

Dear Subscriber:

Welcome to the September issue of *CA Practice Advantage* (CAPA) 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 public practice.

We welcome your comments and suggestions for future issues. Please e-mail us at capa@cica.ca. To view our privacy policy, go to www.cica.ca.

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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.

1. What type of Internet connection does your firm primarily use?

Dial-up
 ADSL (high speed over phone)
 Cable
 T1
 Partial T1
 DS3/T3
 ISDN
 Other (please specify)
 No Internet connection available in office

2. How many of the following individuals in your firm have:

Access to the Internet:	
Partners	<input type="checkbox"/> All <input type="checkbox"/> Some <input type="checkbox"/> None
Professional Staff	<input type="checkbox"/> All <input type="checkbox"/> Some <input type="checkbox"/> None
Other Staff	<input type="checkbox"/> All <input type="checkbox"/> Some <input type="checkbox"/> None
A work e-mail address:	
Partners	<input type="checkbox"/> All <input type="checkbox"/> Some <input type="checkbox"/> None
Professional Staff	<input type="checkbox"/> All <input type="checkbox"/> Some <input type="checkbox"/> None
Other Staff	<input type="checkbox"/> All <input type="checkbox"/> Some <input type="checkbox"/> None

3. Number of staff in your firm:

If you are experiencing difficulty using this poll, please [click here](#) to access the online version.

Please [click here](#) to view the response to last issue's Readers' Poll.

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:

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

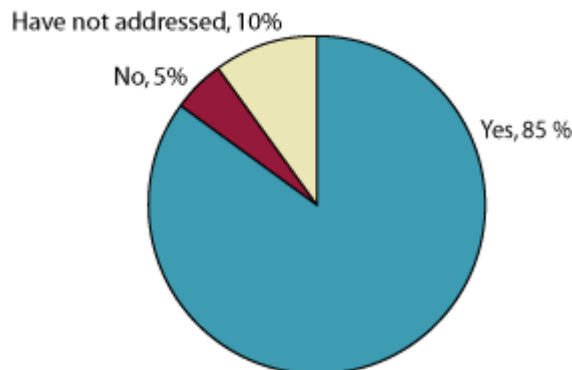
The PDF of the study is available at:

www.sdc.gc.ca/en/lp/spila/wlb/pdf/improving-work-life-balance.pdf

Response to Readers' Poll in Last Issue:

Is work-life balance an important issue at your firm?

Readers' response to the last poll suggests that work-life balance is a very important issue. 85% replied that work-life balance is important, 10% said the issue has not been addressed, and 5% said it wasn't important.



The top five initiatives firms have implemented to help staff deal with work-life balance issues are: flexible hours (82%), leaves for personal reasons (50%), part-time positions (47%), employee assistance programs (27%), and compressed work week (27%).

Offshore Outsourcing: Tomorrow's Contenders

A widely followed annual survey of the world's actual and potential offshore locations for business-process outsourcing (BPO) anticipates major changes. The most remarkable of these is likely to be a quantum leap in the number of countries vying for the back-office work that is increasingly being outsourced by North American, Western European and Japanese companies. Read the article *Offshore Outsourcing: What's Working, What's Not* at:

<http://knowledge.wharton.upenn.edu/index.cfm?fa=viewArticle&id=1100&specialId=25>

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Financial Instruments – Navigating New Waters

You've heard of them. You may even be procrastinating about reading them. The long-awaited accounting standards on Financial Instruments are here and they will apply to everyone. *Financial Instruments – Navigating New Waters* is a new booklet designed to take you from an apprehensive observer to an intrepid explorer of these new standards.

http://www.acsbcanada.org/multimedia/Download_Library/Standards/Accounting/English/e_FICEOCFO.pdf

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

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

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/capa/E_09_2005_001.pdf

CLIENT DEVELOPMENT



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 the owner/manager 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/capa/E_09_2005_002.pdf

Boost Your Bottom Line

Taking the Guesswork Out of Pricing

Nothing provokes a case of the cold sweats like the thought of raising prices says author Alison Stein Wellner. A price hike could mean the owner/manager can work fewer hours, earn more money, hire employees, and buy new equipment. On the other hand, if the business raises prices too high, it risks alienating its longtime customers. The right price for a product or service should rest on one thing – the value that a product or service provides. What's more, today might be the best opportunity companies have had to raise prices in some time. Read the article *Is It Time to Raise Prices?* at:

www.inc.com/magazine/20050601/pricing.html

Fraud!

