



INSIGHTS

ANNUAL CA CONVOCATION and FCA CELEBRATION

The annual convocation of the Institute of Chartered Accountants of Newfoundland (ICAN) was held at the Delta St. John's Hotel & Convention Centre on February 28, 2009. The Institute welcomed 22 successful Uniform Evaluation (UFE) writers in addition to Jeffrey D. Follett, FCA who was bestowed the designation of Fellow of the Chartered Accountants.



Front row (L-R): Krista Hogan, Stephanie Parsons, Jennifer Button, Mary-Ann Lee, Lorrie Lynn Taylor **Middle row** (L-R): Michael Conway, Ryan Gosse, Amanda Hollett, Kerri Blundell, Jenelle Hollohan, Darlene Hennebury, Cory Tucker **Back row** (L-R): Michael Penton, Christopher Cavanagh, Jonathon Kelly, Jonathon Mahoney, Mark Hynes, Brian Barker, George Colbert, Jason Riddle, Colin Ryan.

The evening commenced with the graduates entering the ballroom one by one. You could feel the graduates' sense of accomplishment as they paraded to their tables. You could tell by the look on the faces of parents, grandparents and significant others that the amount of pride in the room was high. The past few years have culminated to this one special evening.

The night was filled with delicious food, great music provided by Bic and the Ballpoints, and entertaining speeches from CICA President and CEO, Kevin Dancey, FCA, and Colin Ryan, a graduate who was awarded the Roberta L. Hunt, CA Memorial Award for obtaining the highest average among Newfoundland and Labrador candidates in the ASCA professional program. Colin gave a sincere speech where he thanked and apologized to family, friends, colleagues, and professors for their *"support and patience throughout this process. I'm sure there were many days which you had to deal with us when we were a shadow of our normal selves, a few over-reactions or coffee-induced breakdowns. So, I'm here tonight to apologize, and to briefly describe some of the things we have been through over the past few years, not to excuse our actions, but to at least put them in some perspective."*



(L-R) Kevin Dancey, Jeffrey Follett and Richard Power

For the first time at an ICAN convocation, candidates had the opportunity to have a few words shared while accepting their certificates. Most candidates embraced this opportunity to thank special individuals or to tell a funny story about their experiences during the UFE process. This added a personal touch to the evening's activities and a great night was enjoyed by all in attendance.

Disciplinary Notice – Harry B. Kung



Mission Statement...

The mission of the Institute of Chartered Accountants of Newfoundland is to serve the interests of society and the membership by providing leadership to uphold the professional integrity, standards, and pre-eminence of Newfoundland and Labrador's Chartered Accountants.

CA Western Club

Our CA Western Club had another successful Senior's Tax Clinic on Tuesday, March 10, 2009 sponsored by the VON. Local CAs and staff prepared approximately 130 seniors' tax returns.

The Discipline Committee of the Institute of Chartered Accountants of Newfoundland has the responsibility of determining whether a member or student charged with professional misconduct is guilty or not guilty of the charge(s). If the determination is guilty, the Discipline Committee makes an order with respect to sanction.

On February 20, 2009 the Discipline Committee released its decision and order related to charges laid against **Harry B. Kung**, a suspended member of the Institute of Chartered Accountants of Newfoundland (the Institute) residing in **Grand Prairie, Alberta**. **The Discipline Committee found Mr. Kung guilty of the following charges:**

1. A charge under Rule 101 and Rule 201 in that Harry B. Kung failed to comply with an order of the Discipline Committee to surrender his certificate of membership and thereby failed to conduct himself in a manner which maintains the good reputation of the profession and its ability to serve the public interest, contrary to Rules 101 and 201 of the Rules of Professional Conduct.
2. A charge under Rule 101 and 201 and By-Law 16 of the Institute in that Harry B. Kung held himself out to be a member of the Institute of Chartered Accountants of Newfoundland while suspended from the Institute pursuant to a discipline order dated April 17, 2007 and thereby failed to conduct himself in a manner which maintains the good reputation of the profession and its ability to serve the public interest, contrary to Rules 101 and 201 of the Rules of Professional Conduct.
3. A charge under Rule 201 in that Harry B. Kung carried out the practice of public accounting while suspended from the Institute of Chartered Accountants of Newfoundland pursuant to a discipline order dated April 17, 2007 and thereby failed to conduct himself in a manner which maintains the good reputation of the profession and its ability to serve the public interest, contrary to Rule 201 of the Rules of Professional Conduct.

