



# CA Practice Advantage



**CA Practice Advantage is a quarterly e-newsletter for members in public practice**

Volume 3, Issue 2  
June 2007

[Subscribe/Unsubscribe](#)

[Forward to a Colleague](#)

Sponsored by:

Dear Subscriber:

Welcome to the June 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

- [Tax Season Stress-O-Meter](#)
- [Measuring Corporate Performance](#)
- [E-Commerce Continues to Gain Momentum](#)

## Standards and Regulations

- [Web Presentation on IFRS Convergence Strategy](#)
- [New AcSB Proposals Issued on Employee Future Benefits](#)
- [Survey of Reported Canadian/US GAAP Differences](#)
- [Going Concern - New GAAP Requirements](#)
- [New Financial Instrument and Capital Disclosure Requirements](#)

## Technology Matters

- [Watch your E-mail Ps & Qs](#)
- [RFIDs on Privacy Radar](#)

## Fraud

- [Management's Accountability for Employee Fraud](#)
- [Heads Up!](#)

## For Your Clients

- [Keeping the Family Cottage in the Family](#)
- [Preparing for a Corporate Crisis](#)
- [Accepting a Position as Director or Trustee of a Charity](#)

## Marketing Your Services

- [Developing New Business](#)

## Human Resources

- [Employees Want More Family Time](#)
- [What Makes a Good Interview?](#)
- [Motivating the Unmotivated](#)

## Legal Matters

- [Disclosure of Executive Compensation](#)

## Professional Resources

- [More Than a Numbers Game](#)
- [Wireless Networking Visual Quick Tips](#)
- [CRA Electronic Services for Businesses](#)
- [Registered Charities](#)
- [Complying with Canadian Competition Laws](#)
- [Guidelines for Dealing with Certification of Internal Controls](#)
- [Managing the Return to Work](#)

## Continuing Education

- [National Conference for SME Advisors](#)
- [CICA Part 3 Tax Course](#)
- [Financial Reporting and Accounting Conference](#)
- [CICA In-depth GAAP Course](#)
- [Commodity Tax Symposium](#)
- [Public Sector Financial Reporting Conference](#)

## 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. To what extent is finding clients a challenge for your firm?\*

We are turning away clients because we can't keep up with the workload.

We are too busy to look for clients but finding new clients has never been a problem.

We are not as busy as we could be but haven't found new clients to fill our workloads.

Business is slow and finding new clients is a struggle.

Business is very slow and finding new clients is a major challenge for us.

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

1 (sole practitioner with no staff)

2-3 people

4-9

10-25

26-99

100-249

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 hiring and retaining professional staff.

---

## Tax Season Stress-O-Meter

Just because you're one of the best accountants in the business doesn't mean you don't lose sleep at night. Leaders, it seems, are about 20 per cent more likely than laggards to report the highest stress levels during the busy tax season.

Take a look at some of the data the AICPA is examining from its *Tax Season 2007* survey and then participate in *Busy Season 2007: Get the Lessons* online survey. Post your experiences and see the consolidated results from your colleagues.

[www.cica.ca/index.cfm/ci\\_id/38125/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/38125/la_id/1.htm)

---

## Measuring Corporate Performance

Business leaders have long understood that what you measure is what you get. But are cash flow, sales and earnings the true determinants of corporate performance? According to the Deloitte Touche Tohmatsu survey, *"In the Dark II"*, many board members and senior executives are still in the dark about the overall health of their organizations because they lack the high-quality non-financial data that they need to act upon.

Read the press release at:

[www.deloitte.com/dtt/press\\_release/0,1014,sid%253D1018%2526cid%253D152061,00.html](http://www.deloitte.com/dtt/press_release/0,1014,sid%253D1018%2526cid%253D152061,00.html)

To access the full report, go to:

[www.deloitte.com/dtt/cda/doc/content/dtt\\_Audit\\_IntheDark033007.pdf](http://www.deloitte.com/dtt/cda/doc/content/dtt_Audit_IntheDark033007.pdf)

---

## E-commerce Continues to Gain Momentum

Online sales recorded their fifth consecutive year of double-digit growth in 2006 as e-commerce gained momentum among Canadian retailers. While retail trade was one of the fastest growing sectors, the vast majority of online sales still occur between firms as part of business-to-business sales.

