMORIAM
We regret to inform you that the following members have passed away:

William Since “Bill” Fong
Wilbert Earle “Will” Sutherland

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