As a result of the charges, the Discipline Committee orders that Harry B. Kung be expelled from membership in the Institute. Copies of the charges and of the decision and order and the written reasons of the Discipline Committee may be obtained by contacting Tashia Batstone, CA at tbatstone@ican.nfld.net (email) or by phone at 753-7566.

MEMBER MOVES...

Judy Barnes has accepted the position of Manager of Finance with the Newfoundland and Labrador Centre for Health Information.

Michele Peach changed positions at the City of Mount Pearl. She is now Director of Corporate Services, responsible for Finance, Information Technology, Human Resources and Risk Management.

Jason Silver has been appointed to the position of Director, Internal Audit at the City of St. John's.

Beth Porter was admitted to the Partnership of Noseworthy Chapman Chartered Accountants on October 1, 2008.

Darrin O'Quinn is now employed with Coleman Management Services Limited in the position of Corporate Controller.

Bob French retired from his position as Vice President, Finance of the A. Harvey Group of Companies on September 5, 2008, after 34 years of service.

CRADLE CLUB...

Congratulations to:

Nancy Morrison and husband Wade on the birth of their second daughter, Alexis Elizabeth, who was born in Bermuda on October 18, 2008. Nancy and her family are looking forward to their move back to Newfoundland in early April 2009.

Adam Denny and wife Dana on the arrival of their fifth child, Seth Isaac, on January 1, 2009.

Editor's Note: Please be advised that in order to ensure that we have your permission to include your member news in our publication, only items submitted to the call for member news was included above.

Performance Coaching- A New Way to Look at Performance Appraisal

Dr. Travor Brown, PhD
Memorial University of Newfoundland

In my career, I have found performance appraisal to be the most dreaded HR process for many employees and their supervisors. I find it ironic given that the primary purpose of performance appraisal is to motivate and develop staff. Given this purpose, many organizations are moving towards performance coaching systems, where the focus is clearly on motivation and development, versus performance appraisal, where the focus is on evaluation. To help you make this transition, add the following coaching techniques to your appraisal process:

- **Expectations.** *One of the first things coaches teach players is the expectations and rules of the game. The same should be true in a workplace. A good performance system should clearly highlight the expectations of a person's job – or the core duties of the person's role. Remember, we cannot expect a person to perform well if we do not give them clear performance expectations.*
- **Goals.** *Goals drive behavior, give a sense of purpose, and challenge people. For this reason, athletes often set goals for their performance. For these same reasons, managers must ensure that employees have concrete goals included in performance documents and discussions.*
- **Coach and Coach Often.** *Good coaches give feedback to players on a regular basis - they do not wait for the championship game to coach the team. Yet, many supervisors only give feedback in formal performance appraisal meetings yearly. We need to make sure that we give ongoing, and timely, feedback rather than waiting for these formal meetings. Through ongoing feedback, we can reinforce when employees are on track and make appropriate course corrections before employees are too far off track.*
- **Balanced Feedback.** *Most coaches know that they need to remind players what they need to continue doing, and what they need to change, for solid performance. As workplace coaches, we must become more comfortable with the concept of balanced feedback as we tend to focus on 'what employees are doing wrong.'*

Implementing these simple steps can make huge improvements to any performance appraisal system. Moreover, they can bring the system back to its primary purpose - development and motivation.