Statistics Canada's *2006 Survey of Electronic Commerce and Technology* included the entire economy and about 19,000 enterprises. Read the highlights at:

[www.statcan.ca/Daily/English/070420/d070420b.htm](http://www.statcan.ca/Daily/English/070420/d070420b.htm)

---

---

## STANDARDS AND REGULATIONS



### Web Presentation on IFRS Convergence Strategy

For a broad overview of matters to be aware of leading up to Canada's convergence with International Financial Reporting Standards for publicly accountable enterprises, see the web presentation at:

[www.knotia.ca/Courses/MainMenu.cfm?courseID=17&expandModule=0](http://www.knotia.ca/Courses/MainMenu.cfm?courseID=17&expandModule=0)

---

### New AcSB Proposals Issued on Employee Future Benefits

The Accounting Standards Board (AcSB) has issued an Exposure Draft, *Employee Future Benefits (Amendments to Section 3461)*, to recognize the funded status (difference between the fair value of plan assets and the accrued benefit obligation) of an entity's defined benefit plans in the balance sheet. The comment period ends on June 30, 2007.

For the invitation to comment, including the accompanying Background Information and Basis for Conclusions document, please visit:

[www.acsbcanada.org/index.cfm/ci\\_id/11252/la\\_id/1.htm](http://www.acsbcanada.org/index.cfm/ci_id/11252/la_id/1.htm)

For the web-based presentation highlighting the requirements in the proposals, please visit:

[www.knotia.ca/Courses/MainMenu.cfm?courseID=17&expandModule=0](http://www.knotia.ca/Courses/MainMenu.cfm?courseID=17&expandModule=0)

---

### Survey of Reported Canadian/US GAAP Differences

AcSB staff have prepared a summary of its survey of Canadian/US GAAP differences reported by Canadian companies for fiscal years ending in 2005.

[www.cica.ca/index.cfm/ci\\_id/37121/la\\_id/1/document/1/re\\_id/0](http://www.cica.ca/index.cfm/ci_id/37121/la_id/1/document/1/re_id/0)

---

## Going Concern – New GAAP Requirements

In April 2007, the AcSB amended Section 1400 – General standards of Financial Statement Presentation to incorporate new requirements, including that:

- Management assesses an entity's ability to continue as a going concern.
- Assessment takes into account all available information about the future, which is at least, but is not limited to, twelve months from the balance sheet date.
- Disclosures are made when material uncertainties related to events or conditions may cast significant doubt upon the entity's ability to continue as a going concern.

Consistent with the AcSB's strategic plan to converge with International Financial Reporting Standards for publicly accountable enterprises, these requirements are converged with the International Financial Reporting Standard IAS 1, *Financial Statement Presentation*. The requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

For more information, visit:

[www.cica.ca/index.cfm/ci\\_id/24734/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/24734/la_id/1.htm)

---

## New Financial Instrument and Capital Disclosure Requirements

In December 2006, the AcSB issued new financial instrument disclosure requirements that improve upon, and, until their effective date, may be used voluntarily in place of, those in Section 3861, *Financial Instruments – Disclosure and Presentation*. It also issued requirements for disclosures about an entity's capital that apply to all entities, regardless of whether they have financial instruments. Sections 3862, *Financial Instruments – Disclosures*, and 1535, *Capital Disclosures* converge with requirements issued earlier by the International Accounting Standards Board (IASB) the IASB and apply to fiscal periods beginning on or after October 1, 2007.

For background information and an overview of the new requirements, go to:

[www.cica.ca/index.cfm/ci\\_id/30364/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/30364/la_id/1.htm)

---

[Return to top](#)



## Watch your E-mail Ps & Qs

Is it OK to check e-mail during meetings? A recent survey shows the verdict is still out, although many professionals are doing it. Eighty-six percent of senior executives polled said it is common for professionals they work with to read and respond to e-mail messages during meetings. However, close to one-third of this group disapprove of the practice.

