

Dear Subscriber:

Sponsored by:

Welcome to the May 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](mailto:capa@cica.ca). To view our privacy policy, go to [www.cica.ca](http://www.cica.ca).

---

## In this Issue

If you are experiencing difficulty with the links, please [click here](#) to access the online version of *CA Practice Advantage*.

### Trends and Views

- [Building a Continuity Plan](#)
- [Accountability, Responsibility and Transparency](#)
- [Is Your Practice Ready to Compete?](#)

### Standards and Regulations

- [Centre for Enhanced Corporate Reporting](#)
- [ISA-Canadian GAAS Comparison](#)
- [Reporting on Internal Control over Financial Reporting](#)

### For Your Clients

- [Apprenticeship Makes Good Business Sense](#)
- [Managing a Family-Owned Business](#)
- [Preventing Theft](#)
- [Renovation Tips that Pay Off](#)

### Fraud

- [Is that \\$10 Bill Real or Counterfeit?](#)
- [Safeguarding your Money](#)

### Technology Matters

- [Offshoring of Knowledge Work](#)
- [Cyber Attacks More Targeted](#)
- [EU XBRL Outpacing U.S. XBRL](#)

### Marketing Your Services

- [Debriefings Boost Future Success](#)

### Human Resources

- [Today's Accounting Graduates Better Prepared](#)
- [Meeting the Needs of an Older Workforce](#)
- [Helping Employees Feel Valued](#)

### Legal Matters

- [Proposed Amendments to BIA and ITA Impact RRSP Planning](#)

### Professional Resources

- [Building the Best](#)
- [Leading Leaders](#)
- [Managing Your E-mail](#)
- [Canadian Charities Directorate](#)
- [E-commerce Security and Privacy Guide](#)
- [Service Canada](#)
- [New CICA Member Benefit](#)

### Continuing Education

- [How to Build a Thriving Family Business Practice](#)
- [National IT Conference and Showcase for Accountants](#)
- [CICA Part III Tax Course](#)

### 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. Is hiring and retaining professional staff a pressing issue for your firm?\***

- I'm a sole practitioner with no staff.
- We have had no problems finding or retaining the professional staff we want.
- Finding professional staff is easy, but retaining them has been a challenge.
- Retaining professional staff is easy, but finding them is a challenge.
- Finding and retaining professional staff are both a challenge for our firm.

**2. How many people (staff and owners) work for your firm?\***

- |  |                                     |
|--|-------------------------------------|
| <input type="checkbox"/> Sole practitioner with no staff | <input type="checkbox"/> 2-3 people |
| <input type="checkbox"/> 4-9                             | <input type="checkbox"/> 10-25      |
| <input type="checkbox"/> 26-99                           | <input type="checkbox"/> 100-249    |
| <input type="checkbox"/> 250 or more                     |                                     |

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 on vacation days.

## Building a Continuity Plan

A business continuity plan must involve not only the providers or the organization's information technology services but also the business areas using those services, and senior management responsible for the life and health of the organization. KPMG's survey of 254 senior executives shows that awareness of the need for effective business continuity planning is well entrenched in Canadian companies. Read the highlights of the survey at:

[www.kpmg.ca/en/services/advisory/err/documents/BusinessContinuity.pdf](http://www.kpmg.ca/en/services/advisory/err/documents/BusinessContinuity.pdf)

## Accountability, Responsibility and Transparency

As demand grows for higher standards of corporate social responsibility, companies are being judged not only on the financial performance of their organizations, but also on whether they are good corporate citizens. And at the heart of corporate citizenship is organizational ethics.

EthicsCentre CA is a registered charity governed by volunteers and supported by organizations and individuals who share a commitment to ethical values. For events, articles, speeches and other timely management resources, visit their website at:

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

## Is Your Practice Ready to Compete?

How well is your firm doing in today's competitive market? The *Grant Thornton Professional Services Insights 2005* report found that although optimism is high for continued growth, staying competitive will depend on overcoming a shrinking skilled work force, adapting to growing customer expectations, and fully leveraging the knowledge and expertise your firm and employees possess.

Some interesting findings from the respondents include:

- 42% report that difficulty in finding skilled employees constrains business growth
- 78% expect revenues to increase in 2006
- 40% think they can do better at earning sufficient profit margins on their billings
- 38% are using an extranet to improve client relationships and store knowledge.

