



E-Insights

March 12, 2009

60th Anniversary Conference – Mark your Calendars!

Mark your calendars to reserve July 9-12th for the Chartered Accountants of Newfoundland and Labrador Conference to be held at Terra Nova Lodge in Central Newfoundland. This conference marks the Institute's 60th birthday! A fun filled weekend is planned with an opening reception and fun night, golf, boat tours, kayaking, a barbeque and of course the President's Gala. Friday and Saturday morning will have some PD options available to Members. The conference will end on Sunday morning with a family breakfast. The Organizing Committee is diligently working to make this conference a lot of fun and provide an opportunity for our Members to rekindle old friendships and make new ones. We are planning a Children's program with a movie night and other supervised events to allow the Members and their spouses to participate in the conference without worrying about the kids!

Registration forms will be sent out soon but mark your calendar now! If any Member would like to serve on the Organizing Committee or help in any way, please contact the Conference Chair- Pauline Downer at pdowner@mun.ca.

Continuing Professional Development - Compliance Forms

Continuing Professional Development (CPD) compliance forms were sent to members on February 13. Members must declare their compliance with the new requirements for professional development by signing and returning these forms to the Institute. ICAN has been notifying members throughout 2008 that the requirements for professional development changed effective January 1, 2008. The new standards require that the **minimum** required amount of CPD that a member must complete is as follows:

- (a) at least 20 hours annually, and
- (b) 120 hours over a three-year period

(c) At least 60 hours of the 120 hours shall consist of verifiable continuing professional development. In the current environment it is imperative that CAs, regardless of their work sector, remain knowledgeable and current in all areas in which they practice or work in order to best serve the interests of clients, employers and the general public. Therefore, for 2008 and onward, **all members**, with the exception of the exemptions outlined below, are required to comply with the new requirements.

Retired Members and members on short- or long-term leave

Members exempt from the CPD requirements in any given year are those retired members exempt from fees under By-law 21(2) and who are no longer providing professional services in any capacity, whether or not for remuneration, and members on various forms of family or sick leave as defined in regulations 300(4) to 300(6). Please note that for retired members this means that you **may** have to meet the above CPD requirements if you are providing services as noted above. For more information, please contact Kim Mayo, Director of Member Services/Practice Advisor or visit our website http://www.ican.nfld.net/index.cfm/ci_id/40941/la_id/1.htm.

Update from Accounting Standards Board

As members are aware, the Accounting Standards Board (AcSB) has created an Advisory Committee to assist in developing the financial reporting standards for private enterprises. This set of standards will use the existing CICA Handbook as a starting point to minimize disruption amongst stakeholders.

Accordingly, certain sections and guidelines that are deemed relevant only to publicly accountable enterprises will be excluded. A significant number of sections and guidelines will be retained with few, if any, modifications. Moreover, the Board intends to reduce considerably the disclosure requirements of the standards. There were a limited number of Handbook sections containing contentious issues for private enterprises from a recognition and measurement perspective and these sections were re-deliberated by the Board.

In its March 5, 2009 decision summary, the AcSB noted that it plans to complete its discussions of the entire set of proposed Canadian GAAP Standards for private entities at its March 25-26, 2009 meeting. The AcSB now expects to issue its exposure draft in April 2009.

For further details, please refer to the Board's decision summary of February 3, 2009 at http://www.acsbcanada.org/index.cfm/ci_id/50338/la_id/1.htm.

As the Advisory Committee develops the proposed standards and refers recommendations to the Board for deliberation, AcSB staff will post the working drafts on the Board's website for general information and comments.

There are three sources of information to help you understand what's happening with private enterprise GAAP:

- 1) Visit the private enterprise GAAP project page on the Board's website for background information at <http://www.acsbcanada.org/2/9/4/0/7/index1.shtml>.

- 2) See the summary of how various sections and guidelines will be treated on the working draft page at <http://www.acsbcanada.org/4/5/6/0/5/index1.shtml>.
- 3) Review the outline of the objective, approach, and timing of the process at http://acsbcanada.org/download.cfm?ci_id=44876&la_id=1&re_id=0.

Communications and Planning – two vital components in IFRS conversion

The countdown to 2011 is underway and Chartered Accountants of Canada have released two new publications to help you execute a seamless transition to International Financial Reporting Standards (IFRS), positioning your organization to benefit from financial reporting in a global environment.

- **IFRS Conversions: What CFOs Need to Know and Do** provides a comprehensive overview of the essential role CFOs play in the IFRS transition. “The magnitude of a conversion exercise and the role of a CFO in this process should not be underestimated,” said Rafik Greiss, author of the publication. “This involves consideration not only for the conversion process itself, but of issues relating to risk, stakeholder relations, financial reporting and internal controls which will be triggered by transition.”

