

Dividends

THE MAGAZINE FOR ALBERTA'S CHARTERED PROFESSIONAL ACCOUNTANTS



CPA

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ALBERTA

Spring 2018

DISRUPTION

How CPAs can not only weather the disruption storm but thrive

cpaalberta.ca

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- **GST/HST**
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IN-DEPTH TAX COURSE FACILITATORS

CPA Canada is looking for motivated individuals with a passion for education to be In-Residence Facilitators for Summer/Fall 2018. Visit: cpacanada.ca/teachingtax

FOR ALL TAX PD EVENTS, VISIT: cpacanada.ca/taxevents2018

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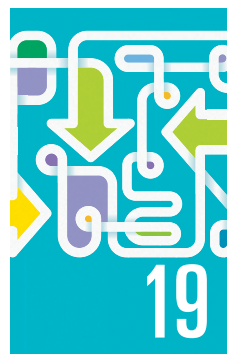
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Disrupting workplace incivility.



Celebrating 764 successful new graduates.



Rachel Miller FCPA, FCA

Half-full or half-empty?

Message from the CEO

We all have the ability to choose our reaction to our experiences—that idea is the truism behind the cliché “is the glass half-full or half-empty?” That old saying is an appropriate response to a very current concept: disruption. The tendency is to see anything that threatens to disrupt old norms and routines as scary, but the reality is that every change brings about opportunities. As CPAs, we have the skills, knowledge, and experience to take advantage of new realities, and help the organizations we serve do the same. In fact, history proves that we have done so regularly, since the very beginning of the profession.

I hope this issue of *Dividends*—the second in a series of issues devoted to CPA Alberta’s strategic priorities—reinforces your decision to see disruption as the glass half-full.

Rachel Miller FCPA, FCA
Chief Executive Officer

Congratulations 2018 award recipients!

CPA Alberta is pleased to announce the 2018 award recipients. These exceptional individuals embody the core principles of the CPA profession: integrity, expertise, and commitment, and their activities and accomplishments bring honour to the profession and strengthen the reputation of all CPAs.

CPA Alberta looks forward to formally recognizing these outstanding professionals at the Elevate Awards Gala on Saturday, May 12, at the Shaw Conference Centre in Edmonton. More information and tickets for the Gala are available on the CPA Alberta website, www.cpaalberta.ca.

Congratulations to all 2018 recipients!

Lifetime Achievement Awards

The Lifetime Achievement Award formally recognizes Fellows of the Chartered Professional Accountants who have continued to render exceptional service to the profession, or whose achievements in their careers or in the community have earned them distinction and brought honour to the profession.

Harold Kingston FCPA, FCA
Merwan Saher FCPA, FCA

Fellows of the Chartered Professional Accountants

Fellowship is granted to those who have rendered exceptional service to the profession, or whose achievements in their careers, the community, or in the profession have earned them distinction and brought honour to the profession.

Tricia Antonini FCPA, FCA
Eleanor Chiu FCPA, FCA
Neil Cockburn FCPA, FCA
David Elzinga FCPA, FCA
Gill Hermanns FCPA, FCGA
Wayne Irvine FCPA, FCA
David Janzen FCPA, FCA
Marc Joiner FCPA, FCA
Jerry Kavanagh FCPA, FCA
Kevin Keith FCPA, FCA
Chris Lee FCPA, FCA
Ross McNichol FCPA, FCA
John Stelter FCPA, FCA
Rick Whitley FCPA, FCA
Vivien Wulff FCPA, FCA
Tracey Zehl FCPA, FCA

Distinguished Service Awards

Recognizes members or supporters of the profession who have demonstrated a significant achievement within the last five years.

Robert Andrews CPA, CMA
Michael Burnyeat CPA, CA
James Merkosky CPA, CA
Randy Nicholls CPA, CA
Shahid Qureshi CPA, CGA

Aymie Rondeau CPA, CA
Shannon Ryhorchuk CPA, CA
Carol Sadler CPA, CA

Early Achievement Awards

Recognizes CPAs who have had their accounting designation for 10 years or less and have rendered exceptional service to the profession or whose achievements in their careers or in the community have earned them distinction and brought honour to the profession.

Alexandra Arnell CPA, CA
Zarina Bhambhani CPA, CA
Stephanie Boldt CPA, CA
Kelly Coley CPA, CMA
Scott Gordon CPA, CA
Brett Klawitter CPA, CA
Jasmine Konsorada CPA, CA
Angela Loo CPA, CA
Darrell Mathews CPA, CMA
Hailey Pinksen CPA, CA
Elisha Sharma CPA
Marvin Slingerland CPA, CA
Patrick Teoh CPA, CA
Devon Wardley CPA, CA
Elmien Wingert CPA, CA

CPA Education Foundation Impact Award

Presented by the CPA Education Foundation, the Impact Award honours an individual for his/her contributions to the work and goals of the Foundation.

Alex Tutschek FCPA, FCA

Dividends

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Dividends is published by CPA Alberta. The magazine is distributed to more than 28,000 readers.

Dividends explores the issues and opportunities faced by Alberta CPAs and celebrates their achievements. It also keeps Alberta CPAs up-to-date and engaged with the profession and their colleagues.

IN BALANCE

Briefings for your personal and professional success.

Manage stress through available resources

Stress is something business professionals can't escape. Whether it's at work or home, there is pressure that adds strain to the day. Coping with issues such as addiction, anxiety, burnout, career dissatisfaction, depression, financial crisis, and grief can be overwhelming, especially if an individual tries to tackle them alone. Luckily, there are resources to turn to in order to help alleviate the burden.

Employee Assistance Programs

Many companies offer Employee Assistance Programs (EAP) to help with health concerns for staff. Most EAPs offer short-term counselling for employees dealing with personal problems that affect work performance. More information on these types of services is typically available in the organization's handbook or from its Human Resources department.

CPA Assist

CPA Assist is the profession's assistance and wellness program. CPA Assist can help deal with problems like burnout, addition, stress, and other issues.

CPAs, CPA Candidates, and their immediate family members are supported through CPA Assist. It is a completely confidential service, available 24 hours a day, seven days a week.

Call the toll free number, 1-855-596-4222 or access www.cpa-assist.ca for more information.

This service may be particularly useful for those Alberta CPAs working in organizations that don't have an EAP resource, for those that aren't comfortable using their organization's EAP, or as a supplement to an EAP.



Free Resources for Alberta Residents

- **Alberta Health Services' Addiction and Mental Health Help Line**
This is a 24-hour confidential and anonymous service, with regional centres across Alberta, including Lethbridge and Red Deer. It offers crisis intervention and information on mental health programs. For a full list of services and locations, call 1-877-303-2642 or visit www.albertahealthservices.ca.
- **Canadian Mental Health Association (CMHA)**
With over 60 years of history, CMHA is a recognized and reliable organization for Albertans to find compassionate support, care, and accessible resources to help with mental health concerns.

It has locations all over the province, including Calgary, Edmonton, Camrose, Red Deer, Fort McMurray, Grande Prairie, Lethbridge, and Medicine Hat.

Visit www.alberta.cmha.ca for more information on the nearest CMHA and its services.
- **Distress Centre**
The Distress Centre is a 24-hour service for crisis support, serving Calgary and southern Alberta. The organization offers a crisis line, email, a daily chat feature, and sends daily text to clients. Contact the Distress Centre by phone at 403-266-HELP (4357) or by emailing help@distresscentre.com.
- **Crisis Support Centre / Distress Line**
This resource is available to Edmonton and Northern Alberta residents. If feeling overwhelmed, people can speak to skilled Distress Line Listeners by calling its 24-hour hotline at 1-800-232-7288 or by emailing main@cmha-edmonton.ab.ca.



Congratulations to Doug Wylie

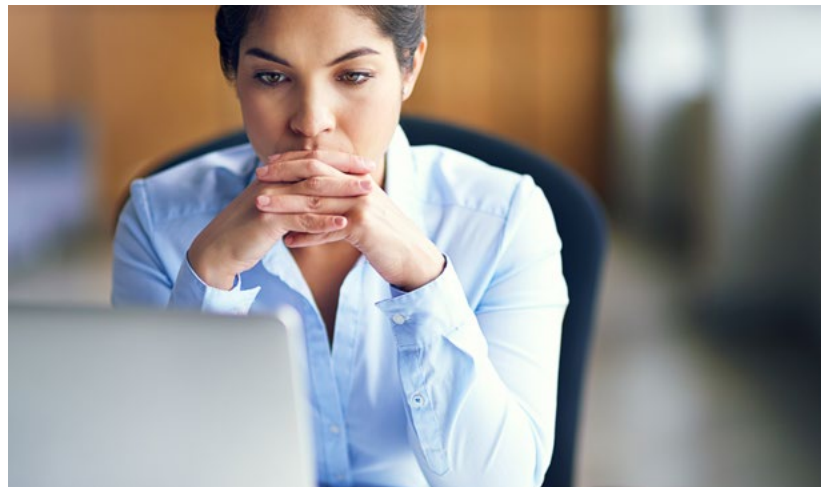
Appointed next Auditor General of Alberta

Congratulations to Doug Wylie FCPA, FCMA, who was named the Auditor General of Alberta, effective April 29. Doug has been a part of the Office of the Auditor General for 28 years, serving as the Deputy Auditor General for the past 14 years. He has also been an active member of the profession, including serving on the board of the CPA Education Foundation; he received Fellowship in 2016 for his achievements and contributions to the community and profession.

Doug's knowledge and experience will allow him to build on the stellar work of Merwan Saher FCPA, FCA, who is retiring from the Auditor General role after almost 40 years of service to Albertans.

Prevent message regret

Staying connected and being highly responsive to requests are strong work qualities of a successful CPA, and accessing emails or texts through a computer or smartphone is a necessity for professionals. However, errors are often made when trying to quickly reply to messages. To prevent embarrassment, follow these simple tips.



Give communications undivided attention

When writing important messages it's best not to multi-task. Focus on the message and the critical details, especially when sending to clients and colleagues.

Save the distribution list for last

Accidentally sending a half-written message can be embarrassing. To stop it from occurring add contacts last. This allows plenty of time to re-read the message before sending. It also gives the opportunity to think about whether "reply all" is essential, or if only a few key contacts should receive the message.

Beware of auto-correct

Auto-correct is helpful but can also cause confusion. It's convenient when in a rush, but when drafting an important email or text, it can be frustrating and can cause obvious errors. Re-read messages carefully and recognize common auto-corrected words and phrases.

Monitor tone

Recipients can only rely on the written words to decipher the attitude of the sender. An angry tone can be easily identified when the writer is frustrated while drafting the message. If this is the case, take a break and return to the message once initial feelings have passed.

Check attachments

The most experienced professional can still make a mistake when inserting attachments. Remember sending the wrong documents to clients can be a violation of privacy protocols, and can also cause confusion among recipients. As well, it's important to double-check file names before hitting send.