Read the highlights of the Robert Half survey and helpful tips for using mobile devices during meetings at:

[tinyurl.com/32tmjy](http://tinyurl.com/32tmjy)

---

## RFIDs on Privacy Radar

Both the Privacy Commissioner of Canada and the Ontario Information and Privacy Commissioner have expressed their reservations about the explosion in the use of RFIDs (Radio Frequency Identification) technology and its potential impacts on personal privacy. For details, read the article at:

[www.cica.ca/index.cfm/ci\\_id/38127/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/38127/la_id/1.htm)

---

[Return to top](#)

---

## FRAUD



## Management's Accountability for Employee Fraud

A recent judgment of the Ontario Superior Court found that a lack of internal controls made a company an easy target for a fraud perpetrated by one of its most trusted employees. The court found that the company was 50 per cent responsible for its own losses and reduced its award accordingly.

Find out about the "organizational failings" that led to this finding in the article *Court Penalizes Small Business for Inadequate Internal Controls* at:

[www.cica.ca/index.cfm/ci\\_id/38126/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/38126/la_id/1.htm)

---

## Heads Up!

Fraud can be perpetrated at any time at any place by the least likely person. It could be a 12-year-old who sets up an eBay account to sell non-existent computer software or a seasoned terrorist looking to fund the purchase of guns with fraud-derived funds. The place can be a local parking lot to a clandestine operation in the middle of Europe or Asia, which makes investigations expensive or impossible due to cross border jurisdictions.

The Edmonton-based Heads Up *Fraud Prevention Association* provides numerous resources designed to increase awareness and decrease victimization, including tip sheets, educational movies (mpeg) and external links for information about the most popular frauds being foisted on the general public today. Consider adding this link on your firm's website:

[www.heads-up.ca/schemes.htm](http://www.heads-up.ca/schemes.htm)

---

[Return to top](#)

---

### FOR YOUR CLIENTS



## Keeping the Family Cottage in the Family

In every family, there will be differences in incomes and wealth among the children. Some kids will be struggling with mortgages and grandchildren's educational costs; some will have a nice nest egg already set aside. How can you deal with these and the many other challenges in planning for the succession of your family cottage? Read Peter Lillico's article for a six-step plan for overcoming the hurdles.

[www.cica.ca/index.cfm/ci\\_id/38123/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/38123/la_id/1.htm)

---

## Preparing for a Corporate Crisis

According to the BDO Dunwoody/COMPAS Report Report, *Corporate Crisis Predictions for 2007*, companies need to invest more in preparing themselves for dealing with the fall-out of bad products, bad public relations or fraud – three of the most likely crises facing companies in 2007.

[www.compas.ca/data/070102-CorporateCrisisPredictionsFor2007-CB.pdf](http://www.compas.ca/data/070102-CorporateCrisisPredictionsFor2007-CB.pdf)

---

## Accepting a Position as Director or Trustee of a Charity

Being invited to serve as a director or a trustee of a charity can be a prestigious honour, but it is a role that carries significant responsibilities. Like any other director of a publicly accountable organization, you may be exposed to personal liability if you are found to have failed to perform your duties appropriately. This article discusses some of the many matters you need to consider before accepting a position as a director or trustee of a charity.

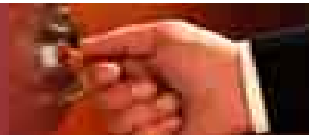
[www.cica.ca/index.cfm/ci\\_id/38122/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/38122/la_id/1.htm)

---

[Return to top](#)

---

### MARKETING YOUR SERVICES



#### Developing New Business

Seminars are one of the most effective marketing tools available to professional services firms. People attend seminars to learn. A firm that can deliver the right message to its audience is likely to be seen as an organization that is credible and knows its business. Read Bob Stewart's article *Seminars that Get Results* for tips on identifying a topic that is of interest to a targeted audience and effectively presenting your material.

[www.cica.ca/index.cfm/ci\\_id/38124/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/38124/la_id/1.htm)

---

[Return to top](#)

---

### HUMAN RESOURCES



*Work/life Balance*

## **Employees Want More Family Time**

The gap between employees' values and their workplace values is a warning sign to employers that they cannot afford to ignore the needs of their employees. When asked about the values most important to Canadians, 54% of Canadians listed family while work was only listed by 10% of Canadians according to a 2007 research report published by Desjardins Financial Security.

