

ICAN E-News

May 13, 2008

Continuing Professional Development

Who is required to comply?

Over the past year ICAN has been notifying members that the requirements for professional development have changed. The new standards require that the **minimum** required amount of continuing professional development (CPD) that a member must complete is as follows:

- (a) at least 20 hours annually, and
- (b) 120 hours over a 3-year period
- (c) At least 60 hours of the 120-hour 3-year period 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

Members exempt are those 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. For retired members this means that you **may** have to meet the above requirements.

If a retired CA is providing any services for remuneration or acting in a volunteer capacity for a public company or public interest entity board, the minimum requirements must be met. As defined in paragraph 41 of section 1300 of the CICA Handbook, a public interest entity

“applies to public companies on the basis of their widely spread ownership, but extends to other types of entities having to report to large numbers and diverse classes of stakeholders. Examples of such stakeholder classes include policyholders of mutual life insurance enterprises, members of co-operative business enterprises, account holders of deposit-taking financial institutions, and members and contributors of not-for-profit organizations. The “public accountability” criterion encompasses public share

ownership, public debt and other forms of public interest. It implies that:

- there is a high degree of outside interest in the entity, from investors or other stakeholders;
- the entity may have a social responsibility because of the nature of its operations; and
- the substantial majority of stakeholders depend on external financial reporting, as they have no other way of obtaining financial information about the entity.”

If a retired CA is a member of a board or serving in a volunteer capacity of an organization that does not meet the strict definition of a public interest entity but where there may still be some public accountability the CA will need to assess whether the organization is relying on the CA's professional skills. For example, members might be involved in “approving” or “signing off” on financial statements, tax or other government filings or grant applications for such organizations – in these circumstances, the organization and/or its stakeholders might be relying on the member's skills as a CA. In such a case, the sophistication of the rest of the oversight body's members, the involvement of a separate management group in the operation of the organization and the involvement of paid professionals in the process become important. The existence of competent people in these roles suggests that there may be less reliance on the CA's skills. In these situations the member may be exempt from the minimum CPD requirements. As in many aspects of the profession, when assessing the requirement to complete CPD, the member is required to exercise his or her professional judgment as to whether the organization is relying on their professional skills.

Short-term Parenting Leave

In developing the standards there was a general recognition that society supports a one year absence from work and work related activities. Any lapse in current knowledge of these members is expected to be minimal and therefore presents minimal risk to the public. Consequently, it has been decided that members out of the work-force on a one year maternity leave should be exempt from CPD requirements.

Long-term Parenting Leave

This applied to members who have chosen to leave the workforce to care for children beyond the “usual” one-year leave. Such members are often unsure of when they plan to return to the workforce. Although these members are encouraged to remain up-to-date, a lack of current knowledge is not seen as posing a major risk to the public. However, when (or if) the member decides to return to the workforce it is essential that they redevelop the appropriate competencies necessary to provide for protection of the public. Accordingly, such members will be required to submit to the Institute a learning plan to rebuild the competencies necessary to reintegrate into the workforce.

Caregiving Leave

Occasionally, some members leave the workforce to care for critically or terminally ill family members. These leaves are usually fairly short-term in nature, however, there are also circumstances where the leave may last longer if it relates to a chronic condition. If the leave is for a period of shorter than one year, the member is exempt from PD requirements for the period of time on leave. If the leave period extends beyond one year a learning plan outlining strategies to rebuild the competencies required to reintegrate into the workforce must be prepared and submitted to the Institute for review.

Medical Leave

Members who have left the workforce due to medical disability, as evidenced by a medical certificate or other supporting documentation receive the same exemption as members who were on caregiving leave.

Education Leave

Members on education leave should complete adequate CPD by the very definition of the leave. Therefore these members are not entitled to any exemption from the minimum CPD requirements.

Financial Hardship

A member who qualifies for a reduction or waiver of annual membership fees due to financial hardship is not exempt from the CPD requirements. However, members in such circumstances should contact the Institute to discuss professional development subsidies.

Over the next several months CA Newfoundland will be presenting additional information in a series of articles related to the new requirements for Continuing Professional Education. For additional information please contact Tashia Batstone, CA at 753-7566 or tbatstone@ican.nfld.net

PD Courses are planned for May 2008, Fall 2008 and January 2009

Courses for May 2008 include:

- Managing Change
- Attracting and Retaining Employees
- Assessing Risk – Understanding the New Audit Requirement
- International Financial Reporting Standards
- Business Valuation
- Tax Issues for Private Corporate Groups
- Income Splitting
- E-Learning (CICA Handbook Accounting Refresher, Income Tax Refresher – Corporate, Income Tax Refresher – Personal)

Detailed information is available at

http://www.ican.nfld.net/index.cfm/ci_id/40941/la_id/1.htm

Adopting IFRS in Canada

The Accounting Standards Board's (AcSB) Exposure Draft on IFRS is now available as a free download, and ICAN, in conjunction with the CICA, has created a range of resources to help you with your review.

The AcSB's Exposure Draft titled **Adopting IFRS in Canada** includes :

- an electronic version of the 2007 bound volume of International Financial Reporting Standards (IFRS)
- a Highlights section providing background and requesting comments in specific areas; and
- an Appendix by the AcSB which provides readers with an approach to reviewing the IFRSs.