Source: Chartered Professional Accountants of British Columbia "In Focus" magazine, available online at www.bccpa.ca

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Laurel Belcher



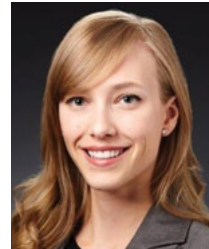
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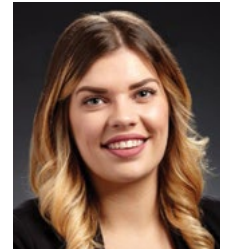
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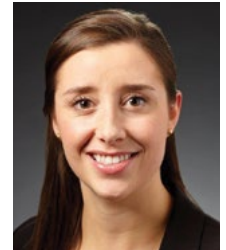
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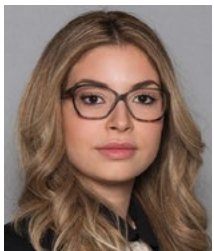
Aaron Morrill



Ashley Phillips



Jessica Robertson



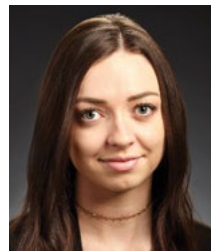
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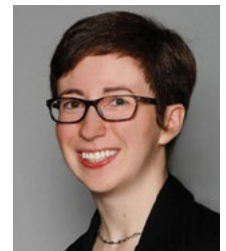
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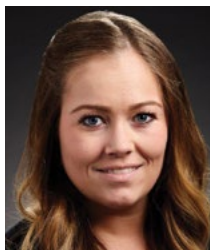
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Elizabeth Tkachuk



Janelle Underdown



Jenny Warren



Nichelle Williams



Sharry Xu



Sherry Zhang

We are pleased to recognize our Alberta employees who passed the 2018 Common Final Examination (CFE). This is a significant step towards becoming a Chartered Professional Accountant in Canada. We congratulate you all for your hard work and determination, and look forward to your further achievements as valuable members of our team.

BDO is one of the largest national accounting and advisory partnerships in Canada with offices nationwide. Our professionals have the expertise to serve owner-managed businesses, large enterprises, mid-market public companies, communities and not-for-profit organizations in a broad range of industries.

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Linda Mezon FCPA, FCA, CPA (MI, USA) has served as the chair of the Accounting Standards Board (AcSB) since July 1, 2013. In her role, Linda provides leadership to the AcSB to achieve its mission, as well as enables and promotes a deeper stakeholder understanding of the board's strategic plan and activities.

Prior to her appointment as chair, Linda was the chief accountant at the Royal Bank of Canada (RBC), responsible for the interpretation and application of IFRS and U.S. generally accepted accounting principles (GAAP). Before RBC, Linda held other senior positions in industry and also has four years of experience in public accounting.

She discusses her priorities, the importance of being engaged in the standards process, and her thoughts on change in this issue of *Candid*.

CANDID:

Linda Mezon FCPA, FCA, CPA (MI, USA)

On her priorities as AcSB Chair:

Since I started as Chair, my priority has been and will continue to be improving how we communicate and engage with those who rely on and use our standards. More specifically, I'm trying to get stakeholders to talk with us so we can have a two-way dialogue with them. Having them share their knowledge and insight is fundamental to every standard we set and every IFRS® Standard we endorse. Part of this priority is getting in touch with stakeholders whom we have not spoken with as much in the past.

Our commitment to this has led to extensive relationship-building activities—most importantly meeting people face-to-face—with a variety of stakeholders, from Canadian financial statement users to standard setters on the opposite side of the globe.

Another priority is one that I think will

always be at the top of the list—the technical nature of standard setting. Before I became Chair, I was a volunteer member of the Accounting Standards Board. When you're in that role, you get to go deep in the “technical” weeds with the other Board members and staff. We have immense technical expertise at both the Board and staff level, so there is no question that continuing to leverage that is a priority.

On the importance of CPAs being engaged in the standard-setting process:

Simply put, we need input early in a standard's development process. Without input right at the start of the process, we cannot understand the issues our stakeholders are facing to ensure a standard works for them.

The onus of ensuring that we get early input into a standard's development is on the shoulders of all parties involved in the

financial reporting process—from us as standard setters to the preparers to the auditors to the financial reporting users. This is something we continuously try to do better to ensure CPAs know when the opportunity is there to influence standard setting.

For example, the Board is looking at the relevance of corporate reporting measures that go beyond the pure GAAP financial statements. We know this is something that Alberta's oil and gas industry will be interested in, so we are going to be sure to get Alberta CPAs engaged from the outset in order to influence a framework we're developing on these measures this year.

On resources AcSB has to help navigate the standards:

Outside of the implementation guidance we publish in the CPA Canada Handbook, a primary resource is our advisory groups



“Change is inevitable. No matter what point in their career a CPA is, embracing the change that we see occurring around us is a necessary part of being in our profession.”

Linda Mezon FCPA, FCA, CPA (MI, USA)

and committees—our IFRS® Discussion Group, Private Enterprise Advisory Committee and Not-for-Profit Advisory Committee.

Each group and committee helps us to create awareness of standards—whether standards that are in development, those with an effective date looming, or those already being applied. They also each provide the Board with valuable advice.

Each group provides meeting notes that are available to the public, and the IFRS Discussion Group even has a searchable database of past issues discussed. It also accommodates public observers. In fact, on June 21, 2018, the IFRS Discussion Group will be open to public observers both in-person at the meeting location in Toronto, and also via livestream for everyone across the country (and even globally). That agenda will see a lot of hot topics up for discussion, including cannabis industry implementation issues, cloud computing, and cyber-currencies

On impacts of new technologies on accounting standards:

Essentially, with any new addition to our world, standard setters need to stay on top of emerging issues and developments,

and be able to engage in a discussion about them. Two notable examples that have already been on the IFRS Discussion Group’s agenda are cloud computing and cryptocurrencies, which were first on our agenda in 2015 and this year, respectively.

So, when we’re discussing how a standard can be applied to the world of cloud computing and cryptocurrency, and the users of those standards are telling us that existing standards are not sufficient, we are able to leverage our very fortunate position. That is, we are able to change domestically-set standards, or in the case of an IFRS Standard or U.S. GAAP, we can highlight the issues and even suggest changes to the International Accounting Standards Board in London or the US Financial Accounting Standards Board.

On upcoming changing standards to be aware of:

From our perspective as a Board, we are monitoring the implementation of Revenue and Financial Instruments, both effective this year. We are also concentrating discussions on Leases implementation, which is effective next year.

Alberta CPAs should keep their eyes on further developments!

On change and the future:

There’s a part of a Barack Obama quote that resonates with me: “Change will not come if we wait for some other person or some other time.”

Change is inevitable. No matter what point in their career a CPA is, embracing the change that we see occurring around us is a necessary part of being in our profession and supporting the many organizations that rely on a CPA’s leadership.

From the disruption we see in accounting for new technologies and industries like cloud computing, cryptocurrencies, and the cannabis industry, to managing the basic technological disruptions we see in our everyday life, like the use of smartphones and artificial intelligence, we owe it to those who rely on CPAs for our expertise and guidance to be on top of the change and engage with the change.

My advice overall is to not be afraid of it—don’t sit on the sidelines and watch it happen. Be part of it. No matter what stage in your career, your perspective on change matters.



+
**SPECIAL
FOCUS**
+

DISRUPTION. IT'S CERTAINLY THE WORD OF THE MOMENT, with a Google search turning up millions of recent articles about disruption transforming industries from mining to entertainment, farming to professional services. Certainly, the accounting profession isn't immune to disruption—changes in technology, demographics, and accounting standards, among others, are sure to transform the way in which Alberta CPAs practice their craft.

The good news, however, is that CPAs have been effectively dealing with change since the profession began. And, with some planning and forethought, today's CPAs are well-positioned to not only weather the disruption storm, but to also take advantage of it. The articles on the following pages will, hopefully, help in that quest.

Dividends  **Spring 2018**

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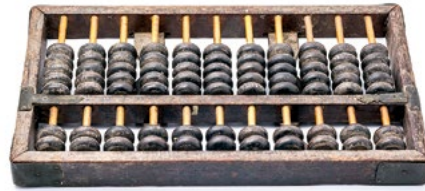
History of disruption in Alberta accounting/business

Disruption seems like a modern concept. However, as the timeline below clearly shows, professional accountants have been dealing with disruption since the beginnings of the profession, at both the local and global levels.

Compiled by Bobby Roy

1600

The first abacus is used in Europe for basic calculations and accounting.



1879

A group of accountants meet in Montreal to consider the advisability of forming an association or society of accountants. The upshot of this meeting was the creation of the Association of Accountants of Montreal, the first organized body of accountants in North America.

1973–75

The Internet Protocol Suite is developed by Vinton Cerf and Robert E. Kahn, creating the basis for the modern internet.

1977

Sixty-three original members, including the three legacy Canadian accounting bodies, co-found the International Federation of Accountants (IFAC).

1971

Email is invented by Ray Tomlinson.

1973

Martin Cooper develops the first hand-held cellphone.



1961

World's first all-electronic desktop calculator is produced.



1950

Modern credit card invented.

1958

The Alberta Provincial Auditor begins the Alberta government's first serious study into using computers, exploring the advantages of a computerized payment system.

1981

IBM introduces its PC Model 5150, sparking widespread adoption of personal computers.



1985

The first dot-com domain name is registered.

1986

Oil prices crash.



1991

The *Goods and Services Tax* is introduced in Canada.



1994

NAFTA is established by the Canadian, U.S., and Mexican governments.



1995

Microsoft releases Windows 95.

1999

The term Wi-Fi becomes part of the computing language and users begin connecting to the internet without wires.



2001

Enron collapses in the largest business failure in corporate history. This and subsequent business scandals lead to public disillusionment in capital markets. The accounting profession responds swiftly to restore public confidence by introducing stringent new standards and governance reform.

1910s

Office technologies are readily available, including typewriters, carbon paper, pre-printed ledgers, pencils and nib pens, and reams of paper.



1914

World War I begins. It lasts four years.

1914

Alberta's first commercial oil well is discovered in Turner Valley. As a result, more than 500 oil exploration companies are formed within days.

1916

Legislation of taxes begins. Parliament introduces the *Business Profits War Tax Act* as an interim war-funding exercise. The *War Income Tax Act* follows in 1917, and Canadians continue to pay corporate and personal taxes today.

1916

Women gain the right to vote in Alberta.

1929

The stock market crashes on October 29, which will become known as Black Tuesday, signaling the beginning of the Great Depression.



1947

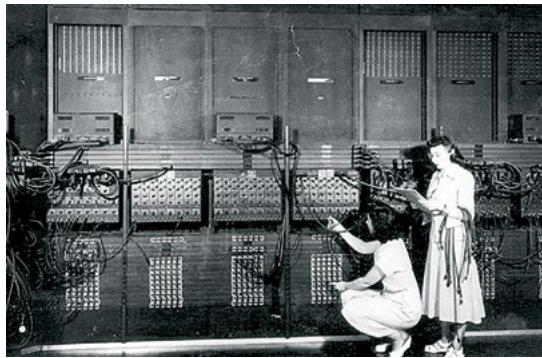
The biggest boom in Alberta's history is about to begin, as oil is discovered by Imperial Oil at the Leduc No. 1 oil well.



Source: Provincial Archives of Alberta

1946

Creation of the first electronic, general purpose computer. It fills a 10 x 15 m room and weighs 30,000 kilograms.



1939

World War II begins.

1944

The World Bank and International Monetary Fund are established.

1945

World War II ends, marking the beginning of profound growth for the accounting profession.

1934

The Canadian government creates the Bank of Canada to regulate the nation's monetary system. The United States Securities and Exchange Commission is also created.



2001

The *Regulated Accounting Profession Act* is enacted. This act brings governance of the three legacy accounting designations in Alberta under a single piece of legislation.



Province of Alberta

REGULATED ACCOUNTING PROFESSION ACT

2006

The Accounting Standards Board ratifies a new strategic plan for the future of Canada's accounting standards, including a key decision to adopt international accounting rules for Canada's publicly traded companies.

2007

Apple launches the iPhone.



2008

Beginnings of the Great Recession. Poor financial lending practices in the U.S., compounded by complex global factors, cause devastation throughout the world economy and lead to new regulations on U.S. banks through the Dodd-Frank Act. Canada weathers the storm better than many countries, due partly to responsible banking and accounting practices.



