

Welcome to the premiere issue of the CICA's *CA Practice Advantage* (CAPA) for CAs in public practice. Distributed quarterly, this complimentary e-newsletter will provide you with timely synopses of information about trends and views, standards and regulations, client development, technology, marketing your services, professional resources, events and other information relevant to CAs in public practice – with links to the web-based sources.

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## TRENDS AND VIEWS

### SMEs' Confidence Continues to Grow

Looking forward: The Canadian Federation of Independent Business' (CFIB) latest quarterly survey, which polls the expectations of small and mid-sized enterprises (SMEs), shows that business confidence continues to rise.

[www.cfib.ca/research/reports/rr3002.pdf](http://www.cfib.ca/research/reports/rr3002.pdf)

For quick access to national statistics, federal government information and up-to-date news on economic concepts and events, visit the federal government website, *Canadian Economy Online*:

[www.canadianeconomy.gc.ca/english/economy/index.cfm](http://www.canadianeconomy.gc.ca/english/economy/index.cfm)

### Profits at Record High but Growth Stalls

Looking back: Statistics Canada's financial statistics cover the activities of all corporations in Canada, excluding government controlled and not-for-profit corporations. Links to the latest economic indicators and comparisons can be found at:

[www.statcan.ca/english/Pgdb/econoind.htm](http://www.statcan.ca/english/Pgdb/econoind.htm)

### The Readers' Poll

We would like to hear from you. Please take a second to click on your response and we'll publish the results in the next issue.

Does your CA firm have a succession plan?:

- Yes - as a separate written document
- Yes - written into the partnership agreement
- Yes - not in written form
- No
- Don't know
- Not applicable - I'm not working in a CA Firm

Which of the following best describes your position?:

- Partner in a CA firm
- Sole practitioner/owner of a CA firm
- Employee (professional staff) of a CA firm
- Other

Submit

Please [click here](#) to access the online version of this poll.

### The Secrets to Small Business Success

Should an above-average increase in revenues be the definition of success? According to the CIBC study, *Secrets to Small Business Success*, not always. The report examines small businesses that are outperforming their peers in revenue growth over the past three years and identifies the characteristics of these successful businesses.

[www.cibc.com/ca/pdf/sb-secrets-for-success-en.pdf](http://www.cibc.com/ca/pdf/sb-secrets-for-success-en.pdf)

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## Financial Statement Preparation for 2004 Fiscal Years

The 2004 Special Edition of *FYI* summarizes pronouncements of the AcSB and EIC that should be considered for financial statement preparation for 2004 fiscal years. The newsletter may be viewed on the AcSB website at:

[www.acsbcanada.org/index.cfm/ci\\_id/4340/la\\_id/1.htm](http://www.acsbcanada.org/index.cfm/ci_id/4340/la_id/1.htm)

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## Financial Instruments

Issued January 2005, the new accounting standards for financial instruments include Section 3855, *Financial Instruments – Recognition and Measurement*, and related amendments to other Handbook Sections resulting from the introduction of Section 3855, as well as Section 1530, *Comprehensive Income*, and Section 3865, *Hedges*. The mandatory effective date is for annual and interim periods in fiscal years beginning on or after October 1, 2006.

Further details are available at:

[www.acsbcanada.org/index.cfm/ci\\_id/1580/la\\_id/1.htm](http://www.acsbcanada.org/index.cfm/ci_id/1580/la_id/1.htm)

See also the CAmagazine articles:

*Applying the Standards* – [www.camagazine.com/index.cfm/ci\\_id/23634/la\\_id/1.htm](http://www.camagazine.com/index.cfm/ci_id/23634/la_id/1.htm)

*Hedging and New Standards* – [www.camagazine.com/index.cfm/ci\\_id/23943/la\\_id/1.htm](http://www.camagazine.com/index.cfm/ci_id/23943/la_id/1.htm)

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## What the Financial Instruments Standards Mean

Paul Cherry, Chair of the CICA Accounting Standards Board (AcSB), provides a high-level look at the impact of the new Financial Instruments Standards in an interview given to ROB-TV Business News. (Video 5:52 minutes.)