Read the article *Survey Shows Workaholic Label is Losing its Luster as Canadians Seek More Time with Family* at:

[www.desjardins.com/en/a\\_propos/salle\\_presse/la\\_une/communiqués/2007042401.jsp](http://www.desjardins.com/en/a_propos/salle_presse/la_une/communiqués/2007042401.jsp)

---

*Tips from the Pros*

## **What Makes a Good Interview?**

The AICPA *Journal of Accounting* canvassed recruiters at some of their nation's largest accounting and executive search firms who interview job applicants for a living. Whether you're hiring a candidate right out of college or from the workforce, their advice on how to prepare for an interview, ask the right questions and assess the responses can help you be a better judge of talent - and improve your odds of winning the recruiting game.

Read the article *"Interviewing Techniques: Tips from the Pros"* at:

[www.aicpa.org/pubs/jofa/aug2006/myers.htm](http://www.aicpa.org/pubs/jofa/aug2006/myers.htm)

---

*Getting More Out of Your Employees*

## **Motivating the Unmotivated**

If you're frustrated in your efforts to elicit the best from your employees, chances are it's not that they can't be motivated, but that you are using the wrong methods to motivate them. The "one-size-fits-all" cookie cutter approach to motivating others won't work. Instead, you must customize your methods to each individual you manage.

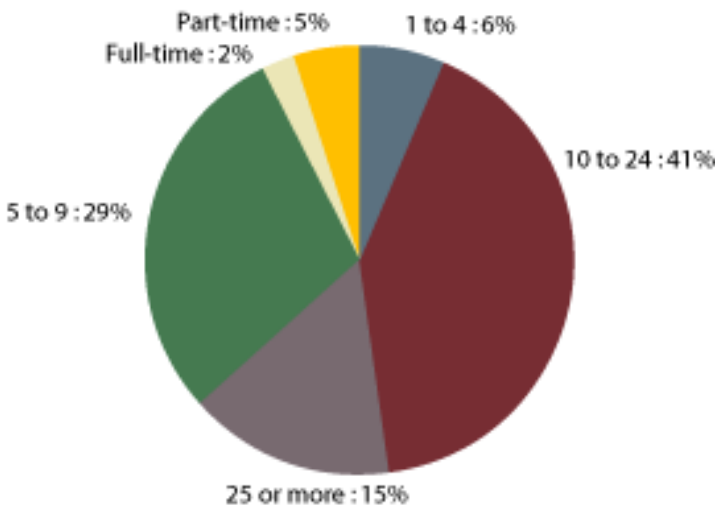
Business consultant Francie Dalton describes the seven classic work styles and the steps you can take to motivate each according to their needs at:

[www.cica.ca/index.cfm/ci\\_id/37740/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/37740/la_id/1.htm)

