Watch Your Tone
Textual analysis may become a tool for accountants, investors and litigators alike

My CPA Team
Chartered Professional Accountant Ellis Jacob, President & CEO of Cineplex

Full of Holes
Will 3G Capital tear Tims to bits?

A Focus on the Future
Michael Banks FCiPA, FCA
Council Chair CPA Ontario
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COVER STORY

A Focus on the Future
Michael Banks, FCPA, FCA

Michael Banks, FCPA, FCA, is the first Council Chair of CPA Ontario to begin his term as the head of a fully unified organization. A people person, Banks discusses his background and the way forward for CPA Ontario, as Council begins a new focus on strategic direction.

by Perry Jensen

FEATURES

Discussion
Full of Holes
Will 3G Capital tear Tims to bits?
Brazilian private equity firm 3G Capital has engineered the takeover of Canadian icon Tim Hortons. Schulich Professor Alan Middleton discusses the threat to the Tims’ brand.

by Colin Ellis

Analysis
Watch Your (Disclosure) Tone!
Textual analysis may become a tool for accountants, investors and litigators alike. What's the semantic difference between the word achieve and the phrase in line with? The growing academic field of textual analysis is mining meaning in disclosure data.

by Melissa Campeau
When your situation stops being ‘business as usual,’
get a Certified Management Consultant.

Learn more about the designation conferred by the Institutes of the Canadian Association of Management Consultants,
or find a Certified Management Consultant at CMC DESIGNATION.COM
What’s the biggest business story of the fall? Without question, it’s Burger King’s takeover of Tim Hortons, a deal that has as much to do with accounting as it does with selling coffee and doughnuts.

So much ink was spilt, like sour milk, on the takeover that a fresh angle seemed impossible, until I heard Professor Alan Middleton dissecting Tim’s brand on CBC Radio and invited him for lunch. Alan’s office is at the Schulpich School of Business downtown campus in the current Ernst & Young Tower on Bay Street in Toronto. In a moment of serendipity, we found ourselves at a Tim’s location on Adelaide Street, right next to the construction site for the new, 40-storey EY Tower.

Symbolism is important when you’re discussing one of Canada’s top brands and its future. I’m proud that we could have that discussion — with experts in branding, management accounting, and tax — and present it to you in D&A Magazine. In this issue, we also introduce Michael Banks, FCPA, FCA, our new Council Chair, who discusses the road ahead for CPA Ontario.

And we’ve balanced discussion with analysis. Freelance journalists Jeff Buckstein and Melissa Campeau look at transfer pricing guidelines and the field of textual analysis, respectively. We bring you up to date on initiatives at CPA Ontario. And we profile Chartered Professional Accountant Ellis Jacob and the CPA team at Cineplex — a strong brand in its own right. That’s a lot of ground to cover. So grab yourself a double-double and settle in for the ride.

FROM THE EDITOR

Jeff Buckstein, CPA, CGA, is an Ottawa-based freelance journalist who has written for numerous newspapers and business publications. He grew up cheering for the Habs but has long since converted to Sens Nation.

Melissa Campeau is a Toronto-based freelance journalist who has written for the Financial Post and more. When she’s not writing or consuming too much coffee, you’ll find her chasing a very fast five-year-old.

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Letters to the editor should be addressed to D&A Magazine, in care of CPA Ontario, by email to cellis@cpa-ontario.org, by fax to 416-322-5594, or by mail to CPA Ontario, 240 Eglinton Avenue East, Toronto, Ontario M4P 1K8.


What’s the biggest business story of the fall? Without question, it’s Burger King’s takeover of Tim Hortons, a deal that has as much to do with accounting as it does with selling coffee and doughnuts.
CPA Ontario
News Digest

CPA Ontario Fall
Integration Update
Leadership in place, Council set to focus on future

A newly elected Chair and officers of Council. A newly appointed president and chief executive officer. CPA Ontario’s leadership is now in place at the highest levels as the organization looks to the future. Michael Banks, FCPA, FCA, was elected Chair of CPA Ontario’s 2014-15 Council in September. (To read more, turn to “People Person,” on page 24.) Carol Wilding, FCPA, FCA, joined CPA Ontario as president and CEO on October 6, 2014.

“The first order of business for CPA Ontario’s new Council — recruiting a proven leader for the management team — has been accomplished with the hiring of Carol Wilding,” says Banks. “Now we need to focus on how Council can support Carol and her team in building the new organization, while we undertake a comprehensive strategic planning process to build relevance and value for our members while protecting the public interest.”

Wilding, who was recently named as one of this year’s Top 25 Women of Influence™ by Women of Influence Inc., North America’s leading organization dedicated to the advancement of women, was the president and CEO of the Toronto Region Board of Trade for the past seven years. An enthusiastic advocate for unification of the accounting profession, she has returned to her accounting roots to take the helm at CPA Ontario.

“I am excited to be part of this historic milestone for the accounting profession. Having a single body that serves and supports Ontario’s professional accountants, while ensuring they meet the highest standards for integrity and expertise, will strengthen our profession,” says Wilding. “I look forward to the opportunities that lie ahead for Ontario’s Chartered Professional Accountants under the new CPA Ontario banner.”

MOVING FORWARD

Members now have access to the fully integrated CPA Ontario Professional and Executive Development Program, which incorporates the best practices of the legacy organizations and is designed to help members meet their lifelong learning needs.

In addition to this comprehensive program of more than 1,000 PD opportunities, members may register for events through a new online portal (pd.cpaontario.ca), access a new “Passport Pricing” program, and receive a new PD e-newsletter (Spotlight on PD). In September, CPA Ontario held the first fully integrated PD conference — CPA Ontario’s Practitioners’ Convention — with 170 members in attendance.

In our commitment to providing members with timely and relevant information about CPA Ontario and the accounting profession at large, we launched a new member publication in September (D&A Magazine), a new website, D&A Online (DAmagazine.ca), and an integrated e-newsletter, e-Brief.

Also in September, CPA Ontario launched the CPA Professional Education Program (CPA PEP). Two years in the making, CPA PEP is a nationally developed and regionally delivered rigorous program that provides multiple pathways to becoming a Chartered Professional Accountant. It prepares students to write the Common Final Examination (CFE) and helps equip them for careers in the accounting profession.

CPA Ontario is also active in recruiting the next generation of professional accountants to ensure the sustainability and ongoing strength of our profession. Students can now access the new recruitment website, goCPAontario.ca, with a new, mobile-friendly look

A HISTORIC DAY: To celebrate the national unification of Canada’s accounting profession, CPA Canada ran “190,000 Pros, One Designation” in national newspapers such as the Globe and Mail in early October.
and increased functionality. We are also on campuses throughout Ontario, talking about the benefits of a career as a CPA. CPA Ontario’s employees are proud of the work they do, passionate about working for a unified organization, and committed to investing the energy required to make unification a success. We look forward to serving members, students and the public throughout the year ahead and beyond, and we invite our members to share their thoughts, opinions and questions with our leadership, through ceo@cpaontario.ca.

2014-15 CPA Ontario Council Members

MICHAEL BANKS, FCPA, FCA, ELECTED CHAIR OF COUNCIL

Officers for CPA Ontario’s 2014-15 Council were elected on September 19 at the first Council meeting following CPA Ontario’s Annual General Meeting. Council accepted the resignation of Chair Robert Scullion and thanked him for his years of service and support of unification, electing him a Life Member. Council also appointed Georgina Daniels to fulfil the remainder of Mr. Scullion’s term and welcomed Michael Banks as incoming Chair.

CPA Ontario’s 2014-15 Council comprises the following Chartered Professional Accountants and public representatives. To read biographies of each individual, visit the Leadership section at cpaontario.ca.

Chair
Michael Banks, FCPA, FCA
Vice-Chair
Susan Moellers, FCPA, FCMA
Secretary
Alan Mak, CPA, CA
Treasurer
Johanne Charbonneau, FCPA, FCGA

Council Members-at-Large
Edward Carter, FCPA, FCGA
Georgina Daniels, FCPA, FCA
Anita Ferrari, FCPA, FCA
Ronald Harvey, FCPA, FCGA
John Hsu, FCPA, FCMA
Michel Lavigne, FCPA, FCA
Delna Madon, CPA, CA
Stephen McCaughey, CPA, CMA
Catherine Russell, CPA, CA
Debra Taylor, FCPA, FCGA

Dave Vert, CPA, CA
Nigel White, FCPA, FCMA

Public Representatives
Ginny Dybenko, Waterloo
Tim Kennish, Toronto
Graham Parsons, Waterloo
Robert Wong, Toronto

Public, Media, Speaking Opportunities for CPAs
SHARE YOUR PROFESSIONAL EXPERTISE AND EXPERIENCE

CPAs have a wide range of expertise and experience that is highly sought after by the public, media and stakeholders. If you are looking for opportunities to share your knowledge, practise your public speaking, network, volunteer or give back to your profession, CPA Ontario can provide you with the opportunities to do so. The following CPA Ontario initiatives are currently accepting applications from members:

SPEAKERS BUREAU
A public service and free resource for groups seeking top financial and business experts, CPA Ontario’s Speakers Bureau features Chartered Professional Accountants who are willing to share their knowledge and expertise at events hosted by businesses, universities, public service organizations and other groups across Ontario.