[www.cica.ca/HTML/PaulCherry.html](http://www.cica.ca/HTML/PaulCherry.html)

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## Government of Canada Takes Leadership Role in Adopting Full Accrual Accounting

The CICA Public Sector Accounting Board (PSAB) has presented an *Award for Excellence in Reporting* to the Honourable Reg Alcock, President of the Treasury Board, recognizing the Government of Canada's adoption of full accrual accounting in the 2003 Public Accounts of Canada a full three years in advance of the new standards effective date of April 1, 2005. The new full accrual reporting model standards provide improved information that will help Canadian taxpayers better understand the finances of our national government.

For details, read the **PSABulletin** at:

[www.cica.ca/index.cfm/ci\\_id/24714/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/24714/la_id/1.htm)

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### A Big Voice for Small Businesses Everywhere

Well known for its proactive lobbying on behalf of its 100,000 members, the Canadian Federation of Independent Business (CFIB) bills itself as the voice of small businesses. The CFIB website provides several complimentary resources that can assist small business owners, such as the quarterly business barometer, surveys and reports, and offers numerous additional benefits for its members. Consider adding this link to your firm's website.

[www.cfib.ca](http://www.cfib.ca)

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### Online Support for Developing Effective Business Plans

The federal website, Canada Business Centres at ([www.cbisc.org](http://www.cbisc.org)), is a network of business services designed to assist small businesses. The site offers practical information, links to government programs and services, interactive business tools and more. When clients need a starting point for developing a business plan, free information and guidance is just a click away:

[www.cbisc.org/ibp/doc/intro\\_bp.cfm](http://www.cbisc.org/ibp/doc/intro_bp.cfm)

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### Phishing for E-mail Victims

The e-mail request from the bank *looks* legitimate, but is it? Look-alike e-mails and websites are luring victims into revealing their personal information to online criminals "fishing" for ways to steal their money, credit and even their identity. Here are some steps your clients can take to protect themselves. See *The Phish E-mail Trap* at:

[www.cica.ca/html/capa/e\\_02\\_2005\\_001.pdf](http://www.cica.ca/html/capa/e_02_2005_001.pdf)

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### Anytime, Anywhere Computing Means Competitive Advantage

The increasing affordability of mobile technologies is rapidly making "anytime, anywhere" computing a competitive advantage. Organizations that are harnessing the benefits of wireless technologies are extending the reach of critical business processes, improving customer service and increasing revenues.

The white paper, *Always Available Computing: Best Practices for Empowering Today's Mobile Work Force*, discusses the systems architecture and applications, including the key considerations companies need to address when developing mobile strategies.

[www.adessosystems.com/downloads/whitepapers/Adesso\\_Always\\_Available\\_WP.pdf](http://www.adessosystems.com/downloads/whitepapers/Adesso_Always_Available_WP.pdf)

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## Your Colleagues Assess their Accounting Software Systems

The results are in and some of the findings may surprise you. CAmagazine's first-ever ERP/accounting software reader survey asked readers for general feedback about the return on investment and future plans. See the commentary, results and charts in the CAmagazine article, *User Survey Roundup*:

[www.camagazine.com/index.cfm/ci\\_id/24120/la\\_id/1.htm](http://www.camagazine.com/index.cfm/ci_id/24120/la_id/1.htm)

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## Finance, IT and Business Alignment

While CFOs agree on the value and potential of IT, they disagree on how to measure and manage it, according to CFO IT's third annual IT directions survey. Nearly 40 percent of the 241 senior finance executives included in the survey responded that they continue to debate the return on investment as it relates to IT and look for better approaches.

