



# Report On Industry



*Report on Industry* is a bi-monthly e-newsletter for CAs in industry

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Dear Subscriber:

Welcome to the September issue of *Report on Industry* (ROI) with highlights of the latest trends and views, research, standards and regulations, information technology, human resources, legal matters, recent publications and other information relevant to CAs in industry.

We welcome your comments and suggestions for future issues. Please e-mail us at [industry@cica.ca](mailto:industry@cica.ca). To view our privacy policy, go to [www.cica.ca](http://www.cica.ca).

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### Corporate Values Drive Performance and Change

For leading companies, strong corporate values are far more than words on a piece of paper. They are the basis of specific objectives and hard measures. The Booz Allen Hamilton/Aspen Institute's survey of corporate behaviour, *The Value of Corporate Values*, shows that companies reporting superior financial results are doing a better job than other companies in linking corporate values to operations. For example, 94 percent of these companies say they have practices in place to ensure that their values are aligned with those of their suppliers, distributors and partners.

Read the survey at:

[www.strategy-business.com/media/file/sb39\\_05206.pdf](http://www.strategy-business.com/media/file/sb39_05206.pdf)

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### Are Canadian Organizations Investing in the Right Training?

According to a recent survey, Canadian organizations are under-investing in employee training and development and failing to allocate their training dollars in initiatives that improve business performance. The findings in the Conference Board of Canada's *Learning and Development Outlook 2005* indicate organizations continue to invest in "traditional" employee-based training programs rather than aligning their professional development expenditures with their overall learning strategy and with organizational goals and objectives.

Read the summary *The Real Bottom Line on Training: It's How, Not How Much* in the Conference Board's newsletter *The InsideEdge*. See page 17 of the Summer Issue 2005:

[www.conferenceboard.ca/insidedge/pdf/ie\\_q3\\_05.pdf](http://www.conferenceboard.ca/insidedge/pdf/ie_q3_05.pdf)

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### Improving Work-Life Balance a Global Concern

Canadians are not alone in the struggle to keep up with the demands of work while balancing other responsibilities. Workers in other industrial countries are also experiencing the stress and related health problems of work-life conflicts. The report *Improving Work-Life Balance: What are Other Countries Doing* provides an overview of the targeted campaigns that countries such as the United Kingdom, Australia, Sweden and the United States are undertaking to improve work-life balance and address productivity losses.

Read the study at:

[www.sdc.gc.ca/asp/gateway.asp?hr=/en/lp/spila/wlb/iwlb/01table\\_of\\_contents.shtml&hs=wnc](http://www.sdc.gc.ca/asp/gateway.asp?hr=/en/lp/spila/wlb/iwlb/01table_of_contents.shtml&hs=wnc)

The PDF of the study is available at:

[www.sdc.gc.ca/en/lp/spila/wlb/pdf/improving-work-life-balance.pdf](http://www.sdc.gc.ca/en/lp/spila/wlb/pdf/improving-work-life-balance.pdf)

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#### Small Business Financing

### Weighing Your Financing Options

Most small business owners need access to finances at some point, whether it's to get the business up and running or to make sure it continues operating. When a small business is dealing with the bank, what are the various financing options and how do they compare? Read Scotiabank's article *Finding the Money to Finance Your Small Business* at:

[www.cica.ca/html/roi/E\\_09\\_2005\\_001.pdf](http://www.cica.ca/html/roi/E_09_2005_001.pdf)

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### New AcSB Proposals Issued on Business Combinations

The Accounting Standards Board (AcSB) has issued an Exposure Draft on Business Combinations, which is converged with similar International Accounting Standards Board, and Financial Accounting Standards Board proposals. The proposals in the AcSB's Exposure Draft would replace Section 1581, *Business Combinations*. The comment period on the AcSB's Exposure Draft runs until October 28, 2005.