2015

The *Chartered Professional Accountants Act* is given Royal Assent. The Act established the CPA designation in Alberta and creates a single, unified regulatory body for the CPA profession in the province.



AUTOMATION ANXIETY

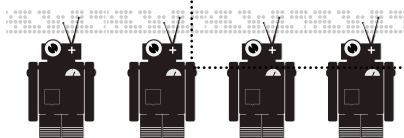
By Andrew Moore

From driving a car to filing a tax return, automation is transforming the way the world does business. But if the thought of being replaced is keeping you up at night, there's no need to fret, providing you're willing to adapt.

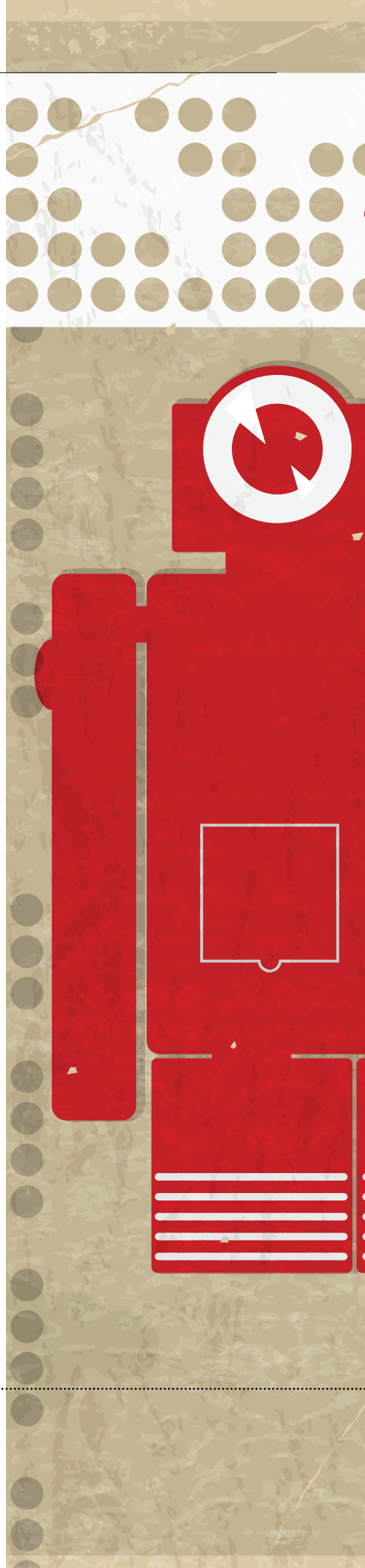
IN 2011, IBM's Watson supercomputer defeated Kenn Jennings and Brad Rutter in a televised episode of the game show Jeopardy! At the time, the feat was impressive. However, that was seven years ago, and Watson has since been busy making advancements in healthcare, education, meteorology, fashion, and—you guessed it—accounting. Today, Watson is helping to prepare tax returns at H&R Block. The supercomputer has memorized 74,000 pages of the U.S. tax code, along with thousands of yearly tax law changes. By combining tax professionals with Watson's cognitive technology, the company claims it can uncover every deduction and credit available to a customer.

And, Watson isn't the only technology being used to streamline operations, so it is important that CPAs begin to factor in the impact technology may have on the way they fulfill their professional duties. With some planning, forethought, and adoption of innovation, further automation can allow CPAs to bring even more value to the organizations they are serving.

Let's take a closer look at three technologies that are set to disrupt the business world.



Y O U W I L L N O T B E R E P L A C E D B Y U S



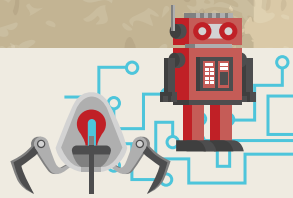
With some planning, forethought, and adoption of innovation, further automation can allow CPAs to bring even more value to the organizations they are serving.



DATA ANALYTICS

Data analytics is the collection and examination of raw data with the intent of gathering information about customers, processes, market economics, or practical experience. Data is categorized and analyzed to study trends and patterns.

- Analytics has very high, cross-functional adoption across the entire enterprise in a best-in-class organization.
- A Forbes study says that senior executives understand the need to invest in the people, processes, and technologies that empower insight-based decision-making to keep pace with their peers and competitors.
- While enterprises have spent billions to address infrastructure, workflow, and transactional frameworks, many have not scaled their analytics solutions to derive insights and actions from the onslaught of data.
- Revenue generated from big data and business analytics is expected to reach USD 210 billion by 2020.



ROBOTIC PROCESS AUTOMATION (RPA)

Robots have long been used to conduct automated tasks in factories and warehouses, but advances in artificial intelligence (AI) are now making it possible for clerical duties to be automated. RPA uses AI to build software robots that automate tasks that once required human intervention.

- RPA enables you to create your own software robots to automate any business process.
- These software robots offer improved business efficiency and data security by mimicking human actions and automating repetitive tasks across multiple business applications without altering existing infrastructure and systems.
- A report on RPA from PwC says a digital workforce is capable of working 24x7, requires limited to no oversight, and can scale in response to business growth with speed, agility, and resiliency.
- A Forrester Research report found the RPA market will grow to \$2.9 billion by 2021 from a base of \$250 million in 2016.



COGNITIVE AUTOMATION

Cognitive technology is a subsection of AI. While AI has been the subject of exploration for a long time, cognitive technology evolved mostly out of the internet. Examples of cognitive techniques can include face detection, speech recognition, and risk assessment. IBM's Watson computer is an example of cognitive technology.

- While commonly associated with RPA, cognitive automation has the “robots” making decisions—providing insight into not only what has happened but what is currently happening and what is likely to happen next.
- Cognitive automation is not machine learning, reports software company Expert Systems. Cognitive automation leverages different algorithms and technology approaches such as natural language processing, text analytics and data mining, semantic technology, and machine learning.
- According to a Deloitte survey, enterprises are beginning to employ RPA with cognitive technologies to automate perceptual and judgment-based tasks once reserved for humans. [▶](#)

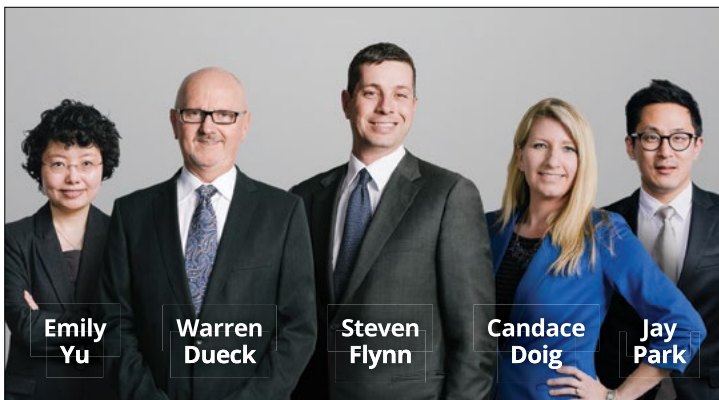
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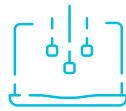


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COULD BLOCKCHAIN BE AN ENABLER FOR CLIMATE ACTION?

Blockchain is a peer-to-peer ledger technology that could begin an economic revolution, experts say. This disruptive technology initially caught attention as the technology supporting cryptocurrencies, but now blockchain technology is being applied in the environmental space. It has most recently gained recognition from the United Nations Framework Convention on Climate Change for its potential to boost climate action.



BLOCKCHAIN *has the potential to transform carbon markets* by providing a transparent and reliable way to track carbon emissions and credits. CPA Canada recently hosted a panel discussion on blockchain as a solution for managing transactions in carbon markets. Highlights from the panel include:

Blockchain is gaining momentum

Today's blockchain projects are widespread and involve an estimated \$1.5 billion in venture capital investment to date. "Eighty per cent of the world's banks have invested in a project in blockchain technology. This used to be an estimated number for the year 2020," stated Illiana Oris Valiente, managing director and global blockchain innovation lead at Accenture.

How will carbon markets integrate with one another at international, federal and sub-national levels?

Some carbon markets, such as California, Quebec and, soon, Ontario (under the Western Climate Initiative), are connected through bilateral programs. However, questions remain about the interoperability of different carbon markets—blockchain could be the solution.

Could blockchain boost business response to the global climate crisis?

"Being able to move quickly to transform our global system is imperative to survive. Blockchain and other digital solutions provide a strong basis to achieve that goal. They offer huge potential, not just in changing our economy, but in changing how we work together," says Tom Baumann, co-founder of ClimateCHECK, Collaborase and Xpansiv.

Blockchain will continue to evolve, but its applicability as a solution for climate action rests largely on the complexity, scale and urgency of climate actions that require transformative solutions.

Its potential use expands beyond mitigation (which includes carbon markets) and into enabling adaptation efforts as well. Blockchain could play a role in improved carbon emissions trading, other emissions trading and tracking, and supply chain transparency, among other issues, he noted.

More information, including the whole discussion, can be found on the CPA Canada website, www.cpacanada.ca, by searching "blockchain climate action."

Today's blockchain projects are widespread and involve an estimated \$1.5 billion in venture capital investment to date.

Source: CPA Canada

DIVERSE DISRUPTION

Drivers of change involve
more than just technology

By Chris Pilger

When thinking about disruption, the first thing that comes to mind for most people is technology—the advent of the internet, for example, or the looming widespread adoption of artificial intelligence. However, throughout history, non-technological factors have often played a more disruptive role in society and business than those that involve technology. Whether it be political, economic, or societal causes, major changes arise due to a difference in behavior and attitudes of citizens, consumers, and workers.

So, while blockchain, artificial intelligence, and all things online get all the press, don't forget about the following sources of disruption—and spend as much time ensuring your organization is taking the steps necessary to successfully navigate these changes as it is the next technological innovation.



Political and Economic

For many years, politics in Alberta was stable, predictable, and, some would argue, boring. Of course, that changed in 2015, when the NDP was swept to power in what was termed the “orange wave.” With the new-found unpredictability in Alberta politics, what happens in the next election, set for 2019, is anyone’s guess.

There is also change on the national stage, with both the federal Conservatives and NDP recently appointing new leaders as they prepare for an election also expected in 2019. Internationally, as well, there is much uncertainty, with nationalism and populist rhetoric on the rise.

The economic picture is similar. While the economy is certainly improving, it is unlikely to reach the lofty heights of the boom. Slower economic growth is a reality throughout much of the world, exacerbated by the aforementioned turn towards protectionism and away from free-trade. Of most concern to Alberta CPAs is the uncertain future of the North American Free Trade Agreement (NAFTA).

What CPAs should know:

- The latest political news, particularly for those in organizations where any level of government is a major stakeholder. One great source of information is the Elevate Breakfast featuring keynote speaker, political commentator Janet Brown, one of the foremost experts on Alberta’s political scene. The Elevate Breakfast will be held in Edmonton on May 14 and May 17 in Calgary.
- How to develop good relations with both representatives of the government and all political parties.
- What are alternate, trade-friendly markets outside of the U.S.
- The best way to steer your organization to continuous efficiency.
- How to have the flexibility to respond to changes in the economic or political reality.

Alberta has been governed by four political dynasties:

Liberal Party (1905–1921)

United Farmers of Alberta (1921–1935)

Social Credit Party (1935–1971)

Progressive Conservative (PC) Party (1971–2015)

54 and 40.6 %

The number of seats and percent of the vote the NDP won in 2015 to end the PC dynasty.

2019

Expected year of next provincial and federal elections.

3

The number of political parties with new leaders heading into the 2019 election.