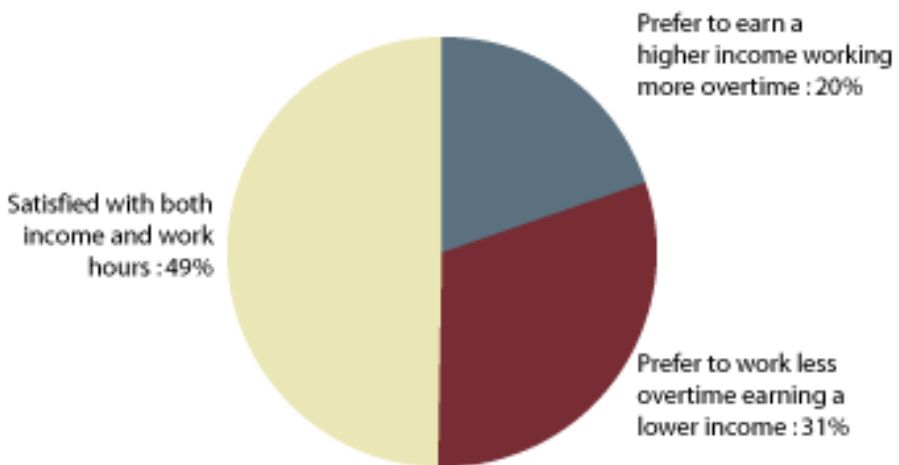
---

# Response to Previous Readers' Poll

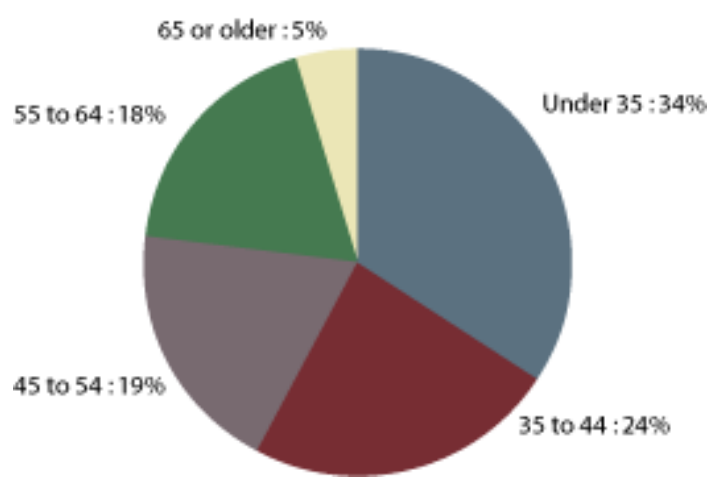
1. On average over a year, how many hours above 35 hours per week do you normally work?



2. Which of the following statements best represents your career goals?



3. What is your age?



## LEGAL MATTERS



### Disclosure of Executive Compensation

On March 30, 2007 the Canadian Securities Administrators ("CSA") proposed substantial amendments to the current regime relating to the disclosure of executive compensation. The proposed amendments seek greater transparency and enhancement of disclosure and to provide greater insight into key aspects of a company's overall stewardship and governance. The interesting change to the disclosure requirements with respect to executive compensation is the proposed adoption of a new compensation discussion and analysis section ("CD&A"), which will be used to explain the rationale for specific compensation programs for executives.

For highlights and a brief discussion of the impact of these amendments, see Fasken Martineau's *Securities Law Update Bulletin* at:

[www.fasken.com/SecuritiesUpdateBulletin\\_April2007](http://www.fasken.com/SecuritiesUpdateBulletin_April2007)

## PROFESSIONAL RESOURCES



### More Than a Numbers Game

A Brief History of Accounting

By Thomas A. King

Publisher: John Wiley & Sons

*More Than a Numbers Game* offers a history of ideas, covering controversial accounting topics that have emerged over the past century and giving context to divisive issues such as taxes, debt, options and earnings volatility. King addresses the why of accounting instead of the how, providing readers with a highly readable history of U.S. corporate accounting.

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

---

# Wireless Networking Visual Quick Tips

By Rob Tidrow

Publisher: John Wiley & Sons

For those who have home offices, *Wireless Networking Visual Quick Tips* offers useful techniques, full-colour screen shots, a task-oriented approach and clear explanations on getting the most from your WiFi. Short and quick steps explain how to set up a wireless network along with brief but important details regarding wireless cards and routers.

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

---

*Online Resources*

## CRA Electronic Services for Businesses

From registering a business to filing a tax return, the CRA website covers it all. See the *Electronic Services for Businesses Seminar for Tax Professionals* for an overview of the electronic services the CRA has available for businesses.

[www.efile.cra.gc.ca/esb01-e.html](http://www.efile.cra.gc.ca/esb01-e.html)

---

*Online Resources*

## Registered Charities

Recent changes to the Income Tax Act directly affect registered charities. For a brief overview of the important changes, see the CRA online publication *Registered Charities: What's New?* at:

[www.cra-arc.gc.ca/E/pub/tg/rc4414/README.html](http://www.cra-arc.gc.ca/E/pub/tg/rc4414/README.html)

---

The CICA's **Registered Charities Guide** provides over 60 pages of discussion in straightforward language that can help your clients more knowledgeably understand registered charities in Canada and the rules that govern them. The Guide also includes a checklist of issues individuals need to consider before accepting an appointment as a director or trustee of a charity. For more information, go to:

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

---

## Online Resources

### Complying with Canadian Competition Laws

Canada's Competition Bureau website provides businesses with the tools and services for complying with Canadian competition laws and meet mandatory requirements for the marketing of consumer products and for merger pre-notification. It also includes a portal designed specifically to provide information relevant to small and medium enterprises (SMEs).