The proposals would apply to all business combinations, including those between co-operative enterprises. It would significantly change several aspects of accounting for business combinations including measurement of the business combination, accounting for step-acquisitions and for minority interests, the assets and liabilities to be included in a business combination and disclosures required.

For further details, visit:

[www.acsbcanada.org/index.cfm/ci\\_id/1563/la\\_id/1.htm](http://www.acsbcanada.org/index.cfm/ci_id/1563/la_id/1.htm)

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### Naked Accounting?

Hopefully not in this climate. The draft strategic plan, *Accounting Standards in Canada: Future Directions*, published for comment by the AcSB in March has a basic premise that "one size does not necessarily fit all." The plan proposes that the AcSB pursue separate strategies for publicly and non-publicly accountable enterprises and for not-for-profit organizations. The private company strategy includes pursuing the development of a set of standards for non-publicly accountable enterprises, with no preconceived notion as to what those standards should be. The reactions to date have led the AcSB to begin thinking about how it might implement its strategies for non-publicly accountable enterprises. See the draft strategic plan at:

[www.acsbcanada.org/multimedia/Download\\_Library/Standards/Accounting/English/e\\_AcctStdsDraftStrategicPlan.pdf](http://www.acsbcanada.org/multimedia/Download_Library/Standards/Accounting/English/e_AcctStdsDraftStrategicPlan.pdf)

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### Trust Me, There is Income

A rapid proliferation of income and royalty trusts in the market has sparked criticism in respect of certain aspects of financial reporting by these entities. The AcSB's User Advisory Committee (UAC), a committee made up of individuals with a variety of investment and analytical disciplines, recently discussed income trusts. UAC members were generally of the view that transparency of, and disclosures in financial reporting by income trusts are inadequate.

The AcSB has discussed input from the UAC and Accounting Standards Oversight Council (AcSOC) regarding accounting and reporting issues of this sector and has concluded that, at this time, there is no need to change accounting standards as the issues are largely non-GAAP in nature. The AcSB does believe that there are certain aspects of income trust financial reporting that should be communicated to stakeholders to raise awareness of these issues. See the article at:

[www.cica.ca/html/roi/E\\_09\\_2005\\_002.pdf](http://www.cica.ca/html/roi/E_09_2005_002.pdf)

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### Increase Your Website's Visibility

If your website is not generating high traffic, the reason for having an Internet presence is lost. Read the straightforward guide *How to be Successful on the Internet* for practical tips on how to improve your search engine ranking and increase your visibility on the Internet.

[www.cica.ca/html/roi/E\\_09\\_2005\\_003.pdf](http://www.cica.ca/html/roi/E_09_2005_003.pdf)

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## HUMAN RESOURCES



### Workplace Wellness Initiatives Boost the Bottom Line

Most studies suggest that participation in regular physical activity plays a positive role in improving employees' health. Significantly, studies also support that an organization may reap financial and other benefits from workplace wellness programs that include a physical activity component. But how do you get started? For a six-step model and other practical tips, see *Getting Started and Managing Active Living at Work Strategies* at:

[www.phac-aspc.gc.ca/pau-uap/fitness/work/started\\_manage\\_e.html](http://www.phac-aspc.gc.ca/pau-uap/fitness/work/started_manage_e.html)

#### Case Studies

To read the latest case studies of Canadian businesses that are garnering many benefits from their innovative workplace wellness policies, go to:

[www.phac-aspc.gc.ca/pau-uap/fitness/work/whats\\_new\\_e.html](http://www.phac-aspc.gc.ca/pau-uap/fitness/work/whats_new_e.html)

### Finding Good Staff

One of the most challenging issues that you will face throughout the next decade will be an increasing inability to access the staff and skills necessary to effectively run your business. Blame it on retiring baby-boomers, Generation Y and hyper-innovation. For practical tips on staffing solutions, read Jim Carroll's article *The Coming Labour Crisis* at:

[www.profitguide.com/greatplace/article.jsp?content=20040908\\_140349\\_2544](http://www.profitguide.com/greatplace/article.jsp?content=20040908_140349_2544)

### Telltale Signs of an Unproductive Meeting

Sometimes, better than giving advice about how to run things well, it can be useful to have a hit list to help you identify when things are less than productive. Read the article *Terrible Meetings – Ten Ways to Spot Them!* at:

[www.morebusiness.com/running\\_your\\_business/management/Estory-27625.brc](http://www.morebusiness.com/running_your_business/management/Estory-27625.brc)

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### PST Table for Computer Hardware, Software, & Related Services

The application of Canadian provincial sales and use taxes (PST) to computer hardware, computer software, and related services has been one of the most confusing and controversial tax issues facing the high tech sector over the past decade for both providers and users alike. David Douglas Robertson of Fasken Martineau has prepared a practical table that can help you determine whether particular computer-related hardware, software, and related products and services are subject to PST. The table is based on the information guides and bulletins published by the five PST provinces and also includes links to the relevant tax publications.

[www.fasken.com/TaxationBulletin/July05](http://www.fasken.com/TaxationBulletin/July05)

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### Changes to Lobbyists Registration Act Now in Force

Changes to Canada's Lobbyists Registration Act and the regulations to the Act that came into force June 20, 2005 greatly impact how Canadian companies and associations report their lobbying activities. The amended Act applies to all persons who lobby the federal government of Canada, whether for the benefit of their own organization or for the benefit of their customers and clients. For more information about the amendments, go to:

[www.fasken.com/LRA\\_changes](http://www.fasken.com/LRA_changes)

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## US MONITOR



### CPA Skills and Values Essential to an Organization's Success

The AICPA Board of Directors recently approved a white paper developed by the AICPA's Business and Industry Executive Committee describing the new demands on the CFO position and how the skills and values of CPAs are well suited to meet those challenges.

*CPAs as CFOs: Why You Should Have a CPA in Your C-Suite* notes that companies face a wide range of operational, financial and compliance risks in today's global business environment. As key partners to the Chief Executive Officer, CFOs play a vital role in successfully navigating those risks. The white paper describes how seasoned CPAs have a unique combination of education, training and experience to meet this dual role. It underscores the point that CPAs are the acknowledged experts in accounting, financial reporting and internal controls and are bound by the highest standards of integrity and ethical conduct. To read the paper, go to:

[http://fmcenter.aicpa.org/NR/rdonlyres/758F06B3-F415-4185-8AFE-FFF7D71C743/0/CPA\\_as\\_CFO\\_White\\_Paper\\_July\\_2005.pdf](http://fmcenter.aicpa.org/NR/rdonlyres/758F06B3-F415-4185-8AFE-FFF7D71C743/0/CPA_as_CFO_White_Paper_July_2005.pdf)

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### Economic Outlook Survey Shows Decline in Optimism

The AICPA's third semi-annual *Business and Industry Economic Outlook* survey represents the views of 1,465 decision makers including 830 CFOs and 205 CEOs in privately-held and public companies, not-for-profit and other organizations. The results indicate a decline in the optimism of CPA decision makers about the economy for the upcoming six months compared with previous surveys. Only 57% continue to be optimistic, or very optimistic, down from 71% in December 2004, and 75% in June 2004. However, CPA optimism about the prospects for their own companies continues to be strong.

For a summary of the survey results, go to:

[http://fmcenter.aicpa.org/NR/rdonlyres/E89BB261-98F6-4374-A6CE-C2C2AFD3D725/0/Economic\\_Outlook\\_Survey\\_June\\_2005.pdf](http://fmcenter.aicpa.org/NR/rdonlyres/E89BB261-98F6-4374-A6CE-C2C2AFD3D725/0/Economic_Outlook_Survey_June_2005.pdf)

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## PROFESSIONAL RESOURCES

### Directors Source Online Service

#### Looking for Directors or a Directorship?

The CICA's new online service, Directors Source, helps match CAs and other qualified individuals with for-profit and not-for-profit organizations that are looking for directors.