2,400

The number of jobs in the oil industry lost every month during the economic downturn.

7.5%

The decrease in Alberta’s GDP during 2015 and 2016.

Sources: Legislative Assembly of Alberta; Government of Alberta; www.cbc.ca



Environmental/Climate Change

Worldwide, the climate is changing, with more extreme weather events than ever before. Left unabated, climate change has the potential to impact every person on the planet. Those impacts range from monumental disruption—it has been estimated that climate change could lead to 150 million to 2 billion migrants—to mere inconvenience, such as an increase in the amount of turbulence on airplane flights. A changing climate will bring change to all Alberta industries.

Efforts to reduce climate change and become more environmentally conscious have already started to have an impact on organizations and individuals. Consumers are actively turning towards more environmentally-friendly products and services. In Alberta, a carbon tax, meant to incent people to lower-carbon alternatives, has increased costs for businesses.

For CPAs, reporting related to climate change and sustainability is likely to become an expectation, rather than something that only large organizations or those in select industries do. This will have an impact on the expected skill set of CPAs and career opportunities.

What CPAs should know:

- How climate change could impact your organization.
- Options for the organization to respond to changing needs of consumers and stakeholders.
- The impact of and how to start reporting on sustainability in addition to financial reporting.
- What skills are required for emissions verification and climate-related disclosure.

1.1°C

The planet’s average surface temperature has risen about 1.1 degrees Celsius since the late 19th century.

16

16 of the 17 warmest years on record have occurred since 2001.

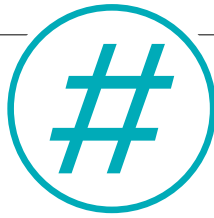
2°, 4°, 8°C

Annual average temperatures in Alberta have increased by 1 - 2°C in the South, and by 2 - 4°C in the North, with winters showing the strongest warming (up to 8°C), and summer the weakest warming (often 1°C or less).

-10°C

Generally, and with few exceptions, the number of very cold days, when the minimum temperature falls below -10°C, has about halved across Alberta since the 1950s, and the number of heatwaves has roughly doubled.

Sources: NASA; www.albertaclimaterecords.com, where the Alberta climate indices were calculated by the Kienzle Hydrology Lab at the Department of Geography, University of Lethbridge, under the supervision of Dr. Stefan W. Kienzle, Professor of Hydrology and GIS; Journal of Geophysical Research Letters; University of Sussex: Development Research Centre on Migration, Globalisation and Poverty.



Diversity and Inclusion

Accounting, like many other professions, was once perceived as homogeneous—the almost exclusive domain of conservative white men. Today, however, the accounting profession, and workplaces in general, are made up of individuals from diverse backgrounds, who unabashedly bring their own experiences, perceptions, and insights to work.

The most visible change to the profession has been the number of women who are designated accountants. Currently, more than 45% of Alberta CPAs are women, and graduating classes often have more women than men. It is anticipated that the profession in Alberta will achieve gender balance in the near future.

Another group that has traditionally faced significant barriers in the workplace and Canadian society are those of Indigenous backgrounds. The CPA Education Foundation is hoping to help rectify this and increase Indigenous participation in business and accounting roles through the No Limits initiative. More information on No Limits can be found online on the CPA Alberta website, www.cpaalberta.ca.

Certainly, diversity and inclusion extend to other groups, as well. Regardless of the individual background, ensuring all team members feel welcome, empowered, and included in an organization can only happen through a determined and conscious effort on behalf of an organization and its leaders. (For more on this topic, see the sidebar below entitled “Creating an inclusive workplace”).

What CPAs should know:

- How to recognize and check their own biases.
- The business case for diverse and inclusive workplaces.
- What strategies and structures they need to have in place to ensure all team members feel welcomed and empowered.
- How to ensure under-represented groups are represented in a meaningful way in the decision-making of their organizations.

74.2¢

Women working full-time in Canada earned 74.2 cents for every dollar that full-time male workers made.

11% vs 5.7%

In 2015, the unemployment rate for the Aboriginal population was 11%, compared to 5.7% for the non-Aboriginal population

12.6% and 15%

12.6% of the board seats of S&P/TSX 60 companies were held by women and 15% of executive officers of these companies were women.

53%

Companies with the highest percentages of women board directors outperformed those with the least by 53% when it came to return on equity.

#metoo

The hashtag #metoo was used more than **1.7 million times on Twitter**, with posters from over 85 countries, in the one month alone after it went viral in October 2017.

Sources: Statistics Canada; Osler, Haskins & Herbert LLP website; Catalyst.org/“The Bottom Line: Corporate Performance and Women’s Representation on Boards;” Twitter

CREATING AN INCLUSIVE WORKPLACE



Michael Bach is the founder and CEO of the Canadian Centre for Diversity and Inclusion (CCDI), a not-for-profit organization which aims to help employers address the full picture of diversity, equity, and inclusion within the workplace.

Prior to founding CCDI, Michael was the National Director of Diversity, Equity, and Inclusion for KPMG Canada, and also completed a more than two-year secondment as the Deputy Chief Diversity Officer for KPMG International.

Q. Why is it important for organizations to focus on diversity and inclusion?

A. Diversity and inclusion is directly linked to meeting business goals, and the top and bottom lines of an organization. We are talking about creativity and innovation; we’re talking about the inclusion of all people; we’re connecting diversity and inclusion; and we recognize that diversity and inclusion isn’t something that’s nice to do—it’s something that businesses need to do if they want to be around in another 20 years.

Q. What are the benefits of creating an inclusive workplace?

A. The benefits are numerous, including (but not limited to):

- Higher levels of engagement, leading to increased productivity
- Reduced time-to-hire, particularly for difficult to hire roles
- Increased employee retention
- Reduced short- and long-term disability claims
- Lower levels of absenteeism and presenteeism

Q. How can CPAs steer their organizations to become more inclusive?

A. Diversity and inclusion in an organization do not simply happen. If diversity and inclusion is seen as a “program,” if it is seen as a “nice to do,” or if it is done off the side of someone’s desk, then it will always fail to achieve the desired or stated results. It is only with a strong business case and strategy, with specific goals and clear objectives led from the top team, that diversity and inclusion can begin to permeate the culture of an organization.

Consider the following foundational categories when developing/implementing diversity and inclusion strategies in your organization:

- **Category 1: D&I Vision, Strategy, and Business Case** – assess your organization’s overall approach to diversity and inclusion, and help to articulate the value of D&I, the requirements for managing D&I, and how D&I is/is not embedded in your organization.
- **Category 2: Leadership and Accountability** – define the responsibilities of the organization’s leadership in shaping, guiding, leveraging, and accounting for diversity and inclusion.
- **Category 3: Infrastructure and Implementation** – explore the way your organization structures and organizes diversity and inclusion activities so you can effectively carry out meet your goals.

The Canadian Centre for Diversity and Inclusion has a number of resources for those interested in this topic, including toolkits for developing a diversity and inclusion strategy and for developing an ironclad business case for diversity and inclusion. They can be found on the organization’s website, www.ccdi.ca.

FORGING A PERSONAL PATH THROUGH DISRUPTION

PROFESSIONAL DEVELOPMENT (PD) IS ONE OF THE MOST EFFECTIVE WAYS TO THRIVE THROUGH DISRUPTION.

By Bobby Roy

PD is an investment to enhance skill sets, maintain competence, increase marketability, and expand your professional toolkit. And, it can be invaluable in not only dealing with disruption, but thriving through it. So, choosing effective PD is an important skill in its own right.

There are a number of factors to consider when you are searching for PD opportunities. These include:

- **Subject matter**

The topic of the course is obviously a key factor in choosing PD that will be of value. Today's CPAs need to be skilled in a variety of areas, and this expectation will only grow in the future. Enhancing your non-technical accounting skills through PD will increase your ability to bring value to your organization, and keeping informed about new technology is a definite must, now and in the future.

- **Instructor expertise**

We all remember the great teachers we had through our schooling, regardless of the subject they taught. A great instructor with an expert-level grasp of the subject matter has the ability to make course material resonate with all participants, regardless of their knowledge level or learning style. Ideally, the instructor will have local knowledge—the ability to tailor learning to the specific environment in which you are working.

- **Type of delivery**

Knowing your learning style will drive you to the type of PD offering that may provide the best experience. Do you learn best through conversation, and value the chance to connect in-person with other participants to build your network? If so, an in-class seminar may work best. If you prefer to work at your own pace, self-study can provide the flexibility you need. Today, online learning has advanced to the point where it can offer a variety of experiences that combine the benefits of in-person and self-study formats.

- **Time commitment**

There are some subjects that you want and need to explore in-depth, while others of interest that may be suitable for a “drive-by” learning session, hitting only the highlights. Committing to a full-day, or multiple day, seminar on one topic allows you to develop your knowledge of that subject area, whereas a day-long conference is a great way to be exposed to a variety of topics at a high level.

Informed, technologically savvy, technically adept, visionary business leaders are critical for any organization to successfully navigate disruption and seize the opportunities change inevitably brings. Continually developing new skills, methods of thinking, and staying open to new ideas through professional development is one of the best ways to become that leader, or remain one.

While there are a wide variety of PD options available to Alberta CPAs, CPA Alberta strives to provide a wide range of relevant, valuable PD offerings. Topics range from technical competencies to professional and personal skills, and are delivered in an array of formats including in-person, online, and self-study. CPA Alberta's courses are designed for and by CPAs, and topics are examined from an Alberta perspective.

A comprehensive list of CPA Alberta's variety of Professional Development seminars can be found online at www.cpaalberta.ca/Professional-Development. ▢

THE NEW WAYS CPAs ARE WORKING

Are you up-to-speed on virtual accounting firms and the “gig economy”? Two CPAs thriving in non-traditional work environments shed light on these trends.

By Elyse Nabata

“We live in a much more connected and collaborative world today. Our customers have more access to information than ever before and their expectations are evolving and changing. Paying attention to that is important.”

Obed Maurice CPA, CA



PICTURE *an accounting firm* from the 1950s. You would expect boxes and boxes of paper files, typewriters, and ashtrays on desks. It goes without saying that times have changed. The professional world is constantly faced with changes to technology, processes, standards, norms, and business models. And these changes occur at a lightning pace.

Experts have proclaimed that the future of finance and accounting is digital. And it is no surprise that we are seeing this as a trend, since almost every other aspect of our lives—from how we shop to how we watch movies and do our banking—has moved online.

And, for some, the future is here now. There are, in fact, virtual-only accounting firms that exist in Alberta—an idea which likely would have been unfathomable in the early days of accounting.

Obed Maurice CPA, CA is Partner with Avail CPA. The virtual accounting firm he founded, Maxim Management, recently merged with Avail CPA. Obed now runs the firm’s virtual niche, known as Avail Maxim.

“It’s like a normal accounting firm, but a billion times cooler,” says Obed when asked to describe a virtual accounting firm. Despite his lighthearted tone, he’s serious about the benefits of the customer-centric business model that his firm provides.

It uses cloud-based accounting tools and its staff work remotely without a physical office. Working virtually has several benefits. Real-time access to data allows Obed and his team to work rapidly with their clients to make business decisions.

“At the end of the day, I think it brings us a lot closer to our clients. From my mobile phone I can tell you the profit or loss to date for a client. I’m not wondering or waiting for them to stop by with a shoebox of records a month from now. We need that information now so we can make proactive decisions,” says Obed.

This isn’t to say that virtual doesn’t have its challenges. Obed mentions that security is always a risk with cloud-based technology. To mitigate these risks, proper technological safeguards and a very deep education on security for his staff are required.