See *Professional Services Sector Facing Business Challenges in 2006: Human resources, increased competition and client demands present obstacles* at:

[www.grantthornton.ca/media/mr\\_template.asp?MRID=78](http://www.grantthornton.ca/media/mr_template.asp?MRID=78)

---

[Return to top](#)

## STANDARDS AND REGULATIONS

### Centre for Enhanced Corporate Reporting

The Centre for Enhanced Corporate Reporting (CECR) is a new research centre, founded in mid-2005 under the joint sponsorship of the University of Alberta's School of Business and the Canadian Institute of Chartered Accountants. Its scope is broad, viewing "enhanced reporting" as any reporting, qualitative or quantitative, financial or non-financial, that goes beyond that currently mandated for the formal financial statements, and "corporate" as businesses but also other entities reporting to the public.

[www.bus.ualberta.ca/cecr](http://www.bus.ualberta.ca/cecr)

#### Regulation and Enhanced Corporate Reporting

The CECR is calling for research and papers for a conference to be held in the spring of 2007. The conference, entitled *Enhanced Corporate Reporting in the Presence of Regulation*, will examine the interaction between regulation and enhanced reporting value.

For further information, see:

[www.cica.ca/multimedia/Download\\_Library/Research\\_Guidance/Academic\\_Research/CECR\\_call\\_for\\_research\\_March\\_2006.pdf](http://www.cica.ca/multimedia/Download_Library/Research_Guidance/Academic_Research/CECR_call_for_research_March_2006.pdf)

### ISA-Canadian GAAS Comparison

The Auditing and Assurance Standards Board (AASB) has approved a strategic plan to move to international auditing standards. Auditing and Assurance Standards staff have prepared a useful overview of the differences between Canadian generally accepted auditing standards (GAAS) and the ISAs. This comparison focuses primarily on differences in respective requirements.

[www.cica.ca/multimedia/Download\\_Library/Standards/ASB/English/e\\_ISAGAASComparisonApr06.pdf](http://www.cica.ca/multimedia/Download_Library/Standards/ASB/English/e_ISAGAASComparisonApr06.pdf)

---

## Reporting on Internal Control over Financial Reporting

The AASB agreed to revise the Draft "An Audit of Internal Control over Financial Reporting," to reflect the requirements of the Canadian Securities Administrators' Proposed Multilateral Instrument 52-111 and Companion Policy 52-111CP. For details, see:

[www.cica.ca/index.cfm/ci\\_id/17044/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/17044/la_id/1.htm)

---

[Return to top](#)

### FOR YOUR CLIENTS



## Apprenticeship Makes Good Business Sense

Training, talent, profit – an apprenticeship program is an investment in a company's future. As an added incentive, the recent Federal Budget proposed to introduce an Apprenticeship Job Creation tax credit for salaries paid to qualifying apprentices. Some provinces also have similar apprenticeship tax credits in place.

The 13-page *Employer Toolkit* provides step-by-step guidance for businesses who are considering making apprenticeship a key part of their human resource planning. To download a copy, go to:

[www.careersintrades.ca/resources/pdf/EmployerToolkitENG.pdf](http://www.careersintrades.ca/resources/pdf/EmployerToolkitENG.pdf)

### The Canadian Apprenticeship Forum

The website of the Canadian Apprenticeship Forum (CAF) provides a comprehensive inventory of information on apprenticeship training across Canada. Employers who are hiring apprentices and managing their on-the-job experience can find resources specific to a trade and province/territory at:

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

---

## Managing a Family-Owned Business

When close relatives work together, emotions often interfere with business decisions. Challenges can arise in matters such as the control of daily operations, a high turnover rate among non-family members or relatives who oppose ploughing profits back into the business. The Canada-Ontario Business Service Centre offers practical guidance and techniques for managing the family-owned business effectively and profitably at:

[www.cbsc.org/servlet/ContentServer?pagename=CBSC\\_ON%2Fdisplay&lang=en&cid=1081945276597&c=GuideFactSheet](http://www.cbsc.org/servlet/ContentServer?pagename=CBSC_ON%2Fdisplay&lang=en&cid=1081945276597&c=GuideFactSheet)