Visit “Become a CPA Speaker” in the members section at cpaontario.ca to read more about the program and to submit an application form. Members seeking a presenter for an event are encouraged to access the Speakers Bureau section of the website, where speakers are listed and can be booked online. For more information on booking a speaker or becoming one yourself, contact Perry Jensen at 416-969-4271, toll-free at 1-800-387-0735, ext. 4271 or pjensen@cpaontario.ca.

MEDIA INTERVIEWS
CPA Ontario’s website has a Find a CPA Expert section, listing a roster of CPAs willing to speak to the news media. The list can be viewed by name, city or topic. Reporters use the directory to seek out CPAs willing to speak on their chosen areas of expertise. CPA Ontario’s media relations team also uses it when selecting members for the many media opportunities that come to us directly.

All Ontario members are eligible to sign up for this listing by completing an online form. Those volunteering to be a media contact will be asked to provide contact information and a list of topics they are comfortable addressing. Once you submit an application, we will follow up with a request for a photograph and a short bio,
and then add you to the listings. For more information, contact Perry Jensen at 416-969-4271, toll-free at 1-800-387-0735, ext. 4271 or through pjensen@cpaontario.ca.

RECRUITMENT VOLUNTEERS
Are you a proud CPA who is willing to share your knowledge, insights and career experiences in order to inspire the next generation of Chartered Professional Accountants? If so, CPA Ontario would greatly appreciate your support as a recruitment volunteer. An excellent leadership and public speaking opportunity, volunteering also counts towards your CPD requirements.

There are many types of opportunities available with the student recruitment team, ranging from networking sessions and panel discussions to judging case competitions. Please contact mrellinger@cga-ontario.org for more information. Volunteer events have already started and opportunities are available until spring 2015.

CPA Ontario Supports Doctoral Studies
DEADLINE: JANUARY 31, 2015

Congratulations to the 2014-15 Program Recipients

Launched in 1978, CPA Ontario’s Doctoral Studies Support Program encourages our members to pursue doctoral studies in financial reporting, strategy and governance, management accounting, audit and assurance, finance and taxation at an Ontario university. The goal of the program, which provides forgivable loans of up to $15,000 per year for up to three years, is to increase the number of well-qualified full-time accounting faculty in Ontario universities.

2014-15 PROGRAM RECIPIENTS
CPA Ontario is delighted to announce that six members of CPA Ontario who are pursuing PhDs in Accounting have been awarded $15,000 each in support. The award is for the 2014-15 academic year.

This year’s recipients are Stephanie Cheng, who is entering her second year at the University of Toronto; Jody Grewal, attending her first year at Harvard University; Minna Hong, entering her first year at the University of Waterloo; Ken Li, who is entering his first year at Stanford University; Marc Pilon, who is attending his first year at Carleton University; and Christopher Wong, who is entering his second year at the University of Waterloo.

In 2014, CPA Ontario also provided other tangible support. For example, Stephanie Cheng and Marc Pilon were contracted as seminar leaders for the 2014 School of Accountancy. This opportunity not only provided them with additional financial support but also with a greater understanding of Ontario’s CPA qualification process, which may serve them well in their full-time employment at an Ontario university.

2015-16 PROGRAM INFORMATION
CPA Ontario’s Doctoral Studies Support Program continues to be an integral part of the CPA Ontario Support Program for University Accounting Education in Ontario. To date, some 54 supported candidates have obtained their PhD and 31 are teaching or have taught in Ontario universities.

Doctoral studies support is provided through loans forgiven by teaching in Ontario universities following the conferral of the doctorate degree; one year of support is forgiven for each year taught. Once the teaching obligation has been completed, candidates are entitled to use the appellation CPA Ontario Doctoral Fellow. In all, there are currently 16 CPA Ontario Doctoral Fellows teaching full-time at ten different Ontario universities.

CPA Ontario is pleased to report that seven past support recipients were recently conferred with their PhDs. Krista Fiolleau, Carolyn MacTavish and Kevin Veenstra are currently completing their teaching obligations at the University of Waterloo, Wilfrid Laurier University and McMaster University respectively. Andrew Bauer and Timothy Bauer are teaching at the University of Illinois; Kris Hoang is teaching at Tulane University; Alastair Lawrence is teaching at the University of California, Berkeley.

The application deadline for 2015-16 funding is January 31, 2015. An application form and eligibility criteria is accessible online at cpaoerson.ca in the Serving the Public section on the Supporting Accounting Education web page. For further information, contact CPA Ontario’s Karen Salij at 416-969-4238 or 1-800-387-0735 ext. 4238 or email ksalij@cpaontario.ca.

Tax Preparation Assistance Program
REGISTER NOW TO VOLUNTEER FOR THE 2015 TAX SEASON

“We appreciate the support of CPA Ontario.”

“I have always believed in giving back to the profession as well as my community.”

As one of the first steps towards integration of the legacy CA and CGA tax assistance programs into a new, unified CPA Ontario Tax Preparation Assistance Program, volunteers who participated in 2014 programs run by both legacy organizations were included in the 2014 CPA Tax Clinics Challenge.

We would like to take this opportunity to thank all CPAs who participated in making the 2014 tax programs a great success. A record number of returns were prepared for both legacy programs — 24,332 returns, to be exact.

In the words of one volunteer: “One of my more rewarding voluntary activities is participating in my organization’s annual tax clinic for low income and senior individuals. I truly enjoy being able to use my skills to give back to my community; the gratitude these individuals exhibit is both heart-warming and humbling. Furthermore, I have been blessed with many
Winners of the 2014 CPA Ontario Tax Clinics Challenge

Congratulations to the following winners of the 2014 CPA Tax Clinics Challenge!

**Individual Level**
- Retired Member
  - Jean Dell’Agneze, CPA, CGA
  - Thomas H. Forestell, FCFA, FCA
- Public Accounting Firm (including sole practitioners)
  - Joseph R. Pillo, CPA, CA
- Government/Academe
  - Penny R. Balberman, CPA, CA
  - Sosamma Samuel, CPA, CGA
- Industry/Commerce
  - Rita Hendra, CPA, CGA
  - Christopher K. Lukas, CPA, CA
  - Jean Dell’Agnese, CPA, CGA

**First-time Volunteer**
- Justin L. Hung, CPA, CGA
- Michael Lukjaneczuk, CPA, CA

**Firms (full time and part time)**

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TD Insurance Meloche Monnex and White Oaks Resort Niagara Falls.

We also wish to thank all those who participated this year. We hope the spirit of the Challenge has been ignited for 2015.

Program volunteers are automatically registered for the Challenge. Each session attended by a volunteer is counted in the relevant level(s). The winners in the Individual Level are drawn from all of the volunteers who attend five or more tax sessions in large communities, or fewer in smaller communities, although this year, a new category was created for first-time volunteers who attended two or more tax sessions.

The winners for all other levels are based on the number of sessions attended by the respective organization’s volunteer members. Prizes are awarded in the Individual Level only.

While we recognize exceptional volunteers, we know that the true winners are those we have helped.

**Why get involved?**

CPAs are leaders in business and finance as well as leaders in their communities. The Tax Preparation Assistance Program is an opportunity to help others through volunteer service, while applying your skills as a CPA. But why listen to us? Here are some insights from past volunteers, and gratitude from agencies and clients:

**From agencies**

“The tax clinics are a great service to our community.”

“Thank you for this wonderful service — our clients appreciate it. It is well organized and the staff involved are always helpful and respectful.”

“The volunteer preparers were terrific.”

**From clients**

“A very friendly, helpful, patient, professional staff. Keep up the good work.”

“Fast and free. Awesome job.”

“Everyone was so helpful. Great staff — you showed such kindness and compassion. You made my life so much easier.”

2015 TAX PROGRAM: SIGN UP NOW!

In order to continue providing this much-needed service to lower-income individuals in our community, your help is vital.

We are looking for members with personal tax return experience to take on a coordination role and to help prepare returns at the tax clinics. You need only to volunteer three or four hours of your time at a session — although there is no limit on how many times and places you may volunteer. As we have more information on the integrated Tax Preparation Assistance Program, we will provide you with the details through CPA Ontario’s e-newsletter, e-Brief.

**Thank you for the support**

We wish to thank the following donors of Individual-Level prizes: Giant Vision Photography, Great Wolf Lodge Niagara Falls, Lenovo, Skyline Hotels & Resorts, Skyline Hotels & Resorts, Great Wolf Lodge Niagara Falls, Lenovo, Skyline Hotels & Resorts.

“Everyone was so helpful. Great staff — you showed such kindness and compassion. You made my life so much easier.”

friendships that have come out of seeing these clients year over year!”
"I wish I can have my taxes done here again. Thanks for doing this every year."

MORE INFORMATION
Visit Volunteer Opportunities in the members’ section at cpaintario.ca and continue to read e-Brief for updates.