“What I’m doing isn’t perfect for everyone. There are people who prefer different ways of doing business, and I appreciate that. Some

people really aren’t ready to adopt new technologies, haven’t had the chance to educate themselves, or don’t have access to the resources to minimize risks.”

In addition to moving away from physical bricks-and-mortar offices, how employees are choosing to work and the positions they are taking are also changing. The term gig economy has become popularized and refers to a labour market with a prevalence of short-term contracts and freelance work.

As reported in an October 2017 Globe and Mail article, staffing company Randstad Canada states that if you add up all the contingent workers, freelancers, independent contractors, and consultants, 20% to 30% of the Canadian workforce falls into “non-traditional workers”.

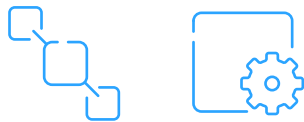
A 2012 Harvard Business Review article also described a new type of professional: “Supertemps”—individuals who have been trained at top schools and companies but choose to pursue project-based careers independent of any major firm.



Obed Maurice CPA, CA

“I’m really excited about the future—we’re starting to demonstrate the value that an experienced finance leader can have on small- and medium-sized businesses.”

Nimal Rodrigo CPA, CA



Nimal Rodrigo CPA, CA is the Regional Director of Central and Northern Alberta for the CFO Centre. The CFO Centre is an organization that specializes in providing veteran CFO talent for small- to medium-sized businesses.

Nimal himself works as a contract CFO and he speaks about some of the reasons why employees are choosing the gig economy career path.

“Certainly in my case, and for a lot of my team, changing from a focused lifestyle where you’re part of one management team to a portfolio-based lifestyle allows you more flexibility and freedom. You choose your assignments, how much you work, and how much you don’t work,” says Nimal.

Contract CFOs who work with the CFO Centre have a variety of options around their assignments. One such option is long-term part-time CFO assignments; for example, Nimal acts as the on-going CFO, working one day a week for a client. There are also clients who require a CFO on an interim basis; that is, to fill in for an absence or leave. Lastly, there are project-based assignments, where a business may require the expertise of someone with a very specialized skill set for a short-term initiative.

“What we offer is very beneficial for small- to medium-sized businesses who cannot afford a full-time CFO or don’t have enough work to justify the investment required to have one, but need the skills of a person who has senior financial leadership experience. This type of leader can accelerate the company’s growth path and help them avoid mistakes that an inexperienced organization might make,” says Nimal.

For those looking to break into the role of a ‘Super-temp,’ Nimal advises that they should start by taking some time to really think about what they value and what is important for them going forward, from both a work and leisure perspective.

“What is it that you feel most comfortable in? What environment do you excel in? Do you like being part of a team? Is that important to you? As part of the gig economy, there may not be as consistent of a flow of income as you’re used to. So, gain as much experience as you can in as many areas as you can. Broaden your business networks so that it is easier for you to find clients,” he says.

What else will the future hold, aside from virtual firms and the gig economy?

Obed Maurice expects that the same trends and technologies we’ve seen rise in other aspects of our life, such as the social tools of Facebook and the conveniences of Amazon, will start seeping into the accounting profession.

“I always take a customer-centric viewpoint. I look to other industries and what the client experience is in other industries. I think we can expect the most valuable of those trends to manifest or start to unfold in our own industry.”

Change can be terrifying for some, but for these two CPAs who are doing things a little differently, the future of the accounting profession is bright and full of potential.

“I’m really excited about the future—we’re starting to demonstrate the value that an experienced finance leader can have on small- and medium-sized businesses. From a CFO Centre perspective, it’s never been more easy and affordable for these companies to grow and succeed,” says Nimal.

Obed, who will be a featured speaker at CPA Alberta’s Elevate Your Mind conference on May 14 in Edmonton, echoes these positive thoughts, saying, “It’s a bit of a golden era for accountants. We provide value beyond just the traditional number crunching—we can become advisors in areas that I don’t think were available to us twenty-some years ago.”

Nimal Rodrigo CPA, CA



**LEADING INTO TOMORROW:
THE FUTURE OF THE
PROFESSION**

**FIVE CPAs RESPOND TO THE
THOUGHT-PROVOKING QUESTION:**

***What changes do you foresee
for the profession in the future,
and what should CPAs do now to
be able to successfully navigate
those changes?***

1

Trevor Fenton CPA, CGA

Director, Edmonton Operations and Business Integration,
ATCO Pipelines & Liquids Global Business Unit

What changes do you foresee for should CPAs do now to be able to

The disruption of existing business models and practices seems to be the new normal in companies throughout the world. Across all industries, organizations are finding ways to become more innovative and efficient in order to remain relevant in today's markets; the industry I have worked in for the past 15 years, the utility industry, is no exception.

The utility industry has traditionally been known for its steady earnings and consistent growth. However, it is becoming more challenging to maintain this stability, particularly with economic factors such as the Alberta Climate Leadership Plan, which phases out all coal-fired electricity generation by 2030. The reduction of carbon emissions is critical in preventing global warming and helping to sustain our fragile environment; the carbon levy imposed by the provincial government on natural gas, propane, gasoline, and diesel is additional incentive for consumers to find ways to reduce their carbon footprint.

We are now starting to see customers request renewable and/or alternative energy solutions at a more rapid rate. The prospect of net zero homes has encouraged organizations to accelerate and evolve their technology in order to meet customers' expectations and demands. Alternative energy

sources, such as solar, geothermal, and biogas, are becoming more prevalent in today's market, which challenges the traditional commodity and delivery of energy sources customers have grown accustomed to.

I believe CPAs, much like the utility industry, are continually being disrupted. Demonstrating agility, innovation, and creativity are characteristics that will be instrumental to a CPA's future success. This means challenging the status quo and continually questioning why we choose to follow traditional business models or processes.

Progressive change, in any industry, is a requirement to keep up with the evolution of technology and streamlined business processes—so get comfortable being uncomfortable. To embrace change, we need to aspire to not become complacent in our abilities. It is not a simple task, and we should all challenge ourselves to step out of our comfort zone to recognize the possibilities and opportunities ahead. Fortunately, there are always opportunities to learn from the past: we can either be reluctant to change only to become obsolete, or we can become more agile by embracing innovation and technology to thrive in a disruptive environment.

Laughing Dog Photography



the profession in the future, and what successfully navigate those changes?

2

Lara Gaede FCPA, FCA
Chief Accountant and CFO,
Alberta Securities Commission

I feel very fortunate to be a Chartered Professional Accountant. I am confident that we are not only prepared for the future but will be involved in many of the exciting changes that will take place. While there will be changes in any number of areas, I will focus on changes in technology, communication of key information, and diversity.

Technology plays such an important part in our professional life as accountants. By its very nature, technology continues to evolve and transform at a remarkable pace. Accounting is going to continue to be impacted by advances in technology, including more and more sophisticated artificial intelligence which will be able to do some of the tasks that we, as accountants, currently perform. This is an opportunity for us as a profession to use our expertise to work with this technology to provide advances in how we perform our functions, and influence how the future generation of accountants will conduct business.

There will continue to be more and more ways to communicate financial information in the future. Companies will have more tools at their disposal to allow them to tailor their information to meet the needs of different users. Investors want access to large and diverse amounts of data and want to tailor this information to meet their individual

needs. I foresee a need for us to determine how best to add value in a world where there is such a mass of information and tools available to analyze that information.

Diversity initiatives will continue to be an area of focus in the business world, including in executive positions and board roles. Our profession is diverse, and we are well-positioned to take an even greater leadership role in this area.

So, in response to the question of what CPAs can do to navigate these and other changes that may or may not be foreseeable, I would say three things:

- Adopt the mindset of “technology is your friend,” as it will be difficult to be successful without it. Use the tools at hand to increase efficiency and effectiveness while adding value through the unique skills that we possess as CPAs.
- Education is key to success. Having a passion for continuous learning will allow us to pivot and adapt, no matter what changes occur in the future.
- Our profession is known for having strong ethical values. It is vital that we maintain a focus on developing ethics in those wanting to join our profession and require the highest level of ethics from those already in the profession.



Todd Korol Photography



Dr. Sherif Elbarrad CPA, CMA

Professor & Chair, Accounting & Finance, and Director, Centre for Applied Learning and Innovative Business Education and Resources (CALIBER), School of Business, MacEwan University

Disruption could be a threat or an opportunity.

The business community is facing disruption on several fronts. Perhaps most notably, the rapid advancement in technology affects how businesses operate. This also affects how businesses keep track of their activities, which impacts the timing and type of information that management demands. The role of CPAs in supporting businesses is also changing, which means that the education of future CPAs should also change. Because of this dynamic environment, I believe resilience is one of the most important attributes of a CPA.

There are several technologies that are going to affect how businesses operate and how auditors and accountants work. For example, I believe that Canadian corporations will be soon required to submit their financial statements using XBRL or eXtensible Business Reporting Language. Another example is blockchain technology, which will invade the business world and disrupt the whole process of tracking and verifying the ownership of assets. It will also disrupt the banking system and international trade, as all transactions will be verified.

The role of the future CPA in fields such as auditing, management consulting, taxation, financial accounting, and planning will change substantially due to the implementation of these new technologies. The future CPA will be expected to be able to employ the necessary tools to meet management expectations. Therefore, data analytics, big data, and data visualizations are necessary skills for the future CPA. CPAs may also have to learn a programming language, such as “R,” and be able to use data mining software.

CPAs must start expanding their knowledge of these tools and technologies in order to ensure the disruption that is happening is an opportunity.

What changes do you foresee for should CPAs do now to be able to

Natalie Pon CPA

Manager, Accounting Services
SCM Insurance Services

As CPAs, we should be aware of how the policy decisions arising from changing political climates at home and around the world impact our ability to do business. In the past two years we have seen voters around the world make unpredictable election decisions that we may not have considered possible—between the “Leave” victory in the United Kingdom European Union membership referendum (or “Brexit”) and the election of President Donald Trump in 2016, we are now truly beginning to see the effect this will have on Canadian businesses.

Both of these events have a common theme that impact Canada and Canadian businesses: free trade. Specifically, the UK will need to negotiate new free trade deals in order to have free trade with EU members—something not required when the UK was a member of the EU; and if Canada wants to continue to have free trade with the UK, a new agreement will need to be negotiated and struck.

Closer to home, we may see similar events occur with the renegotiation of NAFTA. President Trump has been quoted saying he may terminate NAFTA, which would create both logistical and financial impacts on Canadian businesses. The American position on trade has been largely inconsistent: similar to the Trans-Pacific Partnership negotiations, supply management has been one identified irritant in the negotiation process. President Trump would like to open up the dairy industry in Canada, while simultaneously enacting tariffs on imported steel and aluminum.

The events of the last two years may be the first of many to come, as voters shun the globalization and free trade we have come to know over the past two decades and support a populist movement that is unpredictable compared to policies arising from establishment politics we have become accustomed to.

Government policy has always impacted the way we can do business, and the unpredictability of recent political events will certainly require businesses to analyze their current operations and the impact these policy decisions will have. Uncertainty is not friendly for business. With this evolving political landscape, CPAs need to be aware of current events at home and around the world in order to plan for various outcomes and mitigate risks that may arise in their businesses or for their clients.



the profession in the future, and what successfully navigate those changes?

5

Joy Thomas FCPA, FCMA
President and CEO, CPA Canada



Supplied

The profession is undergoing dramatic change.

Canadian Chartered Professional Accountants need to be agile and able to adapt quickly if the profession is to play an active role in shaping the future.

To accomplish this requires an appreciation of the drivers of change bearing down on the profession, and the world. Be they technological, societal, geopolitical or environmental, CPAs are at the forefront. Take the influence of technology for example—clearly technology is a game-changer for the profession. We can debate the timing of the impact of new technologies, but we are already seeing how advancements affect businesses.