---

## Preventing Theft

A small business can lose a great deal of money from theft. Even though you cannot eliminate this risk entirely, you can take positive steps to keep it to a minimum. For practical steps for minimizing the risks of employee embezzlement and pilferage, shoplifting, burglary and robbery, see *Preventing Theft* at:

[www.cbsc.org/servlet/ContentServer?pagename=CBSC\\_AB/display&c=GuideFactSheet&cid=1081945276519&lang=en](http://www.cbsc.org/servlet/ContentServer?pagename=CBSC_AB/display&c=GuideFactSheet&cid=1081945276519&lang=en)

---

## Renovation Tips that Pay Off

Raise the topic of home renovations and you'll likely hear some "if only I knew" stories. Whether you're thinking about finishing a basement or adding another floor, Scotiabank offers tips that will help ensure your home renovation project is a good investment.

[www.cica.ca/html/capa/E\\_05\\_2006\\_001.pdf](http://www.cica.ca/html/capa/E_05_2006_001.pdf)

[Return to top](#)

### FRAUD

## Is that \$10 Bill Real or Counterfeit?

How do you know if a bill is genuine? Counterfeiting in Canada includes not only the manufacture of false bank notes, but also forged credit cards, traveller's cheques, passports, and various identity documents. For tips on security features on banknotes and other preventative measures against counterfeit transactions, visit:

[www.rcmp.ca/scams/counter2\\_e.htm](http://www.rcmp.ca/scams/counter2_e.htm)

## Safeguarding your Money

*Safeguarding Your Money*, a publication of the Canadian Bankers Association, provides helpful tips on protecting your money, credit and debit cards against fraud and misuse, staying safe online and protecting yourself against identity theft. To download the free guide, go to:

[www.cba.ca/en/viewPub.asp?fl=6&sl=23&docid=31&pg=1](http://www.cba.ca/en/viewPub.asp?fl=6&sl=23&docid=31&pg=1)

[Return to top](#)

### TECHNOLOGY MATTERS

## Offshoring of Knowledge Work

According to *A Fine Balance: The Buying and Selling of Canada*, a report released by PricewaterhouseCoopers (PwC) in association with independent analyst David Ticoll, Canada trails its competitors in the offshoring of knowledge work. Canada needs to identify the occupations where we can compete and win – and support these jobs with technology investments and business innovations. At the same time, we need to be open to the movement of other knowledge jobs to lower cost geographies.

[www.pwcglobal.com/extweb/pwcpublications.nsf/docid/A5E4CF5BEE78A572852570CA00178F7C](http://www.pwcglobal.com/extweb/pwcpublications.nsf/docid/A5E4CF5BEE78A572852570CA00178F7C)

### The Impact of Offshoring IT Services

The 2005 study builds on the 2004 study titled *A Fine Balance: The Impact of Offshore IT Services on Canada's IT Landscape*, which predicted the migration of 75,000 IT jobs as well as an equal number of non-IT jobs by 2010. See the Executive Summary at:

[www.pwcglobal.com/extweb/pwcpublications.nsf/docid/35148AD1425A581B852570CA00178BF6](http://www.pwcglobal.com/extweb/pwcpublications.nsf/docid/35148AD1425A581B852570CA00178BF6)

## Cyber Attacks More Targeted

IBM's 2005 Global Business Security Index Report anticipates a fundamental shift in cybercrime from pervasive global outbreaks to smaller, stealthier attacks targeted at specific organizations for extortion purposes. An equally alarming trend is that criminal groups possessing technical sophistication are replacing the lone hackers. Read the article *Surge in Criminal-driven Cyber Attacks* at:

[www-03.ibm.com/press/us/en/pressrelease/19141.wss](http://www-03.ibm.com/press/us/en/pressrelease/19141.wss)

### Costs of Cybercrime

The costs of cybercrime include lost revenue, loss of current and prospective customers and loss of employee productivity. U.S. businesses are making it very clear how seriously they take cybercrime threat, both from internal and external sources. And this is a battle they cannot fight wholly on their own.