Practice: Firm Names
GUIDANCE ON THE USE OF DESCRIPTIVE STYLE
Practitioners: Does your firm name include a professional designation?
Designations are not required as part of a firm name. However, if a firm that is engaged in the practice of public accounting or providing accounting services to the public does not have “Chartered Professional Accountant” or “CPA” or “Public Accountant(s)” as part of the firm name, then a descriptive style is required to be used with the firm name whenever and wherever the firm is describing the provision of these services.

Rule of Professional Conduct 402 in the Member’s Handbook (Use of descriptive styles) allows the use of either “chartered professional accountant(s)” or “public accountant(s)” as a descriptive style. Note that the Rule was updated recently to replace “chartered accountant” with “chartered professional accountant.”

For further guidance on the use of descriptive styles, refer to Guidelines for Firms: Use of Descriptive Styles, found at cpaintario.ca, in the Firms/ATOs section, on the CPA Resources for Firms web page.

FURTHER RESOURCES
The Firms and Authorized Training Offices (ATOs) section at cpaintario.ca provides information on registering a new professional practice; updating existing practice information; member and practice advisory support; practices for sale or practices wanted; information and forms for the Practice Inspection Program; and information on benefits that have been negotiated with third parties on behalf of firms (which may or may not be available to ATOs).

A Fond Farewell to Legacy Body Leaders
ROD BARR AND DOUG BROOKS LED THEIR RESPECTIVE BODIES TO UNIFICATION, INTEGRATION
With the arrival of Carol Wilding, FCPA, FCA, as the new president and CEO of CPA Ontario, we express our deep gratitude to Rod Barr, FCPA, FCA, and Doug Brooks, FCPA, FCGA, for their service in support of unification and integration of their respective legacy bodies.

Mr. Barr was elected to Council of the Institute of Chartered Accountants (ICAO) in 1999 and served as its first two-year Chair from 2004 until 2006. After retiring from Deloitte, he accepted an appointment as the ICAO’s President and CEO in September 2009. He worked tirelessly in support of unification, and his commitment to the profession was also apparent as CPA Ontario began its integration of people, processes and practices.

Mr. Brooks accepted an appointment as CGA Ontario’s CEO in October 2007 and immediately began a transformation of the association that would lead the organization into the 21st Century. A strong supporter of unification, he was resolute in his commitment to providing CGA Ontario’s members with the information they needed to cast their overwhelming support in favour of unification and integration.

As announced in the September issue, Merv Hillier, FCPA, FCMA, President and CEO of CMA Ontario, stepped down in July 2014. The respective boards, executives and staff of the legacy organizations express their deep gratitude to these three leaders of Ontario’s accounting profession.

How to Advertise in CPA Ontario’s D&A Magazine
2015 RATE CARD NOW AVAILABLE
If your company, firm or group is looking to reach the largest group of business and finance leaders in Ontario, then look no further than CPA Ontario’s D&A Magazine. The member publication for Ontario’s 81,000 Chartered Professional Accountants, D&A Magazine is also read by key stakeholders in academia, government, and the private and public sectors.

D&A Magazine is published every two months and works in conjunction with D&A Online, CPA Ontario’s thought leadership website. 2015 advertising rates are now available. For more information, contact Melanie Mohan through CPA Ontario at:
Tel: 416.969.4268
Toll free: 1.800.387.0735 ext. 4268
Email: mmohan@cpaintario.ca

Email to the Editor
READERS Respond TO LAUNCH OF CPA ONTARIO’S D&A MAGAZINE
The first issue of CPA Ontario’s D&A Magazine was launched in September 2014 to

PRACTITIONERS’ CONVENTION: The first fully integrated professional development conference of the year was held over a three-day period in early September at the Hilton Hotel & Suites in Niagara Falls. More than 170 CPAs attended Practitioners’ Convention 2014.
positive reviews. We appreciate the response and look forward to hearing more from our readers in the future, while pledging to deliver content that will continue to provide you with timely information about CPA Ontario, the accounting profession, and the business and finance world at large.

To contact the editor of D&A Magazine, email dnewton@cpaontario.ca, and your message will be forwarded.

I received the first issue of D&A Magazine. It was insightful and covered a wide spectrum of stories and experiences with interviews from different roles and industries. A great magazine overall. CELESTINA ANDO, CPA, CMA

The layout and format of D&A is excellent. My copy arrived in excellent condition and I appreciate the mailing label on the back cover rather than a plastic or paper envelope as it is more helpful to the environment and I am sure it reduces costs. WAYNE HAYMER, FCPA, FCGA

The first issue of the new magazine looks very slick and the D&A team did a super job. This is a great publication and will do our membership proud. R. GRANT ROWSON, CPA, CGA

Congratulations on the new magazine — fine presentation with interesting articles. Although I have been retired for more than 19 years, I am still interested in what goes on. Well done! H.J. ROCHFORT, CPA, CA

Having read the first issue of D&A Magazine, it is nice knowing there is now a stable, ongoing resource that will educate and involve CPA Ontario members in moving toward the new CPA brand. The content and articles in the first issue are clearly defined and the magazine is very readable.

Out of interest, I checked the D&A website, and liked the outline of “Strategy,” “Structure,” “Organizational Health,” and “Toolbox,” and would suggest migrating the magazine toward a similar format, without losing the creativity of the first issue.

I believe that for a while it will be particularly important to continue to have a transitional column that helps members understand the alignment from the three organizations to one, both from a legislative/regulatory and educational/experience requirement perspective. I also believe that a section showing “online exclusives” would help direct members to additional resources that are not available in the magazine.

I like how, in highlighting the purpose of the magazine (discussion, analysis), the article “How to Join the Global Elite” identifies the “Discussion” and “Analysis” points relevant to that article, along with additional reading materials. Overall, the new magazine provides a wonderful start to CPA Ontario’s unification and brand marketing (like the CPA Pro Cards). ROBIN STEWART, CPA, CMA

Mark Your Calendar
UPCOMING 2014-15 EVENTS

The following is a list of events of interest to CPAs or related to CPA Ontario that occur in late 2014 and early 2015. For a listing of professional development events, visit pd.cpaontario.ca.

DECEMBER 10-11, 2014
Women Inc.
CPA Ontario’s Conference for Women
Toronto Region Board of Trade

JANUARY 16-17, 2015
DECA U Provincials
Toronto Sheraton Centre
123 Queen St. W., Toronto

JANUARY 23, 2015
Chartered for Finance Conference
Fairmont Royal York
100 Front St. W., Toronto

FEBRUARY 5–7, 2015
DECA Ontario Provincials
Toronto Sheraton Centre
123 Queen St. W., Toronto
Broaden your knowledge with four introductory courses on complex tax specialty areas. Developed directly from CPA Canada’s In-Depth Tax Course, these new courses give you access to In-Depth’s program on a course-by-course basis. These stand-alone courses feature a blend of ebooks, online lessons and a half-day session that you can attend in person or virtually. The detailed introductions to these practice areas will be of special value to tax professionals in industry, general practitioners with multi-disciplinary practices, and tax practitioners who do not deal with these areas in their daily work.

**Accounting for Income Taxes**
- **Elearning** – Now Available
- **In-Person or Virtual Session** – November 5, 2014, Toronto, ON
Learn the fundamentals of accounting for income taxes in Canada under both IFRS and ASPE. Basic concepts such as recognition, measurement, valuation, presentation, disclosure and the key differences in how IFRS and ASPE deal with each of these issues will be covered.
*visit* cpacanada.ca/AFIT

**Indirect Taxes**
- **Elearning** – Available online – Late Fall 2014
- **In-Person or Virtual Session** – January 20, 2015, Toronto, ON
This course features an overview of the fundamentals of indirect taxes in Canada and covers key concepts in GST/HST, QST and PST, compliance obligations and implications of common transactions.
*visit* cpacanada.ca/TaxesIndirect

**U.S. Tax for the Canadian Tax Practitioner**
- **Elearning** – Available online – Late Fall 2014
- **In-Person or Virtual Session** – January 21, 2015, Toronto, ON
For the Canadian practitioner who wants to understand the fundamentals of U.S. corporate and individual taxation, this course reviews key concepts and highlights critical U.S. tax issues to be aware of when dealing with client transactions south of the border.
*visit* cpacanada.ca/USTax

**Scientific Research & Experimental Development**
- **Elearning** – Available online – Late Fall 2014
- **In-Person or Virtual Session** – January 22, 2015, Toronto, ON
This course delivers an overview of the fundamentals of Canada’s SR&ED program, including key benefits available to federal and provincial taxpayers, the types of eligible expenditures and compliance requirements for making a successful SR&ED claim.
*visit* cpacanada.ca/SRED

Verifiable CPD Hours (each course)
- **Elearning Lesson:** 20.0
- **In-Person/Virtual Session:** 2.5
OECD Transfer Pricing Guidelines
What CPAs need to know
By Jeff Buckstein, CPA, CGA

On September 16, the Organisation for Economic Cooperation and Development (OECD) issued new guidance with respect to transfer pricing, a key plank in its Base Erosion and Profit Shifting (BEPS) initiative.