Sources Brown, T.C. & McCracken, M. (2009). *Which Goals Should Participants Set for Effective Management Development? Working Paper (available upon request)* Latham, G. P. & Mann, S. (2006). *Advances in the Science of Performance Appraisal. Implications for Practice. International Review of Industrial and Organizational Psychology*, 21, 295-337

Annual Member Dues

Invoices for Membership have now been mailed to members. If you have not received a copy of your membership dues form by April 24, 2009, please contact the Institute office at (709) 753-7566 and another copy will be sent. **Please note that a member is automatically suspended if any amount due is unpaid by August 1, 2009.**

Payment terms:

- Payment in full by cheque or VISA by May 1, 2009. Penalty of 10% per month after July 3, 2009; or
- Payment quarterly on May 15, 2009, August 15, 2009, November 15, 2009 and February 15, 2010 by preauthorized debit only.

All requests for preauthorized debit must be made on the prescribed form which can be found on the ICAN website at http://www.ican.nfld.net/index.cfm/ci_id/40902/la_id/1.htm. Forms must be received by May 8, 2009.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Institute of Chartered Accountants of Newfoundland will be held on July 10, 2009 at the Terra Nova Golf Resort in Port Blandford, Newfoundland.

The Annual General Meeting is being held for the ratification of changes to the by-laws, the announcement of the results of Board elections, the acceptance of the audited financial statements, the appointment of auditor and the transaction of such other business as may properly come before the meeting.

Discipline Notice

A member was found guilty of a charge of professional misconduct, under Rules 101, 102.1 and 201.1, arising from his conviction under the *Excise Tax Act of Canada* and the *Income Tax Act of Canada* of willfully evading the payment or remittance of his own taxes and from his failure to advise the Institute of the convictions and of his personal bankruptcy. The Discipline Committee issued a written reprimand to the member and his FCA was revoked. The member was also required to submit his resignation to the Institute and was required to pay the costs of the investigation and hearing.

Foundation of Professional Conduct - Part I...

The below is adapted from an article published in the Institute of Chartered Accountants of Saskatchewan's (ICAS) Horizons membership newsletter written by William Hill, FCA, Director of Regulatory Affairs, ICAS.

The review and revision of 'Foreword to the Rules of Professional Conduct' was one of the last activities of the national Ethics Standards Harmonization Committee prior to the consolidation of its mandate into that of the newly structured Public Trust Committee. Over the next two issues of our newsletter, we will be printing excerpts from sections of the Foreword, which serves as a good reminder to all members of what being a Chartered Accountant entails. The following are excerpts from the Foreword including discussions on:

- A. Characteristics of a profession
- B. Fundamental principles governing conduct, and
- C. Application of the rules

A. Characteristics of a profession

The rules of professional conduct presume the existence of a profession. Since the word "profession" has lost some of its earlier precision, through widespread application, it is worthwhile reviewing the characteristics which mark a calling as professional in the traditional sense. Much has been written on the subject and court cases have revolved around it. The weight of the authorities, however, identifies the following distinguishing elements:

- there is mastery by the practitioners of a particular intellectual skill, acquired by lengthy training and education;
- the foundation of the calling rests in public practice — the application of the acquired skill to the affairs of others for a fee;
- the calling centres on the provision of personal services rather than entrepreneurial dealing in goods;
- there is an outlook, in the practice of the calling, which is essentially objective;
- there is acceptance by the practitioners of a responsibility to subordinate personal interests to those of the public good;
- there exists a developed and independent society or institute, comprising the members of the calling, which sets and maintains standards of qualification, attests to the competence of the individual practitioner and safeguards and develops the skills and standards of the calling;
- there is a specialized code of ethical conduct, laid down and enforced by that society or institute, designed principally for the protection of the public;
- there is a belief, on the part of those engaged in the calling, in the virtue of interchange of views, and in a duty to contribute to the development of their calling, adding to its knowledge and sharing advances in knowledge and technique with their fellow members.

By these criteria, Chartered Accountancy is a profession.

It is essential to recognize that a profession does not cease to be a profession because a proportion of its members enter salaried private employment. These members continue to belong to the profession and to be subject to the rules of professional conduct.

