

MINUTES

Meeting Date: September 26, 2019
Scheduled Time: 8:00 a.m. – 9:00 a.m.
Location: Imperial Ballroom, Hyatt Regency Hotel
Calgary

Stage Party:

Vice-Chair: Darrell Jones FCPA, FCMA
Audit & Risk Committee Chair: Damian Zapisocky CPA, CA
CPA Alberta CEO: Rachel Miller FCPA, FCA

Estimated CPA Alberta Members Present: 109 (Bylaw 232: Quorum = 50 members)

Recording: Megan Wesolowski

1. WELCOME/CALL TO ORDER

The CPA Alberta Board Vice-Chair Darrell Jones called the meeting to order at approximately 8:00 am and stated that he would act as Chair of the 2019 CPA Alberta AGM.

The Vice-Chair introduced the stage party and the following Board members:

Ruth McHugh FCPA, FCMA
Sonya von Heyking CPA, CA
Michelle Balmer CPA, CA
Diane Pettie QC (Public Member)
Karen Graham (Public Member)

The Vice-Chair confirmed that formal notice of the Annual General Meeting was sent to Alberta CPAs on Tuesday, September 3, 2019.

2. REPORT FROM THE CEO

The Vice-Chair invited the Chief Executive Officer for CPA Alberta, Rachel Miller, to the podium. (Note: Rachel Miller is also the Executive Director of the CPA Education Foundation.)

First, she provided a brief summary of issues experienced by CPA candidates during the Common Final Examination (CFE) across Canada in September 2019. She confirmed that the profession was committed to ensuring the fair and consistent assessment of CPA candidates and that more information would be provided to members as it becomes available.

She explained that education and recruitment would continue to be a focus for the profession, with the next update to the competency map scheduled for December 2019 and additional updates to follow. These regular updates are intended to ensure future CPAs have the competencies needed for success.

The CPA Alberta CEO stated that the profession would also be focused on the future of artificial intelligence (AI) and the ways in which CPAs may be able to use AI as a tool, and the benefits and opportunities that this technology will provide. Many Alberta CPAs participated in the first phase of CPA Canada's Foresight Initiative and would continue to be involved in the next phase of the project.

Growing the CPA brand was also identified as an important factor to ensure that CPAs are recognized not

only as accounting professionals, but also relied upon for their business acumen, leadership and strategic thinking. A new national branding campaign was developed in 2019 using real Canadian CPAs, including representation from Alberta. AI technology will be instrumental in assessing the campaign's success.

Next, she explained that regulatory rigour would continue to be a priority for CPA Alberta. The organization's mission to protect the public interest by educating and regulating the competency and ethical standards of members, and promoting the value of the CPA designation, remain of the utmost importance. The rigorous fulfillment of CPA Alberta's mandate to protect the public ensures that the reputation of the designation is maintained.

Services and resources for Alberta CPAs were identified as another key factor for the organization. New and redesigned services, including new professional development courses and service delivery, online resources, and in-person peer-to-peer forums were all introduced in 2018/19.

Finally, the CEO provided an update on two additional areas of the profession, the CPA Education Foundation and CPA Assist.

CPA Assist provides confidential 24/7 help to Alberta CPAs, candidates, and their immediate families. From free counselling to health and wellness resources, the Alberta profession remains committed to ensuring the mental health of members remains strong. Additionally, she noted that CPA Assist services were extended to Saskatchewan CPAs and candidates effective September 1, 2019.

The CEO introduced CPA Assist Committee Chair Howard Shikaze and committee member Debbie Gorsline and thanked them for their support and dedication to the program.

She then noted that the CPA Education Foundation is the charitable arm of the organization, with a mandate to strengthen the future of the accounting education in Alberta through partnerships, supporting business education and students, and the incubation of innovative ideas. One of the most significant recent activities of the Foundation was the establishment of the Hesje CPA Knowledge Centre, made possible through a generous donation by Brian Hesje FPCA, FCA. The Knowledge Centre is the first of its kind in Canada and is a virtual hub of resources and materials on a wide range of topics and issues.

The CEO introduced CPA Education Foundation Board Chair David Bodnarchuk and thanked him for his commitment to the education of future Alberta CPAs.

She thanked all the members in attendance at the 2019 AGM and invited members to contact CPA Alberta for more information on any of the topics covered in her presentation.

3. REPORT FROM THE AUDIT & RISK COMMITTEE

The Vice-Chair invited the Chair of the Audit & Risk Committee, Damian Zapisocky, to the podium to present the report of the Audit & Risk Committee.

The 2019 Annual Report, including audited financial statements as at March 31, 2019, was available in draft form at the meeting.

a) CPA Alberta Financial Report:

The Audit and Risk Committee Chair explained that fiscal accountability was among the highest priorities for CPA Alberta, to ensure the long-term health of the organization while utilizing member fees in the most efficient manner, striving for balanced budgets and seeking out efficiencies and savings on an ongoing basis.

For 2018/19, a surplus of \$2,430,000 was reported after one-time transition expenses.

In 2015/16, the Board of Directors of CPA Alberta established a unification stabilization fund to cover one-time expenses. The fund internally restricted \$2,800,000 of CPA Alberta net assets to fund expenses directly related to unification. The fund was exhausted in this fiscal year, as planned.