The OECD outlined specific actions it wants implemented with respect to transfer pricing documentation and in the prevention of BEPS by moving intangible items among group members. “The actions that taxpayers should take in response to these deliverables are quite broad, pervasive and far reaching,” says Muris Dujsic, a Partner with the National Transfer Pricing Group of Deloitte LLP in Toronto.

The documentation package, for example, which will consist of three elements — a master file, a local country file, and a country-by-country reporting template — represents “a revolutionary change in our role,” Dujsic asserts.

“Taken together, these three documents,” says an OECD summary, “will require taxpayers to articulate consistent transfer pricing positions, will provide tax administrations with useful information to assess transfer pricing risks, make determinations about where audit resources can most effectively be deployed, and in the event audits are called for, provide information to commence and target audit enquiries.”

Most countries, including Canada, have a local country file only, says Dujsic, who adds that the new country-by-country template will result in unprecedented global disclosure and transparency.

Multinational enterprises (MNE) will, under this reporting template, be required to report annually for each tax jurisdiction in which they conduct business, their amount of revenue, profit before income tax, and income tax paid and accrued. MNEs also need to report their total employment, capital, retained earnings and tangible assets in each jurisdiction.

This new template can be used for risk assessment purposes to provide a complete global picture showing the distribution of all economic activities and income taxes paid. National tax authorities, such as Canada Revenue Agency, already have access to such information, but now other countries will have the same insight.

“It’s going to be very easy to identify mismatches like a lot of economic activity in the country with a high effective tax rate but very low income and a very limited amount of taxes paid and almost no economic activity in certain countries — let’s say with low tax rates and significant income booked in that country. That will be available to all tax authorities around the globe,” Dujsic explains.

A LONG WAY FROM REALITY?
Preparing the complex documentation proposed by the OECD will require organization and planning.

“I think one of the key elements of that paper is for clients to think about how they’re going to gather and collect the data. That initiative could have sort of a cascading effect throughout an organization, in terms of their IT systems, their accounting processes, their reporting processes, as well as the controls around that,” says Certified Professional Accountant Gord Jans, a Tax Partner with PricewaterhouseCoopers LLP (PwC) in Toronto.

The OECD guidance for the transfer pricing aspects of intangibles (released in September 2014) calls for the development of rules to prevent BEPS by adopting a broad and clearly delineated definition of intangibles; ensuring that profits associated with the transfer and use of intangibles are properly allocated in accordance
with value creation; developing transfer pricing rules or special measures for transfers of hard to value intangibles; and updating the guidance on cost contribution arrangements.

“It’s all very well to say that the system should assure that transfer pricing is in touch with value creation. I think that’s a legitimate statement to make. But it begs the question ‘how do you allocate the creation of that value to various jurisdictions?’ I think that’s the problem the OECD is trying to address, and that’s a long way away from reality,” argues Chartered Professional Accountant Vern Krishna, Counsel for TaxChambers LLP, a firm of tax lawyers in Toronto.

As the transfer pricing debate continues, several key details have yet to be ironed out, such as developing rules to prevent BEPS by transferring risks among — or allocating excessive capital to — group members; and to prevent BEPS by engaging in transactions that would only rarely, if at all, occur between third parties.

**FORWARD GUIDANCE**

So what, if anything, do CPAs need to do now? At this stage, CPAs need to keep their clients fully informed about the issues that are looming on the horizon and problems being encountered both domestically and in the international community, along with their possible impact, says Krishna. “I think that’s about as far as we can go until the structures are actually put in place and multilateral treaties are negotiated,” he adds.

However, expecting multinational treaties to emerge as a means of addressing transfer pricing and other key issues such as treaty shopping and double non-taxation is, Krishna believes, “a bit of an optimistic approach because I don’t know if the U.S. will be very enthused about that.”

Final BEPS-related guidance is expected to be in place in 2015.

“We’re engaging in dialogue with our clients about the potential impact [and] what we see as things they need to think about, and understand from their point of view,” says Gord Jans.

There are many other resources that tax professionals can turn to for assistance with their preparation, such as federal and provincial tax foundations, and CPA Canada’s in-depth tax course on transfer pricing, Jans suggests.

“My guess is [there is] still at least a year, maybe two, before the bulk of this is going to really have a big impact. It really boils down to how each country implements BEPS. Even if you get agreements by countries on general principles, the devil is always in the detail. You’re going to have a lot more information out there on both sides of the transaction and everybody — tax authorities included — is interested in getting their slice of the pie.

“So I think our clients could end up being caught in the middle between increasingly aggressive tax authorities in multiple jurisdictions,” Jans says.

Jeff Buckstein, CPA, CGA, is a freelance business writer based in Ottawa.

**D&A Thanks:**

Muris Dujsic, PhD
Gord Jans, CPA, CA
Vern Krishna, C.M., Q.C., FCPA, FCGA

**Recommended Reading:**


Video: “Fighting tax avoidance by multinationals” (Pascal Saint-Amans, Director, OECD Centre for Tax Policy and Administration), OECD.org, September 16, 2014.
Dublin: Last Call for the “Double Irish”
IRELAND CLOSES ONE TAX LOOPHOLE, OPENS ANOTHER

On October 14, Ireland announced that it will close the tax avoidance strategy known as the “Double Irish,” which allows multinational corporations to significantly reduce their tax bills by shifting profits from high-tax countries to havens. Bowing to international criticism, the country’s finance minister, Michael Noonan, said the provision will disappear for new companies in January, but businesses already using it can continue to do so until 2020.

The announcement came just weeks after the OECD released new guidelines on transfer pricing as part of its Base Erosion and Profit Shifting initiative. Ireland, however, has faced sustained criticism over the past 18 months from the European Union and United States for the Double Irish tax structure, which has been popular with technology giants such as Apple, Facebook, Google and Microsoft.

As widely reported, Apple is said to have pioneered the strategy, having avoided more than $74 billion in U.S. corporate taxes since it started moving assets to Irish subsidiaries; if and when it wants to bring the money back to the U.S., it will pay corporate tax on the dividends it repatriates.

A TAX STRATEGY SLUR

According to Finance Minister Noonan, Ireland proclaimed last call for the Double Irish because the strategy had become an international “slur” directed at the country’s low-tax regime. The New York Times, in an October 19 editorial (“Ireland, Still Addicted to Tax Breaks”), saw it differently:

“Ireland ... appears uninterested in true reform. It will create a new provision known as the Knowledge Development Box that will allow technology, pharmaceutical and other companies that make money from patented products and services to pay a discounted tax rate. Experts expect it to be lower than the already low standard corporate tax rate of 12.5 percent.”

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A WORLD LEADER IN LAW SCHOOL LIFELONG LEARNING

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A WORLD LEADER IN LAW SCHOOL LIFELONG LEARNING
The Benefits of Unification

There is strength in numbers in a fully unified organization, profession

Nora Murrant  FCPA, FCA
Lead, Integration
Executive Integration Team
CPA Ontario

With the signing of the Second Unification Agreement this summer, I am reminded of a quote from Aristotle, “The whole is greater than the sum of its parts.” The strength of our unified organization is undeniable — over 80,000 members and 20,000 students, the largest provincial accounting body in the country. Moving forward, CPA Ontario is better equipped to add value to your designation and the profession as a whole.

A stronger organization
By unifying Certified General Accountants, Certified Management Accountants, and Chartered Accountants, CPA Ontario has a larger, more cohesive voice. In a highly competitive and global environment, this will be especially important when representing Chartered Professional Accountants on the national and international stage.

A stronger profession
A unified body with a common certification program and high ethical practical standards enhances the public's trust and confidence in the profession. Employers are assured that those with the CPA designation adhere to the highest professional standards and have passed rigorous academic and practical requirements — giving you an edge in the marketplace.

A stronger professional
As a member of an integrated CPA Ontario, you now have access to more services and benefits to support your professional and career development.

The whole is greater than the sum of its parts. — Aristotle

The new Professional and Executive Development Program offers diversified learning opportunities for all CPAs, regardless of your industry, sector, position or aspirations. More than 1,000 programs will be offered this year, providing you with opportunities to gain expertise in all areas of accounting and management.

We have provided an overview of the program, including pricing information, certificate program dates and further resources, on page 23 under “Professional Development.”

The way forward
As we continue integration efforts, our next step will be to seek a Chartered Professional Accountants Act from the Government of Ontario. This Act will create a renewed CPA Ontario, combining the members, staff and resources of the three legacy bodies.

Together, we will build a strong, unified accounting profession in Ontario. I look forward to sharing more developments with you in the future.

Spotlight on Three Areas of Service

WE HIGHLIGHT ADVISORY SERVICES, AFFINITY PROGRAMS AND PROFESSIONAL DEVELOPMENT

Many members are aware that CPA Ontario provides professional development programs but are not aware of the variety of services and resources available that are free, such as advisory services, as well as other value-added services and benefits.

We want to raise awareness of these programs, so that you, our members, think of CPA Ontario when you are looking for (or require) a product or service at any time in your professional life, including retirement.