See the survey results at:

[www.cfo.com/chart.cfm/3373788/0?option=1](http://www.cfo.com/chart.cfm/3373788/0?option=1)

For commentary on the survey, read the CFO.com article *One Way, or Another?* at:

[www.cfo.com/article.cfm/3373544](http://www.cfo.com/article.cfm/3373544)

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## MARKETING YOUR SERVICES



### Marketing Tools for Small Firm Success

Small firms often claim they do not have the money, people or time to devote to marketing. But can they afford not to? "A marketing program is an essential underpinning to the success of even the smallest firm", says Bob Stewart, author of the CICA publications **Marketing Professional Services** and **The Professional Guide's to Preparing Winning Proposals**. In his article *Why Marketing is Important to Small Firms*, Bob shares some affordable marketing tips that may be the catalyst that gets your firm's client and prospect lists growing.

[www.cica.ca/html/capa/E\\_02\\_2005\\_002.pdf](http://www.cica.ca/html/capa/E_02_2005_002.pdf)

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## Online Services Help External Auditors Support Audit Committee

Developed by the CICA, the *Audit Committee Performance Support System* (ACPSS) can create new opportunities for external auditors to play a constructive role in facilitating the audit committee's activities and development. ACPSS is an easy-to-use, secure Internet-based application designed to help audit committees plan and organize their work, set goals and priorities, ensure compliance with changing regulatory requirements and benchmark their activities against both best practices and peer organizations.

To find out more about ACPSS and try out the free *20 Questions about Audit Committees* assessment, which shows you how ACPSS works, visit:

[ac.performsupport.ca](http://ac.performsupport.ca)

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## Seniorpreneurs: A Rapidly Growing Market

The CIBC economic report *Canadian Small Business - Back in High Gear* notes that since 2002, self-employment has risen by 9% – more than double the rate seen among private sector salaried employees.

Of interest to practitioners is the rapidly growing market of entrepreneurs age 55 and over, now constituting more than 30% of the total workforce over the age of 55. Long-term demographic trends suggest that "seniorpreneurs" will play an even more important part of future economic activity in Canada.

The complete report is available at:

[www.cibc.com/ca/small-business/backinhighgear](http://www.cibc.com/ca/small-business/backinhighgear)

See also "Small businesses surge ahead" in CAmagazine – Web Articles.

[www.camagazine.com/index.cfm/ci\\_id/22985/la\\_id/1.htm](http://www.camagazine.com/index.cfm/ci_id/22985/la_id/1.htm)

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## HUMAN RESOURCES

### Investing in Your Firm's Most Important Asset

"A firm that invests in training most certainly has the competitive advantage", says Stuart Hartley, FCA, in his article *Are You Investing in Your Firm's Most Important Asset?* The article outlines a proactive step-by-step plan for overcoming the obstacles, ensuring a good return for your investment and maximizing your firm's human resources.

[www.cica.ca/html/capa/e\\_02\\_2005\\_003.pdf](http://www.cica.ca/html/capa/e_02_2005_003.pdf)

### Work-life Balance Strengthens Employee Commitment and Loyalty

Employees are increasingly looking for flexibility in the workplace so they can balance the demands of caring for children and/or elderly parents or simply pursuing personal interests. An organization's initiatives in meeting these needs have proven to strengthen employee commitment and loyalty, resulting in higher productivity and a better bottom line.

Developed by the federal Department of Human Resources and Skills Development (HRSDC), the *Work-Life Balance in Canadian Workplaces* website is a gateway to up-to-date information, examples of best practices and practical tools that can help your firm design and implement supportive programs and policies facilitating work-life balance.

[www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/spila/wlb/01home.shtml&hs=wnc](http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/spila/wlb/01home.shtml&hs=wnc)

### Managing People

Looking back and evaluating the good and the bad can improve future plans and performances. This collection of Carolyn Cohen's columns in CAmagazine can help you brush up on some of the most important tips – on everything from training and interviewing to giving criticism and terminating staff.