See the article *U.S. Businesses: Cost of Cybercrime Overtakes Physical Crime* at:

[www-03.ibm.com/press/us/en/pressrelease/19367.wss](http://www-03.ibm.com/press/us/en/pressrelease/19367.wss)

---

## EU XBRL Outpacing U.S. XBRL

In the future, companies that want their financial statements to be more accessible to investors and analysts will have another reason, apart from Sarbanes-Oxley, to offer their securities in the EU and to report their financial results in IFRS. Read the article *XBRL: Give Them the Tools and They Will Finish the Job* at:

[http://us1.institutionalriskanalytics.com/www/WWS\\_XBRL.asp](http://us1.institutionalriskanalytics.com/www/WWS_XBRL.asp)

[Return to top](#)

---

## MARKETING YOUR SERVICES



### Debriefings Boost Future Success

A debriefing interview is an important opportunity for talking privately with a client or prospect to determine where your firm needs to make improvements to its service approach or proposal process. Regardless of whether you had won or lost the engagement, everybody benefits from the follow-up — your clients will be happy with the service improvements and your success rate will increase. Read Bob Stewart's article *Win or Lose — Debriefing is Key to Future Success* at:

[www.cica.ca/html/capa/E\\_05\\_2006\\_002.pdf](http://www.cica.ca/html/capa/E_05_2006_002.pdf)

[Return to top](#)

---



### Today's Accounting Graduates Better Prepared

The academic world is doing its part to groom future professionals for the new business environment, according to a recent survey by Accountemps. Seventy-one percent of chief financial officers (CFOs) polled said today's accounting graduates are equally or more prepared for their careers compared to those entering the field 10 years ago. Read *Ready for the Real World* at:

[www.nextgenaccountant.com/press\\_release2.html](http://www.nextgenaccountant.com/press_release2.html)

---

### Meeting the Needs of an Older Workforce

There has been a quiet but steady increase in the labour force participation rate for older Canadian workers over the past decade. With an older workforce, we should expect growing pressure for changes in the nature of employment, compensation and benefits to satisfy their particular needs. Read the article *Grandma and Grandpa Go to Work* at:

[www.conferenceboard.ca/economics/gg-inside.htm](http://www.conferenceboard.ca/economics/gg-inside.htm)

---

### Helping Employees Feel Valued

What can managers do? A study conducted by Maritz Research show there is a significant gap between how employees are currently recognized in the workplace and how they actually want to be recognized. Employee recognition programs can not only reduce employee turnover but can also help an organization attract a more talented, productive pool of workers.

Read the article at:

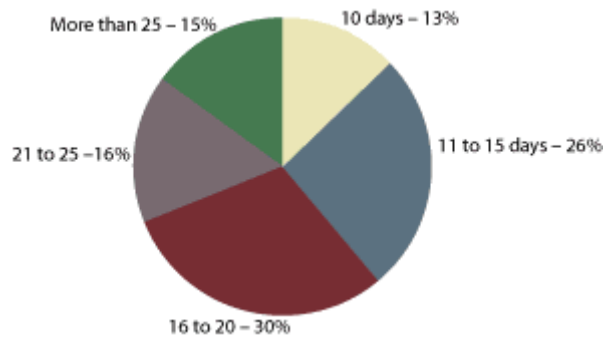
[www.maritzresearch.com/release.asp?rc=291&p=1&T=P](http://www.maritzresearch.com/release.asp?rc=291&p=1&T=P)

---

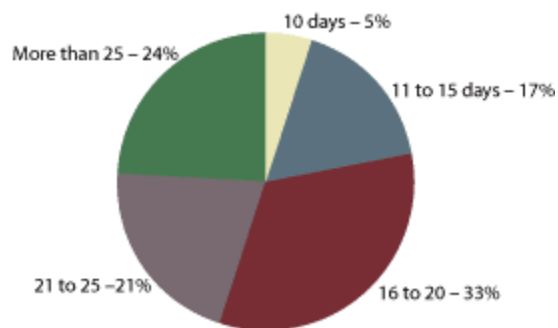
## Response to Readers' Poll in Last Issue