Advisory Services
The mandate of Advisory Services is to assist members in all sectors in maintaining quality professional services. Advisory Services include free, informal phone consultations, similar to a “colleague down the hall.”

These consultations are intended to provide members with a source of objective and confidential feedback in order to assist them in using their professional judgment to form their own opinions.

Advisory Services cover regulatory and ethical matters pertaining to the interpretation of CPA Ontario’s Member’s handbook, as well as interpretation of CPA Canada’s Accounting and Assurance Handbooks, and various other practice-management related matters. When may you need these services?

Members in business
As a member in business, many scenarios arise with issues of an ethical nature, technical nature, or both.

If you are in a financial role, you may want a quick refresher on what sections of CPA Canada’s Accounting Handbook apply to account for lease obligations or employee benefits. Or you may become aware of irregularities and you are uncertain of your duty, as required by CPA Ontario’s Member Handbook, to report — to your employer and to CPA Ontario — if a member or student is involved.
Members in practice
As a practitioner, you may need a sounding board on a number of fronts: the application of accounting and assurance standards, as well as various practice management and ethical matters.

For instance, can you resign from an engagement if the client isn’t paying your fees? Are there audit procedures that can be applied to avoid a scope qualification on an assurance report, if a not-for-profit organization has a significant number of funding activities where there are no controls over cash receipts? These are complicated questions that can be addressed through Advisory Services.

Members changing careers or retiring
As a member considering a career change, the options you explore may have unintended regulatory implications. This includes when you have retired, and think you may finally be free from regulatory oversight. For example, you are ready to retire but may want to do a few tax returns or help out your church with their audit. (Turn to “Dear Advisor” on page 47 for a discussion of this issue.)

Students seeking ethics counselling
CPA Ontario provides assistance to students in interpreting the Rules of Professional Conduct.

When gaining the experience required in order to achieve their CPA designation — in business environments or in public accounting firms — students have members who are mentors or managers who they can turn to for advice. As they achieve their designation and move through their organizations, or go out to start their own businesses, they may need a sounding board and likely do not realize that CPA Ontario may be able to provide that assistance.

For instance, what can you do, or should you do, if your employer asks you to prepare journal entries that you know are not appropriate? Ethics counselling provides guidance to students as well as members.

Additional resources
Advisory Services is not intended to act as a substitute for an expert in situations where you have a complex scenario requiring a certain amount of time and expert knowledge, and you want an opinion.

Similarly, if you want more formal comfort on the application of CPA Ontario’s Bylaws and Rules of Professional Conduct, advisors cannot provide that. However, they can provide guidance to help you determine whether you can submit a formal opinion request to the Professional Conduct Committee.

Note that Advisors write articles and guidelines on common issues that arise in calls, which are posted online at cpa-ontario.ca/practicematters. These include Dear Advisor articles, which cover topics that are relevant to all members.

There are email discussion lists at cga-ontario.org/discussion_lists.aspx that provide members with opportunities to network and interact. The most popular list is one focused on professional practice. (Users must subscribe to join in discussions.)

There are also additional resources available to those already in public practice or just entering public practice:

- A practice listing service, which is primarily focused on members who are interested in purchasing or selling a public accounting practice, or entering into a succession or merger arrangement.
- A fees mediation and a fees arbitration service, which may be able to provide assistance when fee disputes arise between Chartered Professional Accountants.

Do you have questions?
We can direct you to the answers.

Member/Practice Advisory
- Confidential and informal telephone consultations
- Objective feedback on practice matters
- Topics include:
  - Ethics counselling
  - Accounting, assurance, and reporting issues
  - Practice management concerns

Practice Matters
- Articles and FAQs
- Fees mediation
- Emergency Assistance Program

Practice Listing Service
- Buy or expand existing practice
- Sell or downsize practice
- Online listing service

www.cpaontario.ca/PracticeMatters
Tel: 416 962.1841, ext. 4456 or 1 800 387.0735, ext. 4456
MemberAdvisory@cpaontario.ca
PracticeAdvisory@cpaontario.ca
Benefits News: Benefits of Unification

Accountants and their clients.
- The Emergency Professional Assistance Program, which is a registry of members willing to assist in emergency situations, such as when a practitioner suffers a temporary or permanent disability, and practice continuation arrangements are not in place to ensure the needs of clients will continue to be met.

Where can you find these services?
Contact Advisory Services by phone at 416-962-1841, ext. 4456 or 1-800-387-0735, ext. 4456 or by email at:
- practiceadvisory@cpaontario.ca
- memberadvisory@cpaontario.ca

Affinity Programs
CPA Ontario offers a variety of affinity benefits for its members and firms, as well as students (on a limited basis). Feedback indicates that some members maintain their membership in CPA Ontario, including when they move to a different province, because of the value of some of the programs.

Access is intended to be a value-added benefit for members only, so that if membership is terminated on a voluntary basis, or revoked on an involuntary basis, these individuals are no longer eligible to access these programs.

Vendor guidelines
Many vendors would be delighted to be able to offer benefits to CPA Ontario’s members. After all, notwithstanding the current membership numbers, consider the very few other groups where vendors could find such a concentration of risk and credit conscious individuals.

Because of the number of interested vendors, a number of guidelines have been established to help evaluate potential affinity relationships (and manage the number of these types of requests). These include:

Can members easily negotiate the same member benefit and value in the marketplace for themselves?
Ideally, there is some characteristic of members that provides a distinct and unique advantage, such as with various insurance products. The risk-adverse nature of the profession (with resulting good claims experience) makes it possible to secure pricing for insurance products that are often better than members can find elsewhere.

In other cases, where the product or service is like a commodity, and there is intense pricing competition, it is difficult to provide any additional value. Mobile phone packages are a good example of a product that we no longer offer on an individual basis for that reason. Note, however, that there are sometimes pricing advantages for products like this as part of other relationships, such as the discount program offered by Perkopolis.

Is the benefit or service accessible anywhere in Ontario?
A number of companies interested in providing a benefit only service a local area, such as the Greater Toronto Area. So unless the product or services has some unique characteristic or large brand loyalty, such as holiday destination packages (e.g., Great Wolf Lodge), it is unlikely to be included in the affinity programs.

CPA Ontario manages the affinity programs that are specific to Ontario. If a benefit offer is potentially national in scope, the vendor is asked to contact CPA Canada, which manages the CPA Canada Member Savings Program.

Are there administrative costs and effort associated with the affinity offering?
CPA Ontario’s philosophy is that the cost of offering such discretionary value-added products and services should be borne by these programs and the members participating in these programs, not the members who do not take advantage of those offerings. As such, where the program involves any significant administration (beyond posting it on CPA Ontario’s website), these are recovered from the affinity partner.

Does the member benefit have name brand recognition?
CPA Ontario does not want to undertake significant time and effort conducting due diligence on a product or service offering. Instead, if the product or service does not have significant name brand recognition, the vendor is advised to start by advertising their offering to members in CPA Ontario publications.

Evidence of a reasonable amount of interest generated by an ad(s) would provide some grounds to consider going further in developing an affinity relationship.

Where can I find out more?
Details of specific benefit offerings are found in the Members, Firm/ATOs and Students/Education sections at cpaontario.ca. These offerings are currently under review as part of the current unification and integration efforts underway, at both a provincial and national level, to provide an enhanced benefit program to members.

Professional Development
CPA Ontario’s new Professional and Executive Development Program delivers diversified learning opportunities for all members.

Many vendors would be delighted to be able to offer benefits to CPA Ontario’s members. After all ... consider the very few other groups where vendors could find such a concentration of risk and credit conscious individuals.
CPAs, regardless of their industry, sector, position or aspirations. Designed around a career continuum, the program will support you at any level of your career — whether you’ve just achieved the CPA designation or just turned the key to your first c-suite.

Created by professionals, for professionals, the Professional and Executive Development Program has more than 1,000 program offerings annually — all delivered by industry leaders — many of whom are CPAs themselves. Our instructors’ thorough and current understanding of the topics at hand in the accounting, business and finance worlds ensures our programming contributes to creating truly successful CPAs.

Passport Pricing
Available exclusively to members of CPA Ontario, purchase a Personal PD Passport and save more than $450.

A Personal PD Passport is the equivalent of three full-day PD seminars. Once purchased, it is captured as credit on your account in the event registration portal and is used when registrations are completed throughout the year.

With the credit, a CPA can register for half, full and two-day seminars (amounting to three full-day seminars) at reduced pricing. Your Personal PD Passport is your entry to continuing professional development (CPD) program as a whole. Completing one passport will fulfill your CPD requirement for the year.

Certificate Programs
Step away from the office and strengthen your skills at one of our many certificate programs. We have created partnerships with many post-secondary institutions and industry leaders to create, develop and offer high-quality certificate programs that will help propel your professional development.