Take advantage of this opportunity to find suitable directors for your organization or register your availability for a directorship. At Directors Source, you can:

- Advertise a new directorship or volunteer opportunity, or
- Enter your resumé into the database.

The first 100 registrants will receive a free copy of the CICA publication, *Integrity in the Spotlight: Audit Committees in a High Risk World* - 2nd Edition, by M. J. Sabia, J. L. Goodfellow. If you are currently registered on CA Source, simply use the same e-mail address and password to register at Directors Source.

For more information, go to: [www.directorssource.com](http://www.directorssource.com).

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## Keeping Pace with the Changing Role of Finance

IBM's new quarterly *Financial Management Newsletter* is designed to help chief financial officers, controllers and other senior finance professionals in business and in government organizations keep pace with financial management issues, trends and tools.

The first edition features insights from IBM's Global CFO Survey. To read the newsletter, go to:

[www.can.ibm.com/services/ca/en/bcs/ibm\\_financial\\_mgmt.pdf](http://www.can.ibm.com/services/ca/en/bcs/ibm_financial_mgmt.pdf)

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## The Complete Guide to the Goods and Services Tax

Written by a team of Ernst & Young tax specialists, under the direction of Peter Wood, FCA  
Publisher: CICA

Designed to meet the needs of accounting professionals and financial executives, the two-volume *Complete Guide to the GST* is an easy-to-use, yet comprehensive, GST reference source when dealing with the application of GST to daily business activities. The portable Volumes 1 and 2 can be purchased separately (Volume 1 or 2) or as a complete set. The Guide is also available in a searchable Folio Views format – on CD, DVD, or Download.

The Guide has been updated to reflect legislative and regulatory amendments (including proposed amendments) up to June 15, 2005.

[www.knotia.ca/store/gstg-roi](http://www.knotia.ca/store/gstg-roi)

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## She Means Business

*7 New Rules for Marketing to Today's Woman*

By Grant Schneider  
Publisher: Time, Inc.

Filled with insights across a wide spectrum of topics, from health to style to careers to motherhood to personal relationships, this guide provides an unparalleled opportunity to better understand the female consumer, the most economically powerful force in today's marketplace.

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# How to Reduce Workplace Conflict and Stress

*How Leaders and their Employees Can Protect their Sanity and Productivity from Tension and Turf Wars*

By Anna Maravelas

Publisher: Career Press

Most individuals react to workplace frustration with nearly invisible habits that drive wedges between people and groups. And workplace aggravations are constant – even just a handful a day means thousands per year, per employee. Responding to frustration with blame and defensiveness is not human nature; it is a reflexive response that can be changed. *How to Reduce Workplace Conflict and Stress* shows you how to protect productivity and maintain unity between leaders and employees, even during periods of uncertainty and rapid change.

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## CONTINUING EDUCATION



### National Conference on Current SEC and PCAOB Developments

December 5-7, 2005 Toronto, Ontario

This live video conference in Toronto is your opportunity to get comprehensive SEC, FASB and PCAOB updates directly from the regulators at the AICPA National Conference on Current SEC and PCAOB Developments in Washington, DC. Highlights of the conference include the latest changes and updates straight from the policy makers, valuable insights from the experts who develop SEC regulations, accounting and reporting issues affecting SEC reporting entities and their auditors, the implications of new regulations on your business objectives and the inside scoop on future directions of SEC regulatory direction.

[www.cica.ca/index.cfm/ci\\_id/10591/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/10591/la_id/1.htm)

### Report on Industry Online Archives

To view previous issues of *Report on Industry*, visit the ROI archive site at:

[www.cica.ca/index.cfm/ci\\_id/25048/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/25048/la_id/1.htm)

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