B. Fundamental principles governing conduct

The rules of professional conduct, as a whole, flow from the special obligations embraced by the Chartered Accountant. The reliance of the public, generally, and the business community, in particular, on sound and fair financial reporting and competent advice on business affairs, and the economic importance of that reporting and advice, impose these special obligations on the profession. They also firmly establish the profession's social usefulness.

To protect the public and to maintain the reputation of the profession, the rules apply, as appropriate, to members of the profession and students.

The rules of professional conduct are derived from five fundamental principles of ethics - statements of accepted conduct whose soundness is, for the most part, self-evident and are as follows:

(1) Professional Behaviour

Members conduct themselves at all times in a manner which will maintain the good reputation of the profession and its ability to serve the public interest.

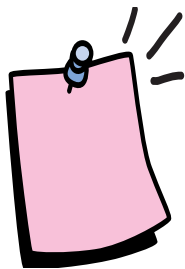
While there are business considerations involved in the creation and development of a professional practice, a member's practice should be based primarily upon a reputation for professional excellence. A member is expected to act in relation to other members with the courtesy and consideration due between professional colleagues and which, in turn, he or she would expect to be accorded by them.

(2) Integrity and Due Care

Members perform professional services with integrity and due care.

Members are expected to be straightforward, honest and fair dealing in all professional relationships. They are also expected to act diligently and in accordance with applicable technical and professional standards when providing professional services. Diligence includes the responsibility to act, in respect of an engagement, carefully, thoroughly, and on a timely basis. Members are required to ensure that those performing professional services under their authority have adequate training and supervision.

Foundation of Professional Conduct - Part I...



CA Diary:

**Call for Board
Nominations**
April 30, 2009

**Spring PD
Sessions**
June 1-5, 2009

**Volunteer
Appreciation BBQ**
Fluvarium
May 28, 2009

ICAN AGM
Terra Nova Golf Resort
July 10, 2009

**CA Newfoundland
60th Anniversary
Conference**
Terra Nova Golf Resort
July 9-11, 2009

**CA Education
Foundation Golf
Tournament**
Clovelly Golf
September 9, 2009

(3) Professional Competence

Members maintain their professional skills and competence by keeping informed of, and complying with, developments in their professional standards.

The public expects the accounting profession to maintain a high level of competence. This underscores the need for maintaining individual professional skill and competence by keeping abreast of and complying with developments in the professional standards and legal requirements in all functions where a member practices, or is relied upon because of his or her calling.

(4) Confidentiality

Members have a duty of confidentiality in respect of the affairs of any client or employer and they will not disclose to any third party, without proper cause, any information obtained in the course of their duties, nor will they exploit such information to their personal advantage or the advantage of a third party.

The disclosure of confidential information by a member may be required or appropriate where such disclosure is:

- Permitted or authorized by the client or employer;
- Required by law; or
- Permitted or required by a professional right or duty, when not prohibited by law.

(5) Objectivity

Members do not allow their professional or business judgment to be compromised by bias, conflict of interest or the undue influence of others.

With respect to both independence and conflicts of interest, the profession employs the criterion of whether a reasonable observer would conclude that a specified situation or circumstance posed an unacceptable threat to a member's objectivity and professional judgment. Only thus can public confidence in the objectivity and integrity of the member be sustained, and it is upon this public confidence that the reputation and usefulness of the profession rest.

C. Application of the rules of professional conduct

- The rules of professional conduct apply to all members irrespective of the type of professional services being provided.
- The rules and the guidance in this Foreword also apply, as appropriate, to students.
- Members and students not engaged in the practice of public accounting must observe these rules except where the wording of any rule makes it clear that it relates specifically to the practice of public accounting or there is a specific exception made in a particular rule.
- The term "professional services" also applies to members and students who are not engaged in the practice of public accounting. In this context, it includes those of a member's activities where the public or his or her associates are entitled to rely on membership in the Institute as giving the member particular competence and requiring due care, integrity and an objective state of mind.
- Members are responsible to the Institute for compliance with these rules by others who are either under their supervision or share with them proprietary interest in a firm or other enterprise. In this regard, a member must not permit others to carry out on his or her behalf acts, which if carried out by the member, would place him or her in violation of the rules.
- Members and students continue to be subject to the rules of professional conduct in the province or provinces of membership. They may also be subject to the rules of the organized accounting profession in the jurisdiction in which they reside. Should the rules in two or more jurisdictions conflict, a member will, where possible, observe the higher or stronger of the conflicting rules and, where that is not possible, he or she will consider the ethical conflict guidance set out above.