Focused on the development of specific skills, these programs will help you cultivate the competencies you need to take your career to the next level. Here are just a few of the certificate programs scheduled in the next three months:

DECEMBER 9-10, 2014 (North York) Certificate in Fraud Awareness, Prevention & Mitigation
DECEMBER 9-10, 2014 (Toronto) Certificate in Human Resources for CPAs
DECEMBER 9-11, 2014 (Toronto) Certificate in Corporate Finance
JANUARY 14-16, 2015 (Ottawa) Certificate in New Manager Essentials
FEBRUARY 11-13, 2015 (Toronto) Certificate in Strategic Supply Chain Management
FEBRUARY 23-27, 2015 (Ottawa) Certificate in Strategic Analytics
FEBRUARY 2-6, 2015 (Toronto) Certificate in Master Controllership
FEBRUARY 5 & 6, 2015 (Mississauga) Certificate in Strategic Supply Chain Management
FEBRUARY 10 & 11, 2015 (Toronto) Certificate in Creative Problem Solving & Innovative Thinking (Part One)

Executive programming
Our Executive and Residential Programs are specifically designed for those in managerial and c-suite positions to help you achieve mastery in competencies necessary for business success and advancement in your career. Focus your learning for a few days this year at one of our Executive or Residential Programs and walk away with the skills you need to conquer your next growth opportunity. Class sizes for each of these programs are limited in order to maximize your learning experience.

Conferences, conventions and symposiums
Ranging from one, two or three-day events, our conferences, conventions and symposiums are a great opportunity for members to enjoy quality PD, while networking with their fellow CPAs.

PD links
Download the 2014-15 Professional and Executive Development Program catalogue online at cpaontario.ca/PD. If you require assistance, contact us at 416.969.4321 or 1.800.387.0735, ext. 4321 or via email at pd@cpaontario.ca. To register for an event, visit pd.cpaontario.ca.

Member Feedback
We appreciate hearing your feedback on CPA Ontario’s member benefits. If you have tried a benefit or would like to suggest a benefit partner, please email memberadvisory@cpaontario.ca.
Chair’s Profile

A FOCUS ON THE FUTURE

By Perry Jensen, CPA Ontario

“We’re all accountants at heart and there are a lot of great people at all three of the legacy bodies.”

Michael Banks, FCPA, FCA, is the first Council Chair of CPA Ontario to begin his term as the head of a fully unified organization. A people person, Banks discusses his background and the way forward for CPA Ontario, as Council begins a new focus on strategic direction.

If there’s a driving force behind Chartered Professional Accountant Michael Banks, it’s his love of spending time with interesting people. Whether at work, volunteering or taking time off, this self-described “small-town guy” from Kilbride, Ontario, seeks out and appreciates time spent working in the company of others.
Michael Banks FCPA, FCA
Council Chair
CPA Ontario
Named CPA Ontario Council Chair at its first meeting in September, Banks says, “From both a satisfaction and challenge perspective, the most interesting part of my role as Managing Partner at BDO’s Burlington office, as well as on Council, is always dealing with people. For accountants, it seems it’s always a team approach and that transcends everything, whether it’s when working for BDO’s clients, serving CPA Ontario’s members or sitting on a charitable institution’s board of directors.

“It’s all about getting the most from your team and knowing how to best support them.”

A DIVER TAKES THE PLUNGE

Banks finds that accounting provides the team-focused milieu he’s most comfortable working in, but, somewhat ironically, his career almost took a very different path after high school. An avid scuba diver, he took a year off to take the Professional Association of Diving Instructors (PADI) program in British Columbia. Upon graduating, he found he’d just missed the recruiting window for Club Med by a week.

“It was probably a blessing in disguise because it forced me to grow up a little and told me it was time to go back to school,” he says.

Banks chose Saint Mary’s University in Halifax based on the excellence of its business program. “In the second year, you needed to pick a major and I tended to enjoy accounting, so I gravitated to that.”

Bruce Nicholson, who was the accountant for Banks’s father’s business, found out the young Banks was in Saint Mary’s taking accounting and offered him a summer job at BDO. “It was tremendous going to school knowing that I had a job waiting back in Ontario,” he says. “Bruce is still one of my partners.”

Today, Banks is the managing partner of BDO Canada LLP’s Burlington office. However, he didn’t have a typical rise through the ranks. In fact, at one point he left BDO to pursue partnership at Horne LLP, a much smaller firm based in Burlington.

“It was great working at Horne because my skill set seems to work best with entrepreneurial-minded clients that needed to be serviced as business people, but I eventually merged my practice back with BDO in Burlington and continued to serve my clients but now with a much broader and deeper range of professional services,” he explains. “So that was my somewhat circuitous route and it gave me small-practitioner experience to go along with my time at BDO.”

In fact, Banks was first elected to what was then the Institute of Chartered Accountants of Ontario Council during his time at Horne, and he has carried on with Council since he returned to BDO.

His experience with giving back to the community, however, did not originally involve giving back to his profession.

“I was looking for a charity to support and I feel that it’s part of the responsibility that comes with the designation to give back. It’s part of what defines us and sets us apart as a profession.”

Happening upon a listing for the Big Brothers Big Sisters of Halton on a section of the Institute’s website dedicated to connecting accountants with charities, Banks took the plunge and says he’s never looked back. “What's really held my interest in charities and not-for-profits is the people. I’ve always said I get back far more than I give because of the great people I’ve worked with and their different perspectives.

“Deciding to run for Council, as well as my other volunteering, all links back to Big Brothers Big Sisters and the great experience I had there.”

A FOCUS ON THE FUTURE

Banks was elected to Council in 2009 and was immediately enthusiastic about working for his profession. “At CPA Ontario, the knowledge and learning you get from your fellow Council members and senior staff, the quality of the experiences and perspectives, are all very valuable. The quality of the debate at Council is tremendous; it is such a great chance to hear other points of view and add your own voice to the discussion.

“I really value the relationships and find they stretch me,” explains Banks. “Self-improvement is another part of what it means to be a CPA.”

During his time on Council, he’s also had a chance to watch previous Chairs, Rob Scullion and Greg Gallant, and learn from their approach. As he now occupies the Chair’s seat at Council, he observes that having seen them in action should really help him in his new role.

“Rob and Greg have different styles but the thing I appreciated about both of them was their openness and the time they both took to solicit feedback. I personally plan to follow that example especially since now we are a council comprising members from all three legacy bodies. Openness and inclusiveness will be a mainstay of how we conduct ourselves going forward.”

Banks notes that there’s been a lot of work related to unification for the past few years. “We’re now nearing the end of the initial part of the unification project; we have our unification agreement between the three bodies finalized. We have our legislation in draft form and it will be presented to the provincial government soon.”

Having spent a lot of time on what he refers to as “laying the table,” he believes that the current Council now needs to focus on
the future: the strategic direction of CPA Ontario.

“For the last few years, we’ve had to focus on the structural and legal side of unification. Now the work that lies ahead of us is on the strategic front,” says Banks. “And that is complex because, not only do we have to focus on what we in Ontario need to do, we also need to think through a number of national elements to our strategy, such as delivering member programs and our education model.

“I’ve learned that we’re all accountants at heart and there are a lot of great people at all three of the legacy bodies.”

A great example of this new teamwork in action was the executive search for a new president and CEO to lead CPA Ontario. Michael teamed up with Ed Carter, FCPA, FCGA and Jim Daley, FCPA, FCMA, to first develop search parameters and then vet executives identified by the HR team.

“I’m happy to say that after a long and comprehensive process the three of us worked very well together and we found the right answer and arrived there by consensus. All three of us supported the candidate we selected, Carol Wilding, and recommended her to Council.

“So the first order of business for the new Council — recruiting a proven leader for the management team — has been accomplished. Now we need to focus on how Council can support Carol and her team in building the new organization, while we undertake a comprehensive strategic planning process to build relevance and value for our members while protecting the public interest.”

The complete job is not something that will be taken care of during Banks’ 2014-15 term as Chair. “It will be a multi-year process to get to the point where we’ve actually achieved functional unification,” says Banks. “However, I’m convinced we have great people in the profession and at CPA Ontario who can make that vision a reality.”

Perry Jensen works in media relations at CPA Ontario.

“We need to focus on how Council can support Carol and her team in building the new organization, while we undertake a comprehensive strategic planning process to build relevance and value for our members while protecting the public interest.”

“Openness and inclusiveness will be a mainstay of how we conduct ourselves going forward.”
Every star needs a strong supporting cast. Though the spotlight shines brightly on Chartered Professional Accountant Ellis Jacob, President and CEO of Cineplex Inc., Jacob is quick to share the stage with his team of 20 CPAs. “People are our most important asset,” says Jacob. “When others say ‘you can’t do it,’ we make it happen.”

His story reads like the best of Bollywood. In 1969, at age 16, Jacob came to Canada from Calcutta and convinced his parents to let him stay. “The first time I saw snow,” says Jacob, “I ran out of the classroom to play in it.” He’s performed in many roles: a rising star throughout the 90s at Cineplex Odeon; odd man out in a Loews corporate takeover; a star reborn as co-founder of Galaxy Entertainment; then back, with a vengeance, to direct Galaxy’s merger with Cineplex. No wonder his two favourite flicks are Slumdog Millionaire and The Shawshank Redemption.