The publication is directed to CFOs and will be of value to other members of the management team and board of directors. Please click on **IFRS Conversions: What CFOs Need to Know and Do** for the full publication.

- **Pre-2011 Communications about IFRS Conversion** provides guidance on establishing an effective communications strategy to keep investors abreast of your IFR conversion plans. Providing useful information to investors in the period leading up to the changeover will avoid last minute surprises about the effects of the conversion. Chris Hicks, Principal, Knowledge Development, with the CICA said, “The guidance advocates a proactive and transparent communication strategy to minimize any uncertainty and respond to investors’ needs.”

Please click on **Pre-2011 Communications about IFRS Conversion** for the full publication.

The CICA, together with the Provincial Institutes, are committed to providing a comprehensive set of IFRS training materials to meet member needs ranging from self study sessions to in-depth classroom events at introductory and advanced levels. For more information please visit www.cica.ca or www.ican.nfld.net.

Money Laundering Regulations – Are You Affected?

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is an agency of the federal Finance Department responsible for monitoring compliance with and receiving all reports required under *The Proceeds of Crime (money laundering) and Terrorist Financing Act* (PCMLTFA). Effective June 23, 2008 PCMLTFA mandates that accountants who perform certain “triggering services” on behalf of others must have implemented their internal anti-money laundering compliance programs. Triggering activities are activities engaged in on behalf of any person or entity (other than an employer) or giving instructions in respect of those activities on behalf of any person or entity (other than an employer) and include:

- receiving or paying funds,
- purchasing or selling securities, real property or business assets or entities, or
- transferring funds or securities by any means.

Application to CAs and CA Firms

Part 1 of the PCMLTFA deals with record keeping and reporting of suspicious transactions and prescribed financial transactions. It applies to persons and entities serving as financial intermediaries on behalf of a client. CAs and CA firms are financial intermediaries when they engage in, or give instructions with regard to, any of the triggering activities identified above on behalf of any person or entity.

It is important to note, however, that Part 1 of the *Act* does not apply in respect of:

- Audit, review or compilation engagements carried out in accordance with recommendations set out in the CICA Handbook.
- CAs who are employees or agents of a person or entity covered by the *Act*;
- CAs who are employees or agents of a person or entity (third party) not covered by the *Act*.

Part 2 deals with the reporting of cross-border transfers of currency or monetary instruments at or above a specified threshold. Part 2 applies to all persons and entities including CAs and CA firms, whether or not they serve as financial intermediaries on behalf of their clients.

For more information on how these new regulations affect you, the CICA has published “Canada’s Anti-Money Laundering and Anti-Terrorist Financing Requirements – A Guide for Chartered Accountants.” To access this publication, please visit: http://www.cica.ca/index.cfm/ci_id/8238/la_id/1.htm.

Additional information can be found on the following websites:

http://www.cica.ca/index.cfm/ci_id/2081/la_idd/r.htm

<http://www.fintrac-canafe.gc.ca>

Reminder – Call for Nominations

Members are reminded that a call for nominations to fill vacancies on the Board to serve a two-year term commencing with the July 2009 Annual General Meeting has been made. For 2009-10, ICAN has four vacancies that must be filled through the election process. Nominations must be in writing, signed by two members of the Institute with the written assent of the nominee appended thereto and lodged with the Secretary-Treasurer at the Institute office on or before April 30, 2009. Nomination forms can be found on our website at www.ican.nfld.net/download.cfm?ci_id=49661&la_id=1&re_id=0

Affinity Program – New for Canada’s CA’s

The CICA has recently introduced the “CA Member Savings Program”. As a CA, you are entitled to exclusive savings on a variety of brand name products and services. Some of these discounts are as follows:

- Dell – save 3% - 7% off Dell’s current best price including Dell promotional products
- Medisys – Preferred member rates on premium executive health assessments
- Hertz – Save 10% – 15% on daily, weekly and monthly rates
- Starwood – Lowest rates on Westin, Sheraton and other Starwood Hotels
- Genesys conferencing – Member rate of 6 cents a minute for tele- and/or web-conferencing

For a detailed list as well as more information on the program, please go to www.camembersavings.ca

Agreement on Internal Trade – Update to Labour Mobility Provisions

As a result of negotiations between provincial labour ministers over the past two years, new rules for labour mobility and occupational credentials recognition have been authorized by Canada’s premiers. The new rules will be incorporated under a revised Agreement on Internal Trade (AIT) to take effect April 1, 2009.

Under a revised Chapter 7 of the AIT, the new rules require automatic recognition of entrants from any one province or territory seeking to practice their occupation or profession in any other province or territory. Regulatory bodies would have only limited ability to require additional training or education if those individuals have been certified for their profession in a province of origin with lower qualification or regulatory requirements.