### 1. How many days of vacation did you take last year?

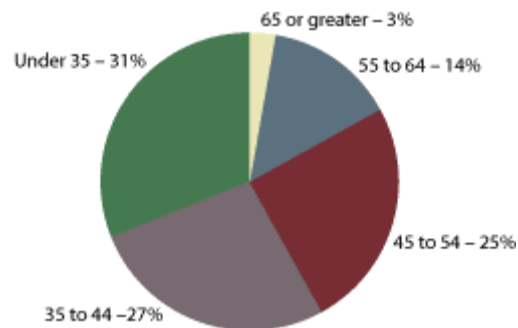
Readers responded as follows:



### 2. How many days of vacation were you entitled to take last year?



### 3. What is your age group?



---

[Return to top](#)

## LEGAL MATTERS

### Proposed Amendments to BIA and ITA Impact RRSP Planning

Proposed amendments to the *Bankruptcy and Insolvency Act* (BIA) and the *Income Tax Act* (ITA) will have an impact on certain aspects of planning for RRSPs. Fasken Martineau's latest Estate Planning Bulletin discusses the protection afforded to RRSPs from the claims of creditors and the deferral opportunities available when RRSPs are directed to be left to a mentally or physically disabled dependant. See *Planning for Registered Retirement Savings Plans* at:

[www.fasken.com/EstatePlanningBulletin\\_Mar06](http://www.fasken.com/EstatePlanningBulletin_Mar06)

---

[Return to top](#)

### Building the Best: Lessons from Inside Canada's Best Managed Companies

By Anthony Grnak, John Hughes, Douglas Hunter

Publisher: Penguin Group (Canada)

Deloitte partners Anthony Grnak and John Hughes, and award-winning writer Douglas Hunter chose 10 exceptional businesses that exemplify success from among the more than 500 winners of Canada's 50 Best Managed Companies program, one of this country's most prestigious business awards. With perspective provided by Deloitte and commentary from top-ranked Queen's School of Business, *Building the Best* provides practical insight into achieving business excellence through anecdote, industry-specific analysis as well as candid and revealing interviews with founders, owners and senior executives.

[Click here for more information.](#)

---

### Leading Leaders

*How to Manage Smart, Talented, Rich, and Powerful People*

By Jeswald W. Salacuse

Publisher: Amacom

The potential contributions of the talented and powerful that work in and around any organization are vital, but the likelihood of friction is also high if you don't manage relationships carefully. How do you leverage the assets of these elites while making sure that egos remain unbruised? *Leading Leaders* breaks the challenge down into the Seven Daily Tasks of Leadership for establishing leadership roles based on a shared, vested interest in the organization's goals.

[Click here for more information.](#)

---

### Managing Your E-mail: Thinking Outside the Box

By Christina Cavanagh

Publisher: John Wiley & Sons, Inc.

E-mail is one of the best things to happen to business communication since the telephone. But inbox overload, spam, and other common hazards have made it the bane of many people's workday. Based on the author's extensive studies of e-mail and its discontents, *Managing Your E-mail* can help users and organizations recognize e-mail traps, avoid e-mail's perils, and take full advantage of its potential.

[Click here for more information.](#)

---

### Online Resources

#### Canadian Charities Directorate

The Canadian Charities Directorate has enhanced its website to provide four listings:

- Canadian registered charities
- Newly registered charities
- Recently revoked charities
- Recent annulments.

The lists are updated daily. User-friendly enhancements allow you to search by charities listing, name, business/registration number or other fields by entering information or using drop-down menus.

[www.cra-arc.gc.ca/tax/charities/online\\_listings/charity\\_listings-e.html](http://www.cra-arc.gc.ca/tax/charities/online_listings/charity_listings-e.html)

---

## Online Resources

### E-commerce Security and Privacy Guide

The *Online E-commerce Security and Privacy Guide*, available at Industry Canada's website, provides useful information for conducting risk assessments into important and topical areas – security and privacy. We are pleased to note that the Guide includes links to CICA privacy resources such as the Privacy Compliance Guide noted below.