Stay tuned for Part II, next edition...

ICAN is pleased to announce a new partnership with Memorial University, Department of National Defence and Students in Free Enterprise (SIFE)

Based in Business is a program that is being developed to help medically released Canadian Forces members' transition from the military to the civilian workforce. The idea was developed by the Department of National Defence and SIFE Memorial, a not-for-profit student run organization from Memorial University of Newfoundland. The program will provide a year-long teaching and support network to medically discharged Canadian Forces members who wish to start their own enterprises.

The program consists of three phases throughout the year: online modules, a week-long intensive seminar series and a year-long mentorship program. Participants will complete online modules to help them assess their drive to become entrepreneurs and develop their business ideas prior to the intensive week-long seminar series. The week-long seminar series will provide intensive training in business skills and entrepreneurial knowledge which are needed in order to successfully start and run a small to medium sized business. Following this week, the participants will be partnered with a successful business professional from their local area who will provide a year-long mentorship program. All of the support, such as teaching and mentorship, will be given on a volunteer basis and the program will be of no cost to any participant. ICAN is pleased to announce that our members will be given the opportunity to mentor these deserving young people.

"ICAN is extremely excited to have been asked to be a part of this very rewarding program" said ICAN CEO Tashia Batstone. "Soldiers participating in the program will be mentored by professionals with the expertise needed to help them translate their business plans into a reality. ICAN will be looking to our membership across the province to volunteer in the program."

A three-year national plan has been developed for this project. The initial pilot, that will occur July 5-11, 2009, will be for Newfoundland and Labrador participants and the second pilot will take place for Atlantic Canadian participants during the summer of 2010. These two pilots will lead to the development of a finalized national program which is tentatively scheduled for 2011.

The Faculty of Business Executive in Residence, Rick Daw, and ICAN CEO, Tashia Batstone, currently serve on the projects' steering committee. Additional information concerning volunteer opportunities will be provided to members in the coming months.

Office Practice Inspection Committee Information Request Form

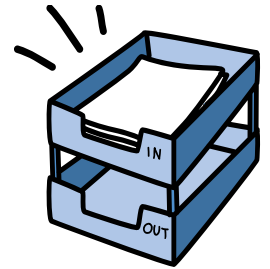
The objective of practice inspection is protection of the public by assessing the compliance with professional standards of members/firms that perform assurance, compilation and other specified engagements, and by taking appropriate follow-up or remedial action in instances of non-compliance. The public is further protected by practice inspection providing an educational experience to members and 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. Institute By-laws and Regulations 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, 2009 to avoid suspension.**

Change of Name

Please note that as of June 30th, 2009 the Institute of Chartered Accountants of Newfoundland will become the Institute of Chartered Accountants of Newfoundland and Labrador.



Editor's note...

ICAN News is a publication of the Institute's Communication Committee. If you have comments or wish to submit an article for publication please contact:

Karen Gosse, CA
(Chair)
kgosse@fortisinc.com

Cheryl Whitten, CA-CIA
(Member)
cwhitten@grantthornton.ca

Cavelle O'Neill, CA
(Member)
coneill@grantthornton.ca

Tashia Batstone, CA
(Editor)
tbatstone@ican.nfld.net

The Institute of Chartered Accountants of Newfoundland

95 Bonaventure Avenue
Suite 501
St. John's, NL A1B 2X5
Tel: (709) 753-7566
Fax: (709) 753-3609
www.ican.nfld.net