We are looking at massive opportunities presented by technologies such as blockchain and AI. Some see this as taking jobs away, and that may be true—certainly, technology will continue to disrupt business models and alter the future of work. At the same time, there are definite advantages for our profession based on the skill set of CPAs: the ability to think creatively, to apply judgment and integrity, to analyze and manage and keep data secure.

At CPA Canada, we are paying particular attention to several key areas. These include emerging technology and technology disruption, new reporting models, the future of audit, and the business impacts of climate change; all while maintaining our emphasis on how CPA Canada exemplifies the Canadian ideal of good business, which simultaneously promotes sustainable economic growth and social development.

CPA Canada understands that lifelong learning is vital to the future success of its members and we are offering an unprecedented range, depth and variety of professional development opportunities to enhance knowledge and skills.

We are also leading several projects on the future of CPA education, both in terms of content and learning methodologies to ensure the next generation of business leaders have the expertise required to effectively navigate change.

To help Canadian CPAs and other stakeholders better address change, CPA Canada is developing the RAISE framework to align our thought leadership with the growing need of members to develop resilient, adaptive and innovative mindsets to lead sustainable enterprises.

- **Resilience** is the ability to manage risk in the face of disruptions and recover quickly while maintaining continuous business operations. It also means safeguarding people, assets and overall brand equity.
- **Adaptation** requires a high degree of flexibility at all levels of the organization—embedding the ability to learn from the context of a situation and adjust business practices in real-time to respond to change, whether internal or external.
- **Innovation** is the capacity to bring fresh, novel, and even revolutionary concepts to life—to transform the organization and create sustainable value.
- **Sustainable Enterprise** is the end result of effectively applying resilience, adaptation, and innovation.

The new norm for Canadian CPAs will be to lead with foresight, anticipate what is coming next, and ultimately find breakthroughs and solve the problems of tomorrow. This will require thinking disruptively as well as strategically.

CPA Canada is committed to helping its members do just that so long-term success can be achieved. [▶](#)

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Seated L to R: Brandon Johnston | Paulina Cruz | Jesse McDonald | Lucas Hansen | Tara Dwornik | Zach Picton

Back Row Standing: Arshjot Judge | Gavin D'Amico | Sammy Luong | Jill Schroter | Jaspar Ndlovu | Chennae Lapatak

Absent: Jessica Kinal

MEET OUR NEWEST PARTNER:

Brad Taylor, CPA, CA, TEP



JOIN US IN WELCOMING OUR NEW MANAGERS:

Kambez Niaz, CPA, CA | Nicole Persaud, CPA, CA
Justin Lamb, CPA, CA



MEET OUR LATEST PRINCIPALS:

Mathew Desilets, BCom, CPA, CA
Jane Davidson, CPA, CA



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Conflict of interest: How to remain onside while dealing with client's disruption

By Loreen Austin CPA, CA, CPA Alberta's Director, Conduct and Discipline

Marital separations and business partnership breakdowns are two disruptive changes to clients that can inadvertently bring about a conflict of interest for a practitioner.



CONFLICT *of interest* is a term frequently heard in the news of late—often with respect to the political arena—and accusations of conflict of interest seem to be more prevalent in what is an increasingly litigious and adversarial culture. The understanding of what conflict of interest is for accounting professionals and what is required to properly deal with conflicts as they arise, and as they may evolve, is important to keep ‘front of mind’ for practitioners dealing with clients. Recently, there has been a notable increase in complaints arising from situations where there has been a major disruption to a client’s family or business circumstances. It is essential that CPAs manage these situations effectively, in order to avoid conflict of interest complaints, or even allegations that can negatively impact a practitioner.

When the new Rules of Professional Conduct were released for the CPA profession in 2015, more definition was provided on what is expected of registrants in detecting and managing conflicts. Despite this, CPA Alberta has seen an increase in complaints related to conflict of interest and findings of unprofessional conduct as a result of conflicts that have not been properly addressed by registrants.

Two common disruptive scenarios that can bring about conflict of interest

The Guidance provided in the Rules of Professional Conduct provides several examples of types of conflicts of interest, but two in particular arise because of a disruption to a client’s normal circumstances: marital separation and a breakdown in a business partnership. These two common disruptions are illustrated in the examples below:

Marital Separation:

Spouses jointly own a family business, “FamCo,” and the couple have used an Alberta CPA as the corporate and personal accountant for a number of years. Unfortunately, there is a marital breakdown which becomes acrimonious and, consequently, one of the spouses is not getting access to financial information regarding FamCo. The practitioner continues to act for FamCo and/or the spouse that they customarily dealt with—the individual who they always dealt with regarding the year-end accounting engagement for FamCo, and the person who signed the engagement letters. Subsequently, a complaint

is lodged against the practitioner by the spouse that was the not the primary contact with the practitioner, alleging that the CPA is acting in a conflict of interest.

Business Partnership Breakdown:

A partnership contains an active partner, who owns a majority of “Business X,” and a less involved minority partner. Business X’s CPA has customarily dealt with the more active partner, who has been the one who signed the engagement letters regarding the preparation of financial statements for the partnership business. The business partnership breaks down and the practitioner continues to act for the partnership. Again, subsequently, a complaint is lodged against the CPA by the minority partner, alleging that the CPA is acting in a conflict of interest and favouring the interests of the majority partner.

What is the appropriate course of action?

In each of these situations, a conflict has arisen in a formerly conflict-free engagement. What is the appropriate course of action in these cases, to ensure that a client’s disruption doesn’t result in a conflict of interest complaint? The Rules of Professional Conduct require specific actions on the part of the Alberta CPA (or other entity registered with CPA Alberta) at the moment that the registrant becomes aware of the conflict or potential conflict, and then on an ongoing basis in order to manage the conflict.

Prior to unification, the rules of conduct for the legacy accounting regulatory bodies had varying levels of detail in what was required to identify and manage a conflict. However, the current Rules of Professional Conduct are more prescriptive:

“210.3 Where the agreement to provide any professional service would result in a conflict under Rule 210.2 or where a previously unidentified conflict under Rule 210.2 arises or is discovered in the course of providing any professional service, the registrant must decline to provide the professional service or withdraw from providing all of the affected professional services unless:

- (a) (i) *the registrant is able to rely upon conflict management techniques that are generally accepted and the use of such techniques will not breach the terms of any agreement to provide professional services or duty to another party;*

- (ii) *the registrant informs each affected party of the existence of the conflict and the techniques that will be used to manage it; and*
- (iii) *the registrant obtains the consent of each affected party to accept or continue the professional services engagement or engagements;*
or
- (b) *the affected parties have knowledge of the conflict and their agreement for the registrant to accept or continue the professional services engagement is implied by their conduct, in keeping with commonly accepted practice.” (emphasis added)*

Options for dealing with potential conflicts of interest

How, therefore, should these potential conflicts be managed? The practitioner has two options.

Option 1: The registrant declines to provide the professional service or withdraw from providing professional services to all of the parties they are acting for when a conflict arises. In the scenarios above, that would mean resigning from the professional engagements for:

- each of the spouses and FamCo;
- the partnership and any professional engagements for either of the business partners.

Option 2: Of course, registrants are rightfully concerned about providing continuity of service to their clients and retaining clients, even in situations where conflicts, or potential conflicts, arise, from these types of disruptions or any other circumstances. And, the Rules of Professional Conduct do provide the opportunity to manage the conflict and, thereby, continue to provide professional services. However, this has to be managed appropriately and the conflict analysis has to be monitored on an ongoing basis. Several of the recent complaints to CPA Alberta that have resulted in findings of unprofessional conduct have arisen in situations where practitioners identified and dealt with the conflict when it first arose, but failed to subsequently properly manage the conflict when circumstances changed and additional actions were required.

In each of the disruptive scenarios above, it may be possible for the practitioner to continue to act if the conflict is managed appropriately. The vital factors are:

- communicating with all of the parties about the conflict, or potential conflict, even if they are not the usual primary contact, and;
- obtaining consent, preferably written consent, from all of the parties involved.

Identifying potential conflicts

An effective conflict identification process will allow a registrant to identify conflicts early on—the earlier a potential conflict is identified, the greater the chance the registrant will be able to choose to manage the conflict, rather than have to decline or terminate the engagement. The entire process requires documentation and monitoring for changes to the situation that may require additional measures to manage the conflict.

The following steps provide a guide to effectively managing potential conflicts of interest and can be a helpful resource, particularly in scenarios like those above where there has been disruption in the client’s circumstances:

- Step 1 Identify conflicts or potential conflicts
 - Professional
 - Legal
 - Business
- Step 2 Assess the conflicts
 - Decline/terminate the engagement OR
 - Develop an effective conflict management approach which would allow for continuation of the professional engagement. This must include communication with all parties and obtaining consent to continue to act.
- Step 3 Develop a conflict management approach
 - Firm structure
 - Firewall or cone of silence
 - Disclosure and consent from all parties
- Step 4 Assess the effectiveness of a conflict management plan
- Step 5 Re-evaluate the plan during engagement—the Guidance to the Rules of Professional Conduct recommends revisiting the situation at least annually.

The CPA Rules of Professional Conduct and Related Guidance provides a more detailed process for dealing with conflicts of interest, including a step-by-step decision tree to assist in managing the process.


Final thoughts

In each of the recent complaints to CPA Alberta that resulted in findings of unprofessional conduct where registrants were found to have inadequately addressed conflicts of interest, one of the parties expressed to the practitioner their dissatisfaction with the amount of information they were receiving, the level of service the practitioner was providing to them, or a perceived bias on the part of the practitioner. If a practitioner receives any such communications from one of the parties in a conflict of interest situation, it should be a clear signal that the conflict management techniques need to be revisited and resignation from the engagement should be reconsidered. Additionally, the complaining party should be asked if they continue to consent to the practitioner acting in their role, and additional written consent may need to be obtained.

Registrants who had complaints filed against them regarding conflicts of interest also frequently ended up being involved either in some litigation against them, or being drawn into the divorce litigation of their clients. It is apparent that those are situations no Alberta CPA wants to find themselves in.

If an Alberta CPA chooses to try to manage conflicts of interest, consent is a key factor. To help with this process, CPA Alberta has developed a consent letter that may be used as a template. It is available by sending an email to conduct@cpaalberta.ca. Please put “Conflict of interest template” in the subject line of your email.

Resources

Remember, for questions about potential conflicts of interest or other challenging situations, CPA Alberta offers a free, confidential Advisory and Consultation service. Enquiries can be directed to CPA Alberta’s Director of Professional Services, Larry Brownoff CPA, CA, at lbrownoff@cpaalberta.ca, or by calling 1-800-232-9406. More information on the service can also be found on the CPA Alberta website, www.cpaalberta.ca, by searching “advisory services.” 

ELEVATE

2018

MAY 12-17

Elevate 2018: Celebrating Progress and Achievement is the third annual celebration of the CPA profession in Alberta. This exciting week-long occasion will once again offer multiple opportunities to connect, celebrate, and learn as we honour the achievements and successes of Alberta CPAs and the profession this past year. Visit cpaalberta.ca/elevate for more information and to register.

Elevate 2018 will include something for all CPAs—and even something for their families to enjoy as well!

Register today! cpaalberta.ca/elevate



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CPA Assist is the profession's health and wellness program in Alberta. It offers services and help on a number of issues, including stress management, depression, addiction, and nutritional counselling. Perhaps most importantly, CPA Assist offers confidential, professional counselling services free of charge, 24 hours a day, seven days a week to Alberta CPAs, CPA candidates, and their immediate family members.