The 2018/19 fiscal year budget anticipated a minor deficit of \$134,000. However, there was an actual surplus of \$2,430,000, primarily the result of a recovery received from the CPA Western School of Business for facility and program expenses. Furthermore, this surplus completely offset the significant deficit incurred in the prior fiscal year relating to an asset impairment due to the discontinuation of a member management system project. A project to upgrade an existing member management system to meet the future needs of CPA Alberta and all Alberta CPAs was currently underway, on schedule and budget.

CPA Alberta remained in a strong financial position, with total net assets of \$12,297,000 and unrestricted net assets of nearly \$8,000,000, which were held to fund upgrades to the member management system and cover unforeseen expenses and operating fluctuations.

The Audit and Risk Committee Chair explained that the CPA Alberta had an extensive Management Discussion and Analysis and enhanced financial information to provide further details about CPA Alberta operations and finances.

No questions were received from the floor.

MOVED AND SECONDED THAT the financial statements and auditors' report be accepted. **CARRIED.**

The Audit and Risk Committee Chair thanked members of the Audit and Risk Committee and RSM Canada LLP.

b) Appointment of Auditor: The 2018/19 audit was conducted by RSM Canada LLP, which was selected CPA Alberta's auditor through an extensive Request for Proposal process.

MOVED AND SECONDED THAT RSM Canada LLP be appointed CPA Alberta's auditor for 2019/20. **CARRIED.**

The Vice Chair thanked Damian Zapisocky for his service as Chair of the Audit Committee.

4. REPORT OF THE CHIEF SCRUTINEER

The Vice-Chair presented the Report of the Chief Scrutineer on behalf of Chief Scrutineer Gill Hermanns FCPA, FCGA. The Chief Scrutineer is an independent member volunteer who oversees the voting process and ensures the prescribed voting procedures are followed and that the election process is fair and accurate.

It was noted that there were two votes required in 2019: one for four open Board positions, and one on three proposed changes to the CPA Alberta Rules of Professional Conduct.

Members were sent the following, as part of a member voting package mailed (either electronically or by paper mail) before September 3, 2019, in compliance with Bylaw 254 and Bylaw 266, with a specified voting deadline date of 12:00 pm (noon, MDT) September 24, 2019:

- Message from Gill Hermanns, Chief Scrutineer

- How to Cast your Ballot Instructions
- Board Election 2019 Candidate Information, photo and biography of each election candidate
- Members' Vote on Changes to the Rules of Professional Conduct - 2019
- Voting Ballot for 2019 Board Vote and 2019 Regulatory Vote

- a) Election Results: Eleven (11) members were nominated to stand for election to the Board and certified as members in good standing.

The following members were elected to the Board for 2019 for a three-year term:

Dawn Sauvé CPA, CA
Vincent Vavrek FCPA, FCA, CGA

The following members were re-elected to the Board for 2019 for a second three-year term:

K. John Fuller CPA, CA
Ruth McHugh FCMA, FCMA

- b) Regulatory Vote: The following ballots cast were in favour of the regulatory changes:

Regulatory Ballot	FOR	AGAINST	FOR (%)
Approve proposed changes to Rule 204	1,295	67	88.4
Approve addition of Rule 410	1270	106	86.7
Approve non-substantive changes to Rules in order to harmonize with national rules	1326	50	90.5

It was confirmed that the vote was conducted in accordance with the CPA Alberta governing documents and no irregularities were noted.

The Vice-Chair thanked scrutineers Darren Buma and Heather Bowie for their assistance on behalf of the Chief Scrutineer and congratulated the successful candidates.

He thanked all candidates for allowing their names to stand for election.

5. MINUTES OF 2018 ANNUAL GENERAL MEETING

The Chair noted that minutes of the 2018 CPA Alberta Annual General Meeting were available to attendees.

MOVED AND SECONDED THAT the minutes of the 2018 CPA Alberta Annual General Meeting be approved as presented. **CARRIED.**

6. MESSAGE FROM CPA ALBERTA CHAIR

CPA Alberta Chair Curtis Palichuk provided pre-recorded video remarks at the meeting.

He stated that his term as Chair had been the pinnacle of many years of involvement with the profession and had been a valuable opportunity to connect with many exemplary CPA Alberta members. He expressed his

appreciation for the opportunity to take part in the advancement of the profession and that the unification of the profession had been a highlight of his service.

The Chair provided a brief summary of the strategic priorities identified by the CPA Alberta Board for the profession:

1. Protect the Public
2. Understanding the Alberta Landscape
3. Dealing with Disruption
4. Achieving Smart Growth
5. Maintaining Fiscal Responsibility

The Chair explained that the number of CPA graduates in Alberta had continued to increase year over year.

He also noted the connections CPA Alberta had made with government and regulatory stakeholders over his term as Chair, highlighting the organization's effective self-regulation. Connections have also been strengthened with provincial and national partners, strengthening CPA Alberta's stature at the national level.

He thanked his family and colleagues for their support, as well as the CPA Alberta Board and management team, particularly CEO Rachel Miller, as well as all Alberta CPAs for their support and diligence.

He introduced Darrell Jones FCPA, FCMA as the new Chair of the CPA Alberta Board and thanked him for his service to the profession.

7. OTHER BUSINESS/COMMENTS AND QUESTIONS FROM THE FLOOR

The floor was opened to questions.

No questions were forthcoming from the floor.

The meeting was formally declared adjourned at approximately 8:45 am.