The AcSB released the Exposure Draft as part of its due process in the 2011 transition to IFRS. [Click here](#) to download. Otherwise, you can purchase the 2008 version of IFRS.

If you have not already done so, **Adopting IFRSs in Canada** provides the perfect opportunity for you to begin to familiarize yourself with the new standards and determine their relevance to you and your organization.

To help digest the 2,400-page Exposure Draft, the CICA has prepared a Reader's Guide to help you identify what to focus on and which standards you can safely ignore at this point since they will change. [Click here](#) for your copy.

Your profession is working on a series of information and educational projects aimed at helping members and Canadian businesses get ready for IFRS. The Institute, along with the CICA and other provincial institutes of chartered accountants across Canada, will offer a comprehensive range of training programs to help you prepare for the transition to IFRS. These programs will range from short, web-based self study units that you can download at your convenience, to intense, multi-day in depth training sessions.

It is important that CAs and the businesses they work for and with are ready for IFRS. Making the transition requires planning now for those entities that will be required to use the new standards.

The IFRS apply to Canadian publicly accountable enterprises. A definition of Publicly Accountable Enterprises is included in the Highlights section of the Exposure Draft, and comments on it are encouraged. In general, these are profit-oriented enterprises that have responsibilities to a large or diverse group of stakeholders and can include:

- Publicly listed companies
- Enterprises with fiduciary responsibilities, such as banks, insurance companies, credit unions, securities firms, mutual funds and investment banks
- Certain government corporations.

The goals of the Exposure Draft are twofold.

First, to get comments on the Exposure Draft, specifically on the proposed definition of publicly accountable enterprises, and on whether the application of IFRS in Canada could create inappropriate results. Remember that the IFRS contained in the Exposure Draft have already been through the IASB's thorough due diligence process and are developed with the global economy in mind.

Second, the Exposure Draft provides:

- A starting point for members to become engaged in the IFRS learning process
- Valuable insights into the changes that will accompany the implementation of IFRS.

Once the review process is complete, the IFRS will be used for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. This means that organizations will have to begin collecting data in accordance with IFRS in 2010 to have comparative data for inclusion in their first IFRS financial statements in 2011.

There will be some changes to the IFRS between now and 2011; all these changes will be released as exposure drafts as part of the AcSB's due process. Please refer to the profession's IFRS website (www.cica.ca/IFRS) to access comprehensive IFRS resources and to keep up to date on these drafts as they are issued.

NOTE:

On May 22, 2008 as part of its Spring PD Sessions ICAN will be offering a one-day foundation course for all CAs and other individuals who need to learn about the technical aspects of IFRS. The objective of this 1-day course is to examine the major differences and similarities between Canadian GAAP and IFRS. The seminar leader is Judy Cumby, FCA

2008/09 Member Dues Notice

Invoices for Membership dues were sent in April 2008. Payment terms are as follows:

- Payment in full by cheque or VISA by May 1, 2008; Penalty of 10% per month after July 3, 2008; or
- Quarterly on May 15, 2008, August 15, 2008, November 15, 2008 and February 15, 2009 by preauthorized debit only.

Please note a member is automatically suspended if any amount due is unpaid by August 1, 2008

Members are required to pay the annual membership fee in order to maintain the CA designation. Certain circumstances may exist, however, where a member may not be required to pay all or a portion of the annual membership fee. If you are retired, attending university on a full-time basis, out of the workforce raising a family, or experiencing financial difficulty, please contact the ICAN office for information on deferrals or waivers that may be available for you. Requests for deferrals/waivers must be received at the Institute office prior to June 1, 2008.

2008/09 tax receipts will be issued ONLY to those who specifically request one. To request a tax receipt, please contact Karen Harnum at 753-7566 or kharnum@ican.nfld.net. Tax receipts are generated each February.

Office Practice Inspection Committee Information Request Form

The objective of practice inspection is protection of the public by assessing the compliance with professional standards of members/firms that perform assurance, compilation and other specified engagements, and by taking appropriate follow-up or remedial action in instances of non-compliance. The public is further protected by practice inspection providing an educational experience to members/firms.

All members are required to complete the Office Practice Inspection Committee Information Request Form sent with your fee invoices. Copies of the form are available on the ICAN website at: http://www.ican.nfld.net/index.cfm/ci_id/40902/la_id/1.htm

The information request is also used to confirm the requirement to carry professional liability insurance. Last year the membership approved changes to the professional liability insurance by-law and regulations to provide for automatic suspension from membership for members who do not comply with the coverage or reporting requirements. The Office Practice Inspection Committee Information Request Form must be completed and returned to the Institute office **before June 1, 2008 to avoid suspension.**

CA Western Club

The local CA Western Club recently presented Kayla Northcott with a \$500 scholarship. Kayla is a second year student at the Sir Wilfred Grenfell Campus (SWGC) of MUN who is enrolled in the Bachelor of Business Administration Program. The scholarship is awarded to a student who has the highest grade average in their 1st year of studies at SWGC and is continuing into a business program with MUN.



(Scott Walters, Treasurer-CA Western Club and Kayla Northcott)

Accountants' Diary

May 22-28, 2008

Spring PD Sessions

May 29, 2008

Volunteer BBQ, Fluvarium

July 4, 2008

Annual General Meeting, Ramada Hotel

July 9, 2008

Golf Tournament, Clovelly Golf

September 16, 17, 18, 2008

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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:

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