Going to the movies? You’re likely going to a theatre run by Ellis Jacob. Cineplex is one of Canada’s largest entertainment companies, operating 163 theatres with 1,643 screens across Canada, serving 77 million customers annually. In 2013, it had its best year ever, with revenue of $1.2 billion and a market cap of $2.3 billion. But the movie biz depends on margins and buzz. The average Cineplex customer spends $5.05 on concessions, which account for 30 per cent of revenue; box office, buffeted by blockbusters, is a whopping 60 per cent. The rest, like the golden topping on your popcorn, comes from ancillary lines such as media, gaming, and one of the top loyalty programs in Canada, Scene.

In 2012, Jacob shaved off his trademark moustache and donned a toupee to go incognito for Undercover Boss Canada. He’s the kind of guy who takes the ice bucket challenge, loves the movies and lets his staff hold yoga sessions at lunchtime; a boss who herds his CPA team into a private screening room for a 9 a.m. shoot with D&A; a star who shares the spotlight. That’s all, folks. D&A

— COLIN ELLIS
Front Row, Left to Right: Ellis Jacob, FCPA, FCA, FCMA, President and Chief Executive Officer; Dan McGrath, CPA, CA, Chief Operating Officer; and Gord Nelson, CPA, CA, chief Financial Officer.

Second Row, Left to Right: Andrew Imrie, CPA, CA, Executive Director, Reporting; Marie-Lourdes Chung-Hin, CPA, CGA, Manager, Accounting; Monica Duhatschek, CPA, CA, Vice-President, Planning and Business Development; Makarand Natekar, CPA, CMA, PeopleSoft Specialist; Bo Wang, CPA, CA, Director, Tax & Treasury; and Nancy Gonzales, CPA, CGA, Manager, Accounts Payable & Film Settlements.

Third Row, Left to Right: Tyler Dykeman, CPA, CA, Manager, Planning and Business Development; Babar Raja, CPA, CA, Manager, Accounting; Huixuan (Michelle) Cai, CPA, CGA, Senior Accountant; Susan Campbell, CPA, CA, Vice-President, Finance; Sean McKenna, CPA, CA, Executive Director, Finance; Li (Shirley) Shen, CPA, CMA, Financial Analyst, Planning and Business Development; and Kevin Watts, CPA, CMA, Vice-President, Film.

Fourth Row, Left to Right: Linda Hsu, CPA, CA, Director, Corporate Audit; Francis Carrington, CPA, CMA, Senior Accountant; Pui Yin (Milton) Kong, CPA, CMA, Financial/Business Analyst; Valerie Lim, CPA, CGA, Senior Corporate Auditor; and Noor Mohamed, CPA, CMA, Controller.
Sometimes the setting for a story coincidentally captures its theme. It’s lunchtime at a Tim Hortons in the heart of Toronto’s financial district. Analysts and traders thumb their smartphones while shuffling in line with construction workers, yellow hardhats jammed beneath their arms, from the building site next door, where the new Ernst and Young Tower, 40 storeys tall, is rising to the sky.

“Just look around,” says Alan Middleton, a marketing professor at York University’s Schulich School of Business. “You see people in business suits. You see construction workers.” Taking a sip from his double-double, Middleton expounds: “The most smartly dressed, wealthiest business person and the most ‘least-dressed,’ unemployed worker can both walk down the street and be equally comfortable identifying themselves with a cup of Tims. You can’t say that for Starbucks. You can’t say that for McDonald’s. The essence of the brand is very Canadian. It’s everybody.”
The voluble Middleton is a member of the Canadian Marketing Hall of Legends. He’s the perfect person to talk us down from the sugar high of the financial press, which seems hopped up on caffeine and crullers over the C$12.5 billion acquisition of Tim Hortons by Brazilian private equity firm 3G Capital, the majority owner of Burger King Worldwide Inc (BK).

By combining the two brands — and moving BK’s headquarters to Canada — 3G will create the world’s third-largest quick service restaurant (QSR).

Middleton and I have ordered two sandwich combos, including coffee and doughnuts, which comes to $14.89. “For a high-end lunch at Tims,” he points out, “you might hit $20. McDonald’s is constantly promoting and constantly price-cutting. Tims has never had a price cut. It’s everyday low prices. So how do you build excitement? Tims does it by constantly introducing new products.”

While inclusiveness and affordability are strong brand attributes, the brand’s killer core comes from community.

“Tim Hortons is one of three brands that define Canada,” asserts Middleton. “With a little prompting, I guess correctly that the other two are Canadian Tire and President’s Choice.”

“All of these have commonality. They’re the boy and girl next door. In the U.S., you take your sports or entertainment star and you put them on a pedestal. You worship them. You do that in Canada and you’ll be slaughtered. What Tims brings to the table is a comfortable and casual standard. Just like you and I.”

Middleton is not convinced by claims that the takeover will turn Tims from a Canadian icon to a globally recognized brand.

“I don’t see any evidence that this group of acquirers, either the Brazilians in 3G or the Americans running Burger King, understand that they don’t have just a coffee chain.” He holds up his cup. “It ain’t the coffee. It ain’t the corporate social responsibility. It ain’t the staff. It’s all of it.”

To Middleton, the real story is one of financial engineering, not growth, that will rely on two accounting strategies: tax inversion and zero-based budgeting. It’s a unique mix, like the sugar and cream in a double-double, that is not to everyone’s taste. “There are only two advantages to this deal,” says Middleton dismissively. “One, it has made investors very rich. The other, depending on how it’s run, will benefit the owners, from our friend down in Omaha to 3G Capital.”

**FROM BEER TO BURGERS: 3G CAPITAL**

Outside of Leamington, Ontario, few Canadians had heard of 3G until the Tim Hortons deal. The firm’s founders — led by Jorge Paulo Lemann, the richest man in Brazil — have a reputation for discretion. They rarely talk to the press and their website makes no mention of Tim Hortons. Over the last decade they have quietly digested a menu of iconic North American food and beverage brands, including Budweiser, Burger King, Heinz, and now, Tim Hortons.

Heinz had operated in Leamington for more than a century before 3G and Warren Buffett’s Berkshire Hathaway took the ketchup-maker private and closed the plant, throwing hundreds out of work.

When I propose to Middleton that the Oracle of Omaha’s relationship with 3G seems completely antithetical to both his public image and position on investing (in 2008, during a speech in Toronto, he likened private equity firms to “porn shops”), Middleton thumps the table, causing heads to turn.

“Exactly! Absolutely! But who did they buy? They bought Heinz, which fits with Buffett’s entire philosophy: it’s food, so it has stable demand, and it has a strong brand name. Tims is very much this path.” Middleton ruefully shakes his head. “But to do it through 3G, I don’t understand the interest in this relationship.”

Even in the cutthroat world of private equity, 3G is famous for its parsimonious practices, squeezing every last penny of costs to maximize margins. For example, shortly after acquiring Heinz, 3G axed nine per cent of its North American workforce, including several hundred head office jobs, closed plants and grounded corporate jets. They did the same at Burger King, slashing corporate indulgences such as air travel and the company’s annual party in Europe.

But that was just the glaze on the doughnut. According to 3G co-founder Beto Scupira, “costs are like fingernails — you have to cut them continuously.” At Heinz, employees were restricted to $15 a month on office supplies; at Anheuser Busch, 3G closed the tap on a complimentary beer perk; at BK’s headquarters, staff use Skype for long-distance calls and are not allowed to

Amazing Grazing?

Price, product and strong customer service encourage snacking throughout the day at Tims — often referred to as “grazing” in the QSR industry. Grazers see familiar faces at the counter and in line, building a sense of community that contributes to the value of the Tim Hortons brand.
**Discussion: Full of Holes**

**U.S. Treasury Moves to Tighten Restrictions on Tax Inversions**

On September 22nd, the U.S. Treasury announced a series of measures designed to curb tax inversions, hoping to make “substantial progress in constraining the creative techniques used to avoid U.S. tax.”

- The measures introduced would:
  a. prevent the use of so-called hopscotch loans; 
  b. prevent inverted companies from restructuring a foreign subsidiary in order to access the subsidiary’s earnings tax-free; 
  c. close a loophole to prevent an inverted company from transferring cash or property from a controlled foreign corporation; and 
  d. make it more difficult for U.S. entities to invert, by strengthening the requirement that the former owners of the U.S. entity own less than 80 per cent of the new combined entity.

- Despite the new measures, Burger King is “moving forward as planned” to acquire Tim Hortons and relocate its tax base to Canada.

- Four tax inversion deals have been called off since the Treasury announcement. Chiquita Brands cancelled its merger with Ireland’s Fyffes, and three drugmakers (AbbVie, Auxilium, and Salix) cancelled similar deals. Auxilium (AbbVie, Auxilium, and Salix) cancelled its merger with Ireland’s Fyffes, and three drugmakers (AbbVie, Auxilium, and Salix) cancelled similar deals. Auxilium cancelled its deal with Canada’s QLT and will instead be acquired by Endo International, moving its tax base to Ireland.

- In 2010, Canadian drugmaker Biovail merged with U.S. pharmaceutical giant Valeant through a tax inversion. Valeant recently disclosed that it is under audit by the U.S. Internal Revenue Service for the 2010 and 2012 tax years, as it pursues a takeover of Allergan.