As leaders in business and finance, Canada’s CA profession has long appreciated the benefits of unfettered professional mobility between provinces. From coast to coast, every CA must meet the same standards for education, qualification and practice. All CAs can move seamlessly to any other province or territory – and internationally as well – because our harmonized and mutually recognized standards permit full professional mobility here in Canada, across North America and with our major international trading partners.

Consistent with this commitment, in 2002 our profession signed the first-ever mutual recognition agreement

among professional designations that is aligned with the North American Free Trade Agreement (NAFTA). Further, we agree with the recommendation of the Competition Policy Review Panel that Canada harmonize its professional standards with those of the United States, to safeguard this critical trading relationship.

In summary, the qualification standards for all CAs are consistently high across Canada and meet recognized international standards. Yet members will know that it is a different story when it comes to legislated qualification requirements for the specific discipline of public accounting, which vary significantly from province to province. While some provinces, such as Ontario and Quebec, impose rigorous, legislated and internationally recognized standards for public accounting (the standard all CAs must meet), others require lower and, in some cases, no legislated qualification standards for public accounting.

It is the CA profession's view that the new certification rules under AIT could trigger a "race to the bottom" in Canada's public accounting qualification standards. In this scenario, the lowest standards in any one province would become the minimum acceptable standards in any other. Among other impacts, this poses a significant risk to the legislated mandates in place in Ontario and Quebec, which are home to the largest of Canada's capital markets. This, in turn, threatens to diminish Canada's reputation internationally – and does so at a time when confidence in the world's economies and markets is already at its lowest ebb in decades.

These are matters of significant concern to our profession and should be of concern to all Canadians. Large and small investors and lenders rely on the integrity of assurance and audit services provided by public accountants to help them make informed investment and lending decisions. This makes the practice of public accounting relevant to all Canadians and critical to maintaining Canada's high regard in the global capital markets.

The profession's national and provincial leadership bodies have worked together to provide consistent input to provincial and national governments on this issue. We have proposed to government a number of remedies to ensure that rigorous, internationally recognized public accounting qualification and regulatory standards currently in place remain safeguarded under any changes to the AIT. ICAN is participating fully in this process and is currently working on proposals for new licensing standards which will be presented to both the Public Accountants Licensing Board and the Government of Newfoundland and Labrador.

Our goal is to ensure that public accounting qualification standards in Canada facilitate true inter-provincial labour mobility, protect consumers and the public and meet a level of rigour that is internationally recognized, as do the standards upheld by the CA profession.

Volunteer Opportunities

Pharmaceutical Audit Review Committee

The Government of Newfoundland and Labrador is looking for a CA to sit on the Pharmaceutical Audit Review Committee, a committee established pursuant to Section 34 of the *Pharmaceutical Services Act*. Any member interested in serving in this capacity should contact Tashia Batstone at 753-7566 or tbatstone@ican.nfld.net.

Financial Literacy Project

Did you know that 82% of Canadians can barely pay their bills from month to month? Did you know that 46% of

Canadians go to bed worrying about their finances? Money influences how we feel about ourselves and other people. More money is not the answer, gaining control is.

The Financial Literacy Project was stuck under the Credit Counseling Services of Newfoundland and Labrador, and its mandate is to educate consumers in the wise use of their credit and finances. It is made up of volunteer professionals who are giving talks to schools, service groups, lunch-and-learn sessions, and anyone who wants to know about the smart management of their money. The committee meets once a month, usually for about an hour in the evening. The time commitment is about 3-4 hours a month.

These literacy sessions are entirely free of charge for anyone and held at our offices (22 Queen's Road) or anywhere else it is requested.

If you are interested in volunteering or would like to have a short session presented on financial matters, please contact Kathy Mackey at kmackey@creditanddebtsolutions.ca

Upcoming Events

Mark your calendars....

May/June 2009
Spring PD Sessions

May 28, 2009
Volunteer BBQ, Fluvarium

July 9-11, 2009
CA Newfoundland 60th Anniversary Conference

July 10, 2009
Annual General Meeting

September 11, 2009
CA Education Foundation Golf Tournament

September 15, 16 & 17, 2009
UFE

Editor's note...

ICAN E-News is a publication of the Institute's Communications Committee.

If you would like to comment on this newsletter or if you wish to submit an article for publication please contact:

Tashia Batstone, CA, MBA, CEO

tbatstone@ican.nfld.net

Kim Mayo, CA , Director Member Services/Practice Advisor

kmayo@ican.nfld.net

Karen Harnum, Executive Assistant

kharnum@ican.nfld.net