When the Owner/Manager Suspects Employee Fraud

It's a typical scenario: the owner/manager – your client – suspects that the company's controller has been issuing cheques to a fictitious vendor and personally benefiting from the scheme. In their article *What to do if your Client Suspects Employee Fraud*, authors Peter J. Keirstead CA•IFA, CBV and Jacklyn A. Davies, CA show how a good forensic investigation puts the pieces of the puzzle together to solve the case.

www.cica.ca/html/capa/E_09_2005_003.pdf



Survey of Business Intelligence Systems

Business intelligence (BI) continues to offer CAs a big opportunity to help their organizations and clients better analyze their operations. BI allows you to slice and dice data any way you want – with no need to wait for the IT department to generate a report. *CAMagazine's* second annual BI survey of the leading BI systems has several new features, including a section where vendors list the top five reasons to purchase their software and another section on target market by industry. To read the report and access the survey, go to:

www.camagazine.com/index.cfm/ci_id/26573/la_id/1.htm

Organized Cybercrime on the Rise

Two years ago, McAfee researchers were seeing roughly 300 potentially malicious threats emerging each month; today that figure has rocketed to 2,000. The *McAfee Virtual Criminology Report: North American Study into Organized Crime and the Internet* reveals how a new class of criminals is systematically targeting companies and the value stored on their computer networks. The report describes new threats (including the use of new technologies such as bot-nets) and suggests how businesses can protect themselves against criminal activity. Read the report at:

www.mcafeesecurity.com/us/local_content/misc/mcafee_na_virtual_criminology_report.pdf

One in Ten Employees Installing Unauthorized Software at Work

A Decima Research survey released by the Canadian Alliance Against Software Theft (CAAST) found that Canadian employees are increasing the risk of software piracy on workplace computer systems. One in ten employees admitted to installing software from outside sources without the knowledge of their IT department. Unlicensed software – whether illegally copied, purchased or downloaded – poses serious consequences to companies, including legal liability, security risks and viruses. Read the Executive Summary at:

www.caast.org/resources/executive_summary.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/capa/E_09_2005_004.pdf

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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

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

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 organization. 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

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LEGAL MATTERS



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

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 and the effects on corporations, go to:

www.fasken.com/LRA_changes

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Directors Source Online Service So You Want to be a Director?

A directorship is a key opportunity for experienced CAs who want to gain new career experiences or make a significant contribution to corporate governance. The CICA's new online service, Directors Source, is your link to finding positions on the boards of directors of for-profit and not-for-profit organizations.

Take advantage of this opportunity by entering your resumé into the Directors Source 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.

www.directorssource.com

The Enthusiastic Employee How Companies Profit by Giving Workers What They Want

By David Sirota, Louis A. Mischkind, Michael Irwin Meltzer
Publisher: Wharton School Publishing

Enthusiastic employees far out-produce and outperform the average workforce. Drawing on never-before-published case studies and more than 30 years of employee attitude research, Sirota and his colleagues detail exactly how to create an environment where enthusiasm flourishes and organizations excel.

Managing Your Firm's Quality Control Systems Quality Assurance Manual

The CICA's *Quality Assurance Manual* (QAM) is a complete package for developing and implementing an effective quality control system for your practice, including:

- Five comprehensive chapters of detailed guidance on the major elements of the new quality control standards;
- Four complete sample quality control manuals, each designed to meet the specific needs of the most common types of practices;
- Sample engagement letters for an external monitor and file quality reviewer and other sample letters, forms and worksheets; and
- Word templates you can use to customize the appropriate policies and sample engagement letters to meet your firm's specific needs.

www.knotia.ca/store/QAM07

2,600 Phrases for Effective Performance Reviews

By Paul Falcone
Publisher: Amacom

This handy guide provides ready-to-use phrases and words, action items, and descriptions to use when evaluating performance, preparing development plans and addressing performance problems. The book covers the 25 most commonly rated factors, such as productivity, time management, decision-making and teamwork.

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Advanced Tax Issues for the Owner-Managed Business

November 5-9, 2005 – Niagara-on-the-Lake, Ontario

Completely redesigned, The *Advanced Tax Issues for the Owner-Managed Business* course can help you acquire innovative and elegant solutions to the most intricate financial situations that confront the business owner today. The course examines:

- Owner-manager remuneration;
- Business succession planning;
- Postmortem tax planning for private company shares; and
- Recent developments in the taxation of owner-managed businesses.

Applicants should have completed the CICA In-depth Tax Course (or equivalent), and have several years of post in-depth tax experience.

www.cica.ca/index.cfm/ci_id/1135/la_id/1.htm

The 2005 Continuing Education Catalogue

To download the CICA's *2005 Continuing Education Catalogue* or to have a copy mailed to you, go to:

www.cica.ca/index.cfm/ci_id/645/la_id/1.htm

CA Practice Advantage Online Archives

Need to refer to a source cited in a previous issue of *CA Practice Advantage* (CAPA) that could help you today? Bookmark this link to the CAPA archive site to access PDFs of our past issues.

www.cica.ca/index.cfm/ci_id/25538/la_id/1.htm

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