[www.camagazine.com/index.cfm/ci\\_id/24133/la\\_id/1.htm](http://www.camagazine.com/index.cfm/ci_id/24133/la_id/1.htm)

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## **Financial Reporting in Canada 2004 - 29<sup>th</sup> edition**

**By Clarence Byrd and Ida Chen**

**Publisher: CICA**

**Financial Reporting in Canada (FRIC)** is an essential guide for up-to-date information on the key features of good financial reporting and the latest techniques, terminology, and overall trends in Canadian financial reporting practices. FRIC includes statistics on the accounting treatments adopted, the use of international and U.S. GAAP, the form and content of the auditor's report, as well as extensive examples from annual reports.

This latest edition is available online, on CD-ROM and in print. For more information, go to:

[www.knotia.ca/store/FRIC](http://www.knotia.ca/store/FRIC)

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## **Bill What You're Worth**

**By David Cottle, CPA, CMC**

**Publisher: AICPA**

Pricing your services and billing for them are essential skills for running a successful practice. Presenting a clear methodology for pricing, Cottle's 200-page book shows you how to:

- Use tools to implement specific value pricing scenarios.
- Charge more for those engagements that justify a higher price.
- Avoid price disputes and handle misunderstandings effectively.
- Upgrade your marginal clients' profitability.
- Raise your standard charge-out rates if needed.

[www.cpa2biz.com/CS2000/Products/CPA2BIZ/Bill+What+You%27re+Worth.htm](http://www.cpa2biz.com/CS2000/Products/CPA2BIZ/Bill+What+You%27re+Worth.htm)

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## **A Guide for Women and their Firms**

**By Nancy R. Baldiga, CPA**

**Publisher: AICPA**

Author Nancy Baldiga, CPA interviewed over 50 women – including human resource directors and managing partners – to see what their firms were doing to ensure staff retention and advancement of women CPAs. Issued by the AICPA's Work/Life and Women's Initiatives Executive Committee, the book provides observations, reflections and recommendations on how women accountants can promote their talents and how their organizations can promote their talented staff – practical guidance that is equally applicable to Canadian CAs and the organizations that employ them.

[www.knotia.ca/store/promoting](http://www.knotia.ca/store/promoting)

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# The Professional's Guide to Preparing Winning Proposals

By Bob Stewart

Publisher: CICA

Whether a tender for services comes through a telephone call, a letter or a formal document called a Request for a Proposal (RFP), your response must demonstrate your real understanding of the prospect's needs and concerns. Throughout his latest publication **The Professional's Guide to Preparing Winning Proposals**, Bob Stewart sets out:

- The practical information and guidance for planning and preparing winning proposals.
- Checklists, sample questions and step-by-step guidance sprinkled with anecdotal stories from Bob's several years of experience as a proposal writer and advisor to accountants, tax specialists and management consultants.
- Sample proposals – also provided as Word Templates in the CD-ROM included with the book.

To view the *Table of Contents* and *Chapter 1* of this unique practice resource, click on the Product Fact Sheet at:

[www.knotia.ca/store/proposals](http://www.knotia.ca/store/proposals)

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## CONFERENCES

### In-depth PST Course

May 16-18

Toronto Marriott Bloor – Yorkville, Toronto, ON

*In co-operation with KPMG LLP*

A three-day course combining lectures and small facilitated workgroups. Provincial sales tax experts will provide valuable insight and up-to-date knowledge of the mechanics of PST in the five PST provinces – applications, current interpretations and jurisprudence, proven approaches to reduce risk and cost of PST for your clients.

[www.cica.ca/index.cfm/ci\\_id/20331/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/20331/la_id/1.htm)

### The CICA In-depth GST Course

Part I: May 29-June 3, 2005

Part II: June 12-16, 2005

Blue Mountain Resort & Conference Centre, Collingwood, ON

The most complete and comprehensive GST training available. The In-depth GST Course - Parts I and II, are in-residence training programs for the serious commodity tax professional. Using a proven design that combines classroom lectures and real-life case studies in small facilitated workshop groups has earned this course the recognition as "*the #1 GST training program in Canada*".

[www.cica.ca/index.cfm/ci\\_id/1126/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/1126/la_id/1.htm)

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