The program recently held an extremely well-attended workshop featuring diversity and inclusion expert Wade King to support CPAs and their colleagues in identifying and addressing workplace bullying, and help participants learn the skills and tools to create a bully-free work environment. Building on the success of the workshop, CPA Assist felt it would be invaluable for Wade to share some of his learnings through this article.



PRESENTS

DISRUPTING WORKPLACE INCIVILITY

By Wade King

Workplace incivility takes many forms and is labelled as many different things—bullying, harassment, discrimination, and rudeness are among the many forms that incivility takes. It's hard to imagine that most people haven't witnessed or experienced workplace incivility at some point in their careers, and most of us can agree that it's not welcome in any workplace.

But how can we change it? How can we disrupt incivility and create work cultures that are welcoming and inclusive?

Setting the Stage

It's important to put conscious effort into designing workplace policies that discourage incivility and create incentives for positive behaviours. Of equal importance is the measurement of these policies and the ability to adjust course as necessary.

The creation of respectful workplace policy is a good start, but to disrupt incivility, policies must be supported by effective employment systems. Practices like recruitment, performance management, workplace training, organizational design, compensation, and career advancement need to be reviewed to ensure they support the policy and create accountabilities that ensure the policy is "alive" and integral to the way a workplace functions.

Upstanding - Disruption in Action

While it's of utmost importance that workplaces create systems and cultures that discourage incivility, it's also true that individuals can address incivility as well. One of the ways to do that is called "upstanding." Upstanding is the opposite of by-standing. Upstanding requires individuals to take action when they see others being subjected to uncivil behaviours. When there are witnesses present when negative behaviours occur and they don't intervene (by-standing), this sends a message to both the "Perpetrator" and "Target." The Perpetrator of negative behaviours sees by-standing as silent consent and is incited to continue, and perhaps even escalate, their uncivil behaviour. The Target sees the bystanders as complicit in the Perpetrator's behaviour and interprets that as a lack of support from their colleagues, leaving the Target feeling isolated and trapped. In order to create welcoming environments, workplaces need to reward upstanding behaviours and be clear that everyone has the right to speak up.

Effectively addressing negative workplace behaviours is key to the success of any workplace. It can be complex work that takes time, but the rewards are many, including workplaces that are more productive, healthier, and successful. Let's all do our part to disrupt incivility and create workplaces welcoming to all. ▣

Wade King is the Director, Office of Safe Disclosure and Human Rights at the University of Alberta and a diversity and inclusion expert and consultant. He is currently on a one-year secondment from his role at the U of A, acting as a consultant in the office of the city manager at the City of Edmonton.



All participants at the 10th Annual Business Challenge Case Competition

High Stakes, High Rewards

By Kayla Panizzon

CPA Education Foundation 10th Annual Business Challenge Case Competition

Post-secondary students get challenged and refine their business skills while connecting with the CPA profession.

IMAGINE... *with a racing heart*, and sweaty palms, you are seated in a room with three familiar faces. You are given a package containing an itemized list of supplies and one computer. You have been stripped of all personal belongings except the clothes on your back and have no access to the internet or the outside world. You have been given a mission that you have six short hours to complete with only the resources in front of you.

Although some students described this process as reminiscent of *The Hunger Games*, telling each other, “may the odds forever be in your favour” as they entered the lock-down rooms, this is what students experience as their six-hour lock-down begins at the CPA Education Foundation Business Challenge Case Competition. The students who attend the Business Challenge every year are true competitors, the best and the brightest, and this year’s group was no different.

Students came from eight different post-secondary institutions from across the province to compete for first, second, and third prize. These monetary prizes also come with obvious bragging rights and prestige in creating recognition for their respective schools.

Students were given a challenge from a real company and were required to solve a real business problem during their six-hour lock-down period. They were then required to present their innovative ideas and business solution to a panel of judges. Most student teams prepare for months leading up to the three-day competition. One team finalist, Harley Russell, said, “We prepared by creating a simulation of how the competition would be in real life and practiced that over and over again.”



1st
PLACE TEAM

University of Lethbridge

Left to right: Danielle McRae, Mark Black, Randy Dykin (advisor), Landon Stangier, Tyson Gaehring

2nd
PLACE TEAM

University of Calgary

Left to right: Ella Hnatyshyn, Kayla Skrlík, Brandon Murphy, Arba Radaj

3rd
PLACE TEAM

SAIT

Left to right: Andrew Vooyo, Adrielle Worrell, Rupinder Basati, Moe Kamar

The competition kicked-off with a welcome dinner and interactive keynote, hosted by Rapid Fire Theatre. This group of improvisational theatre experts got the students moving around, engaging with one another, and opening their minds to think in different ways. Students commented that the exercise was applicable to case competition skills and helped get ideas flowing for the next day. And boy, did they need ideas to be flowing the following day!

On day two, participants rose early and were introduced to the Business Challenge case company. This is a local, Alberta-born company and for this milestone event, the CPA Education Foundation secured none other than WestJet to present the students with a business challenge! The students were ecstatic when this was revealed and shock and surprise could be heard around the room. While listening to WestJet's presentation, the students knew that they were only moments away from lock-down time.

At 11:00 a.m. all teams were in their rooms, and they hunkered down for six hours to read the case and build a business solution for WestJet, all the while knowing their innovative ideas in this room could be applied to WestJet in the real world. Imagine the pressure! First place winner, Tyson Gaehring, from University of Lethbridge said, "Once we got into discussion, reality started to set in that we had limited time. Later on, fatigue and the sense of urgency increased as time started to run out."

But the students rose to the occasion, drawing inspiration from all their practice. Mark Black, another first place winner from Lethbridge said, "For my team, we met a few times a week for a few hours and worked on cases. As a by-product of this hard work and commitment, some good friendships and strategy were formed."

On the third and final day, the teams presented to a panel of distinguished judges, comprised of CPAs and WestJet executives. This day was the culmination of all their hard work over the months and days leading up to this point: the point when the teams step into a

room full of business professionals assessing them, rather than simply presenting to their peers. The teams presented one after another, each with their own team rituals to temper their emotions; a mixture of nerves and excitement. One of the teams could be seen doing a "hype huddle"—a gathering of team members to spout words of hype and encouragement to each other to raise their confidence—while others were busy doing Superman poses in the hallway to amp themselves up for their presentations.

After two rounds of presentations—the preliminary round and the final round—competitors made their way to the awards luncheon where the winners were announced. The tension was almost palpable as CPA Education Foundation board member, Michael Burnyeat CPA, CA, had the pleasure of announcing the winning teams. First place went to the University of Lethbridge, second place to the University of Calgary, and third place to SAIT Polytechnic, with an honourable mention going to NAIT JR Shaw School of Business. The students were all smiles as they accepted their oversized cheques.

With raw excitement in the air, the first place team discussed how it felt to achieve such a victory. Danielle McRae said, "It is very surreal. It is still hard to believe that we were first place but also proud that I could do this competition with my fellow teammates and glad I got to represent the University of Lethbridge." Teammate Landon Stangier added, "It was important that we learned to work together as a team and play off each other's strengths. Overall, it was a commitment, but well worth the time and effort."

Business challenges such as this one are so important for developing and fostering the next generation of business leaders. Providing students with the opportunity to develop solutions to real-life business problems is invaluable in helping them build their future skills. The CPA Education Foundation is proud to say that the 10th Annual Business Challenge Case Competition was a roaring success. Until next year! 🎉

RISK AND REPUTATION

Maintaining the integrity of the CPA profession.

Accounting & Assurance Standards

Accounting for cap and trade transactions under IFRS

A recent paper from CPA Canada is invaluable for CPAs currently dealing with carbon pricing plans, those who may be in the future, and anyone with an interest in this increasingly important area. The paper will provide several methods for accounting for cap and trade transactions under IFRS, and provides overview of cap and trade systems and the Pan Canadian Framework on Clean Growth and Climate Change.

Explore the accounting implications of carbon pricing plans, specifically cap and trade systems, aimed at reducing emissions of greenhouse gases.

The paper covers:

- different approaches to accounting for transactions created by a cap and trade system under existing International Financial Reporting Standards (IFRS)
- illustrative examples and an understanding of accounting approaches used by Canadian public companies
- the history of the International Accounting Standards Board (IASB) involvement with this topic, including an overview of IFRIC 3 *Emission Rights*, which was subsequently withdrawn in June 2005
- an overview of the basics of cap and trade systems, as well as the Pan Canadian Framework on Clean Growth and Climate Change

Download a copy of the paper from the CPA Canada website, www.cpacanada.ca, by searching “cap and trade paper,” and/or view the CPA Canada Webinar by searching “cap and trade webinar.”

Corporate reporting’s evolution to keep up with a digital world

Technology and the unprecedented availability and immediacy of information has changed the business world. Corporate reporting has not embraced technology in the same way. So, CPA Canada partnered with XBRL Canada and assembled a panel of experts to share insights on evolving corporate reporting practices in an increasingly digital world, and how companies can adapt using technological advancements including eXtensible Business Reporting Language (XBRL).

The discussion was prompted by the fact that today’s digital age presents opportunities that were previously unimaginable. This is especially true for the global capital markets, where investors have greater access to a wealth of information than ever before. Investors refuse to wait for information to be distributed to them—they want to search and analyze it whenever and wherever they want, and they are becoming increasingly accustomed to personalized reporting, 24/7 availability, global consistency, large datasets and zero errors.

Companies, too, have a greater flexibility in how they choose to disclose information to their users, who expect this information will be available on a more frequent, timely, and less costly basis.

It’s clear that in this evolving and increasingly digital environment, the traditional approach to corporate reporting must change to address the needs of its ever-growing audience. Search “corporate reporting in a digital world” on the CPA Canada website, www.cpacanada.ca, for more details on the session, including a link to a video of the full discussion.



Standards for Not-for-Profit Organizations — Private Sector

Not-for-profit accounting update - CPA Canada webinar

Do you work for, represent or advise a Canadian not-for-profit organization, or are you a user of not-for-profit entities’ financial reports? If so, get to know the latest financial reporting developments that may change the entity’s financial statements through a valuable webinar.

The webinar can be found through the CPA Canada website, www.cpacanada.ca, by searching “AcSB NFP update.”



Accounting Standards for Private Enterprises

Financial reporting resources available from CPA Canada

These recently published resources from CPA Canada can help you prepare financial statements in compliance with accounting standards. All are available for purchase by searching the document name online at the CPA Store, www.cpastore.ca.

- *Guide to Accounting Standards for Private Enterprises (GASPE)***
 A comprehensive guide to the application of the accounting standards for private Canadian enterprises, GASPE will help to improve your knowledge and understanding of the requirements in Part II of the *CPA Canada Handbook - Accounting*. Its 43 chapters include illustrative examples, charts and diagrams, and lots of how-to content. Available in electronic formats - Knotia (online) and VPL (DVD or download).
- *Guide to International Financial Reporting Standards in Canada***
 A guide to the application of the IFRS accounting standards in Canada. Its 20 chapters (first published as individual booklets late 2013 thru early 2016) cover key IFRS standards. Available in one electronic format - Knotia (online).
- *Model Financial Statements - New 2017 Versions***
 Developed by CPA Quebec, these handy resources will give you the guidance you need to prepare consistent financial statements that reflect professional standards. Available in Knotia-only format, including fillable financial statements in fillable Word format, for the following parts of the *CPA Canada Handbook*:
 - **Private Enterprises, Part II of the CPA Canada Handbook - Accounting** (Current to August 2017);
 - **Private Sector - Not-for-Profit Organizations, Part III of CPA Canada Handbook - Accounting** (Current to December 2017); and IFRS, Part I of the CPA Canada Handbook - Accounting (Current to December 2017).