See the Business section of the website at:

[www.competitionbureau.gc.ca/internet/index.cfm?itemID=16&lg=e](http://www.competitionbureau.gc.ca/internet/index.cfm?itemID=16&lg=e)

---

## Online Resources

### Guidelines for Dealing with Certification of Internal Controls

The CEOs of all publicly-traded Canadian companies are required to certify the design of their internal controls over financial reporting (ICFR). Next year, they will be asked to evaluate how well their internal controls are working. However, smaller companies often lack the personnel and financial resources to implement and certify internal controls. To meet this need, the CICA has developed clear, practical guidance to help CEOs and CFOs certify the design of their internal control system and to make the necessary MD&A disclosures.

Download a free copy of *Internal Control: The Next Wave of Certification - Helping Smaller Public Companies with Certification and Disclosure about Internal Control over Financial Reporting* at:

[www.rmgbc.ca/3/3/5/0/5/index1.shtml](http://www.rmgbc.ca/3/3/5/0/5/index1.shtml)

---

## Online Resources

### Managing the Return to Work

Managing the transition back to work after a prolonged employee absence is often a complex responsibility. The CHRC's guidelines explain what you are entitled to as an employer, what your legal obligations are, and what you can expect from employees, unions, and other stakeholders during the return-to-work process.

See the *Step-by-step Guidelines for Managing the Return to Work* at:

[www.chrc-ccdp.ca/publications/GMRW\\_GGRT/page1-en.asp](http://www.chrc-ccdp.ca/publications/GMRW_GGRT/page1-en.asp)

---

---

## CONTINUING EDUCATION



### National Conference for SME Advisors

August 8-10, 2007

Sheraton Fallsview Hotel, Niagara Falls, ON

This conference is a "must attend" for the serious SME advisor. It will help you improve revenue generation, simplify your business, and concentrate on emerging trends and drivers that will increase the value of your product.

[www.cica.ca/1/1/4/5/index1.shtml](http://www.cica.ca/1/1/4/5/index1.shtml)

---

### CICA Part 3 Tax Course

July 21-25, 2007

Westin Whistler Resort, Whistler, BC

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 1 and 2 of the CICA In-depth Tax Course.

[www.cica.ca/1/1/3/4/index1.shtml](http://www.cica.ca/1/1/3/4/index1.shtml)

---

### Financial Reporting and Accounting Conference

September 10-11, 2007

Metro Toronto Convention Centre, Toronto, ON

This conference will provide you with the most up-to-date and extensive review of regulatory developments at the OSC and SEC, and the most recent financial disclosure requirements from the Canadian AcSB, FASB and IASB.

[www.cica.ca/1/1/4/6/index1.shtml](http://www.cica.ca/1/1/4/6/index1.shtml)

---

## CICA In-depth GAAP Course

The in-depth GAAP course is a multi-level program for financial reporting professionals who want an in-depth understanding of advanced topics in Canadian GAAP with comparisons to US GAAP and International Financial Reporting Standards (IFRS). For complete course information, online registration and updates, visit the *CICA In-depth GAAP Course* website.

[www.cpd.cica.ca/GAAP](http://www.cpd.cica.ca/GAAP)

---

## Commodity Tax Symposium

October 1-3, 2007

Westin Ottawa Hotel, Ottawa, ON

This symposium is the annual gathering place for CAs, lawyers, consultants and academics who research and advise in the areas of GST, HST, PST, Customs and Trade, and other indirect taxes.

[www.cica.ca/1/1/2/3/index1.shtml](http://www.cica.ca/1/1/2/3/index1.shtml)

---

## Public Sector Financial Reporting Conference

September 10, 2007

Metro Toronto Convention Centre, Toronto, ON

An important conference for public sector financial statement preparers and auditors looking for the latest authoritative information on recently released PSAB standards as well as standards under development.

[www.cica.ca/3/1/0/1/4/index1.shtml](http://www.cica.ca/3/1/0/1/4/index1.shtml)

---

[Return to top](#)

### ***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](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)



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

*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](#).

**Publishers**

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

**Editor**

Kathleen Aldridge

**Designer**

Megan Kennedy

**Production**

Mark Hinkley

© 2007 CICA