[http://privacyguide.cebi.ca/electronique\\_ecommerce/securite\\_security/default\\_e.asp](http://privacyguide.cebi.ca/electronique_ecommerce/securite_security/default_e.asp)

#### Privacy Compliance: A Guide for Organizations & Assurance Practitioners

This 80-page guide defines "privacy", summarizes the requirements of the PIPEDA legislation, and identifies issues to consider in developing, implementing, and monitoring an organization's privacy program. For accounting firms and businesses in general, the guide provides advice on developing, implementing, and monitoring their privacy policies and procedures. It also includes a privacy readiness assessment checklist. To download the guide for free, go to:

[www.cica.ca/index.cfm/ci\\_id/1009/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/1009/la_id/1.htm)

---

## Online Resources

### Service Canada

Service Canada brings together 320 points of service across the country to provide a knowledgeable first point of contact for the Government of Canada and support one-stop service delivery.

[www.servicecanada.gc.ca](http://www.servicecanada.gc.ca)

#### New CICA Member Benefit

Take advantage of a new exclusive agreement with Starwood Hotels & Resorts Worldwide. As a CICA member, you are entitled to complimentary membership in the Corporate Preferred level of Starwood Preferred Guest® (SPG) and the best rates on hotel stays at Sheraton, Westin, W and other hotels in the Starwood Family. Enroll for free at:

[www.cica.ca/starwood](http://www.cica.ca/starwood)

[Return to top](#)

---

## CONTINUING EDUCATION



### How to Build a Thriving Family Business Practice

*Presented in cooperation with the SuccessCare® Program*

June 5-8, Blue Mountain Resort and Conference Centre, Collingwood, ON

Designed exclusively for advisors to family-owned businesses, this all new, four-day in-residence course will help you:

- Develop a proven multi-disciplinary approach to advising your family business clients and enhance your role as your clients' most trusted advisor;
- Gain a deeper understanding of how different perspectives impact decision-making; and
- Learn how to leverage that knowledge and your technical competence as a CA to develop profitable services and deliver valuable solutions.

[www.cica.ca/index.cfm/ci\\_id/29354/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/29354/la_id/1.htm)

---

## National IT Conference and Showcase for Accountants

June 12-13, Toronto Hilton Hotel, Toronto

This all new conference features a productive mix of keynote addresses, case studies delivered by users, independent analysis, and informative vendor panels. The Showcase will bring together the most important IT vendors, solution providers and suppliers, with IT decision makers in industry and government, and practicing CAs – the de facto IT decision makers for thousands of small and medium-sized businesses across Canada.

[www.cica.ca/index.cfm/ci\\_id/29356/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/29356/la_id/1.htm)

---

## CICA Part III Tax Course

July 22-26, Westin Whistler Resort, Whistler, BC  
August 26-30, Blue Mountain Resort, Collingwood, ON

A five-day, in-residence tax course that provides a natural next step in training for professionals working full time in tax who have completed Parts I and II of the *CICA In-depth Tax Course*. Some areas of study include: Stop Loss Rules, Paid-up Capital and Internal Reorganizations, Section 55 - Butterfly Reorganizations, Foreign Affiliates, Reorganization of Foreign Affiliates, and Treaty Interpretation.

[www.cica.ca/index.cfm/ci\\_id/1134/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/1134/la_id/1.htm)

---

## Continuing Education 2006 Conferences and Courses

The Continuing Education 2006 Conferences and Courses listing is available online. To download a copy, or to have a copy mailed to you, click below:

[www.cica.ca/index.cfm/ci\\_id/645/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/645/la_id/1.htm)

---

### *CA Practice Advantage* Online Archive

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

[www.cica.ca/index.cfm/ci\\_id/25538/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/25538/la_id/1.htm)

---

[Return to top](#)

---

We value your feedback. Please send your comments or suggestions for future issues to [capa@cica.ca](mailto:capa@cica.ca)

*CA Practice Advantage* is a quarterly e-newsletter published by the Canadian Institute of Chartered Accountants (CICA) for CAs in public practice. The information contained in this e-newsletter is for information purposes only and is not necessarily endorsed by the CICA.

If you no longer wish to receive this newsletter, or have received it in error, please [click here](#).



The Canadian Institute of Chartered Accountants  
277 Wellington Street West  
Toronto, Ontario M5V 3H2, Canada  
Tel. 416-977-3222  
Fax: 416-204-3414

#### Publishers

Bryan Walker, CA and Karen Duggan, CA,  
Principals, Assurance Services

#### Editor

Kathleen Aldridge, B.A., Dip. Ed.

#### Designer

Megan Kennedy