Learn about changes to shares issued in a tax planning arrangement

Do you assist clients in estate freeze transactions? If so, keep up-to-date on the Accounting Standards Board's (AcSB) exposure draft for retractable or mandatorily redeemable shares issued in a tax planning arrangement, also referred to as preferred shares, through an informative webinar. The webinar will help you understand how the proposals might affect a private enterprise's financial statements, and its compliance with lending and other agreements. It can be found on the CPA Canada website, www.cpacanada.ca, by searching "redeemable shares financial instruments webinar."

ASPE Financial Reporting Alert: 2017 Annual Improvements

Learn about the 2017 improvements to accounting standards for private enterprises issued by AcSB in July 2017. This financial reporting alert highlights the key changes made to accounting standards for private enterprises (ASPE) as a result of the 2017 annual improvements project. It also considers some possible business implications, discussing effects beyond accounting.

Topics include:

- what annual improvements are
- key changes regarding disclosures of accounting policies, accounting changes and leases
- clarifications relating to the presentation of balance sheet items
- key changes to accounting for foreign currency translation
- audit implications

More information is available on the CPA Canada website, www.cpacanada.ca, by searching "2017 annual improvements to ASPE."

Audit and Assurance

Audit and Assurance Alert: Reports for audit conducted in accordance with both Canadian Auditing Standards and the standards of the Public Company Accounting Oversight Board (United States)

This audit and assurance alert is being issued to raise awareness of the new enhancements to the Public Company Accounting Oversight Board (PCAOB) auditor reporting standards and their impact on the 2017 Combined CAS and PCAOB Auditor's Report.

Topics include:

- sample illustrative combined CAS and PCAOB auditor's report for 2017
- reference to the new PCAOB standards

A copy of the CPA Canada Alert is available via the CPA Canada website by searching "2017 cas pcaob report."

Reporting implications of CSRE 2400

Download CPA Canada's reporting guide, which aims to promote consistency in practitioners' reports by providing guidance for commonly occurring reporting circumstances.

With the complexities relating to the changes to Canadian Standard on Review Engagements (CSRE) 2400, the purpose of the reporting implications of the CSRE 2400 guide is to promote consistency in the form and content of practitioners' reports by providing guidance with respect to commonly occurring circumstances. This guide does not amend or override review engagement standards, the text of which alone are authoritative, nor does it necessarily address all reporting changes.

This CPA Canada publication has been developed by the Task Force on Audit Reporting Implications of the New Canadian Auditing Standards. The material in this guide represents the views of the task force.

Download the guide at the CPA Canada website, www.cpacanada.ca, by searching "reporting implications csre 2400."



Audit Data Analytics Alert: Update on the use of audit data analytics and the evolution of the financial statement audit

The University of Waterloo Centre for Information Integrity and Information Systems Assurance (UWCISA)'s 10th Biennial Research Symposium, held in October 2017, included a session in which panelists discussed and responded to questions regarding audit data analytics (ADAs).

The topics covered included:

- how ADAs are being used in audits today
- how the audit needs to change over the next five years regarding the use of ADAs, including:
 - the need for more value in the financial statement audit
 - education and training of auditors
 - auditing standards
 - service models of audit firms

Download the alert from the CPA Canada website at www.cpacanada.ca (search "audit data analytics alert uwcisa") to read about the key matters raised during this panel discussion.

Reporting implications of Canadian Auditing Standards (CAS)

Take advantage of CPA Canada's reporting guide on Canadian Auditing Standards (CAS), which aims to promote consistency in the form and content of practitioners' reports by providing guidance with respect to commonly occurring reporting circumstances. The guide does not amend or override auditing or review standards, the texts of which alone are authoritative, nor does it necessarily address all audit reporting changes resulting from the Canadian Auditing Standards (CAS).

Reporting Implications of Canadian Auditing Standards has been developed by the Task Force on Audit Reporting Implications of the New Canadian Auditing Standards. The material in this guide represents the views of the task force, and includes a series of issues presented in Q&A format and illustrative reports.

These are designed to help you understand and apply requirements and supporting guidance issued by the Auditing and Assurance Standards Board (AASB) relating to reporting.

A copy of the report is available through the CPA Canada website, www.cpacanada.ca, by searching "reporting implications of cas."

Digital transformation

What is blockchain?

There's been much buzz in the media about cryptocurrencies. If you're interested in learning more about the blockchain technology underlying digital currencies, check out *Introduction to Blockchain Technology*, a paper published by CPA Canada. This paper is intended to raise awareness of blockchain technology, provide examples of current blockchain initiatives, and consider how capital markets and reporting might evolve as blockchain technology is further developed and implemented. You can download the paper from the CPA Canada website, www.cpacanada.ca, by searching "Introduction to Blockchain Technology paper."

Practitioners' Corner

Have you heard about HTTPS encryption?

Do you operate a website to market your practice? Have you heard about the need to use HTTPS encryption? It is a must in today's security-conscious online world. Read the article on this topic from IT World Canada, www.itworldcanada.com, (search "https chrome article") for more information, and then speak with your web development service provider about the potential impact on your website and the changes you might need to make.

Watch a webinar regarding disability credits and grants

Do you service clients with disabilities? If so, a recently-posted CPA Canada Webinar, *Disability credits and grants: A financial boost and peace of mind*, available by searching that title on the

CPA Canada website, www.cpacanada.ca, is essential viewing. The webinar provides an overview of the governmental financial assistance available to those with a disability or their caregivers, and you will learn about the registered disability savings plan, Canada Disability Savings Grant, Canada Disability Savings Bond, and Disability Tax Credit.

Keep up with CRA news

Subscribing to Canada Revenue Agency electronic mailing lists allows you to keep abreast of alerts and notifications published by the Agency. You can select from a variety of topics, and choose those that are most relevant to your practice. To subscribe, visit the CRA website, www.canada.ca/en/revenue-agency.html, and search "cra mailing list" to navigate to the subscription page and choose your topics.

IN MEMORIAM

(Notice received Oct 7, 2017 – March 15, 2018)

CPA Alberta notes with sorrow the passing of the following Alberta CPAs:

Calgary

Lorne Baxter FCPA, FCA
Edward Blasken CPA, CA
Garth Dixon CPA, CMA
D. Alexander Grant CPA, CA
Stan Herdman CPA, CA
Robert Koenig CPA, CGA
Kurt Madsen CPA, CA
Maynard McNaughton CPA, CMA
Howard Miller CPA, CMA
Ed Nelson CPA, CA
Douglas Parkkari CPA, CMA
Knut Skarstol CPA, CA
Robert Valcourt CPA, CMA

Coronation

Kenneth Olson CPA, CA

Edmonton

Susan Brydges CPA, CMA
John Davey CPA, CA
Mohan Diocee CPA, CGA
Michael Gendron CPA, CA

Robert Hayes CPA, CGA
Don Hunt CPA, CA
Gerald Johnston CPA, CA
Ed Kuksiuk CPA, CGA
Alan McGee CPA, CMA
Tim McGillicuddy CPA, CA
Ray McMurray CPA, CA
Hema Srinivasan CPA, CMA
Mike Troke CPA, CA

Heritage Pointe

Marty Barvir CPA, CA

Kelowna, B.C.

James Hutchison CPA, CMA
Gordon Peters CPA, CA

Lethbridge

Sheila Going CPA, CGA

Lloydminster

William Gow CPA, CMA

Okotoks

Kenneth Cullen CPA, CA
Walter Voth CPA, CA

Sherwood Park

Richard Hewson CPA, CMA

St. Albert

Gordon Ainslie CPA, CA
Larry Olexiuk CPA, CA
Brian Yahn FCPA, FCGA

Stony Plain

Mark Taylor CPA, CGA

Victoria, B.C.

Bill Detlefsen FCPA, FCA
Jean Gordon CPA, CA

Yorba Linda, CA, USA

Jim Kellough CPA, CMA

BREAKING THROUGH

BREAKING THROUGH

In February, the successful writers of the 2017 Common Final Examination (CFE) were applauded at CPA Alberta Convocation events in Calgary and Edmonton. Graduates were welcomed to the profession at the Convocation Ceremonies, and then had the opportunity to celebrate and connect at the Convocation Dinner & Dance.

Congratulations to all of the 764 successful writers!



CPA Alberta Board Chair, Curtis Palichuk FCPA, FCA, addresses the grads at the convocation ceremonies.



After the traditional graduate march, the graduates stood at the front of the room to bask in the congratulations of the crowd.

In Edmonton, the Retrofitz entertained the crowd with dance-friendly numbers.

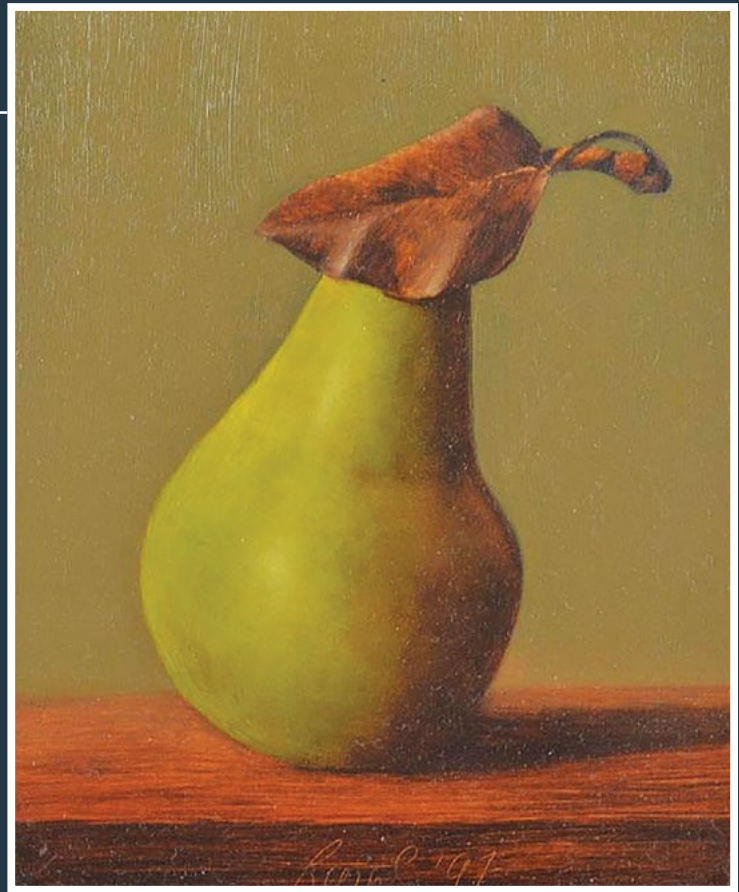


Props were in full effect at the CPA Education Foundation photo booth.



CPA Education Foundation board members Bruce Picton CPA, CA, Joe Gagliardi FCPA, FCMA, and Doug Wylie FCPA, FCMA check out the crowd at the CPA Education Foundation photo booth.

Poole Lawyers is a litigation firm, engaged in complex litigation and professional negligence claims. We work with people who have legal malpractice complaints about their lawyers. We also bring claims against other professionals including financial advisors, brokers, engineers and accountants. We believe in the importance of the work we are doing, and we enjoy the tremendous synergy that comes from working together on challenging situations. Our work means a lot to us.



Malcolm Rains

Yellow Pear, 1997

Oil on board

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Provenance: A.H. Wilkens Auctions,

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Thank you

* Thank you to all Alberta CPA's who got a CPAIPW Home or Auto Insurance quote between September 25 and December 31, 2017. You helped us contribute \$10,200 to the **CPA Education Foundation Alberta**.

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