- A recent KPMG report named Toronto as the most tax-competitive major city in the world, with Vancouver and Montreal ranking second and third respectively, which may contribute to the interest of U.S. companies to acquire Canadian firms through tax inversion.

**Discussion**

1. “Treasury regulations are unlikely to resolve the underlying problems of the leaky American tax system,” Vern Krishna, CM, QC, FCPA, FCGA, TaxChambers LLP.

2. Can an emphasis on financial engineering and cost cutting cause management to lose focus on innovation and customer satisfaction?

**Analysis**

1. Burger King’s corporate revenue fell to $11 billion in 2013 from $23 billion in 2011 but profits have increased by $146 million to $234 million. (All figures U.S. dollars.)

2. Burger King posted a Q3 loss of $23.5 million due to foreign exchange and currency expenses related to its takeover of Tim Hortons.

make colour copies of documents without permission.

The firm borrows its hiring philosophy from Goldman Sachs, which looks for people who are “PSD”: poor, smart and with a deep desire to get rich. The salaries are low but the rewards, if you hit your numbers, are high. It’s the kind of workplace that attracts ambitious young execs who aren’t looking for security. The CEO of Burger King, Dan Schwartz, is 34. By comparison, the average age of CEOs in the S&P 500 is 57.

**TRIMMING THE FAT: ZERO-BASED BUDGETING**

Middleton takes a thoughtful bite of his sandwich. I ask him to describe it. “I'm eating a very standard ham and Swiss. There's nothing special about it, except they do lay on the dressing quite heavily. It's very sweet. I wouldn't call this an iconic Tims dish but it's part of the lunchtime operation.”

He holds his sandwich aloft. “Here’s the overall issue,” he says. “What is fat? First, 3G starts trimming back on the kind of ham Tim's uses. Or the kind of bread. They start playing around with the quality, the delivery. The dangers are clear.

“My problem with 3G is that all they've demonstrated capability in is cutting costs. Anheuser-Busch, then Heinz — there were lots of costs to cut. When you get to Tims, are there improvements you can make to the supply chain? Yes, there always are. But are they substantial differences? No. Not unless you start doing a number of things, all of which endanger the brand and the franchisee.

According to the book Dream Big, 3G Capital is a staunch proponent of the management accounting technique known as zero-based budgeting (ZBB). Its companies require all departments to start with an annual budget of zero, rather than a baseline of the previous year's number, and to justify every dollar above zero. To outsiders, it sounds like accounting’s version of The Hunger Games.

Janne Chung, Associate Professor of Accounting at Schulich, does not shy away from calling the technique “radical.” While she believes that ZBB is not inconsistent with a growth strategy, she acknowledges the technique’s weaknesses.

“For accountants,” says Chung, “given how conservative our training is, it’s hard for us to buy into the concept of starting from zero every year. Every line item has to be justified. It’s a long, laborious process. The prep time and expense for the accountants involved is huge.”

ZBB requires commitment, says Chung. “It requires all management to know the mission and goals of the organization. The accounting executives have to support it and they have to sell it,
which takes interpersonal skills, leadership, tact and diplomacy to help employees buy into it. Otherwise it gets really frustrating for people. It cannot be implemented quickly. Employees need time to change their thinking.”

While Middleton and Chung differ on the overall value of ZBB, they agree that the technique is effective at cutting costs. Chung believes the main benefit of ZBB is the efficient allocation of funds. “Funds are allocated to where they are needed,” she says, “not to where they were used last year.”

Says Middleton, “zero-based budgeting, when applied to an existing process, when all you're trying to do is cut excess costs, I think is mostly useless. It can be good if there is a core pressure to ask, ‘is there a better way of doing this?’”

I ask Middleton how a company can go back to zero on sponsorship spending and justify the dollars it may give to local little leagues. “It can’t,” he says bluntly. “That's why, in marketing, zero-based budgeting is a problem. Not an insurmountable one, but it’s a problem.

“The question is: ‘How much has a franchisee built a value-added brand in the community?’ Does it matter that you didn’t give new jerseys to the soccer team? As a single act, probably not. But number one, who else have you let down? And number two, we won’t think of Tims the same way. Then you reinforce it by a bunch of other acts. I call it ‘death by a thousand cups.’”

Chung is not as alarmist. She says the publicity around ZBB may lead to more of its use, not less, as other Canadian companies say “maybe we can learn something from 3G.” But she does agree that the deal looks like financial engineering and she is wary of the fallout. “Two things could happen to Tim Hortons,” she says. “Their service could be affected and their franchise fees could increase. To Canadians, Tim Hortons is a valuable brand. If their service changes, Canadians will know it.

“3G needs to be careful not to kill the goose that laid the golden egg. They shouldn’t squeeze Tim Hortons so tight that consumers walk away.”

THE HOLE AT THE CENTRE: TAX INVERSIONS

We need a pick-me-up. Middleton takes a bite of his Old Fashion Glazed. I demolish my Toasted Coconut. When I suggest that the entire deal sounds somewhat unseemly, Middleton nods ruefully. “3G can argue to Bloomberg [news], to the media, and to [U.S. President] Obama until they are blue in the face, that they are not doing it because of the tax rates.”

In the early days of the deal’s announcement, much of the media coverage was devoted to the topic of corporate tax inversions, a tax reduction strategy that would reduce the hamburger restaurant’s U.S. tax bill. BK insisted the deal was about international expansion, not tax savings. “We don’t expect our tax rate to change materially,” said CEO Schwartz. “This transaction is not really about tax, it’s about growth.”

Chartered Professional Accountant Alex Edwards, Assistant Professor of Accounting at the Rotman School of Management, acknowledges that “Burger King in particular is a very multinational company. Tim Hortons has been moving that way and trying to do more abroad. It's a very international deal with significant components in the U.S. and Canada, but that's not the whole story.”

Edwards reminds us that Tims has undergone inversion before. It was acquired by burger chain Wendy’s in 1995 but, as Tims co-founder Ron Joyce noted in his memoir, Always Fresh, “Wendy’s simply did not perform, leaving Tim Hortons as [Wendy's] only means of growth.” The Canadian icon was spun off in 2006 and, in 2009, “repatrified” from the State of Delaware to Oakville, Ontario, primarily for tax purposes.

According to reporter Tom Bergin of Reuters, BK “has been making major efforts to reduce its U.S. tax bill for some time.” Not only is its effective tax rate lower than its QSR competitors, it is 30 per cent lower than the average tax rate it paid in the five years before it was bought by 3G. And while its QSR competitors largely reported U.S. profits in line with U.S. revenues, BK reported profits that were 40 per cent less than its U.S. revenues from 2011-13. No wonder Reuters asserts the Canadian move will allow BK to “double down” on its aggressive tax reduction strategies.

“From the U.S. perspective,” says Edwards, “inversions have been happening for a number of years. It’s not the first time this has happened.” But such was the fallout from the deal and the planned move of BK’s headquarters to Canada (which U.S. pundits called “un-American”), that it took less than 30 days for the U.S. Treasury Department to introduce new rules to curb corporate tax inversions. The changes resulted in the cancellation of some international deals but BK has said the Tims deal will move forward.
With so much skepticism surrounding the deal, one wonders what the advantages are to 3G Capital and to BK, beyond squeezing margins to boost earnings per share.

A few contacts in private equity (who did not wish to go on record), were willing to provide some insight. In their opinion, 3G’s growth strategy is two-fold: one, by acquiring Tims (and its coffee), BK can now compete directly with McDonald’s Café; two, 3G would co-locate BK and Tims in its restaurant facilities, adopting a “twinning strategy” of selling both product lines without showing favouritism to one or the other. But the most intriguing explanation for the deal is that 3G will use Tims as a cash cow to exit its investment in BK, assuming the combined company does not live up to expectations. There is substance to that argument.

First, as reported by Bloomberg Businessweek, the QSR industry may have reached the point of “peak burger.” Sales have reached the saturation point and the big chains are selling off their stores to franchisees (“refranchising”) to transfer the costs of running the restaurants. BK, for example, now owns less than one per cent of its U.S. locations.

Second, Tims has one of the lowest debt-to-equity ratios in the QSR industry, while BK, burdened with debt, has been put on credit watch by Standard & Poor’s. In our current era of low interest rates, private equity is piling on debt to acquire companies with strong cash flow. 3G will pay for Tims with US$3 billion in preferred stock from Berkshire Hathaway and US$9.5 billion in debt financing from JPMorgan Chase and Wells Fargo.

Middleton sweeps the crumbs from the table. “It’s very simple,” he says. “Tims was bought as a cash cow to fund BK or something else they may acquire. There is minimal growth for coffee and burgers in North America but China and the emerging markets have potential.”

We crumple our bags, stuff them into our Tim Hortons cups and drop them in the recycling bin. “We know the major reason why M&As fail is because of cultural misfit,” says Middleton in passing. “Thirty-five to 45 per cent fail to deliver incremental value within five years. The acquirers are better at cutting costs. What they’re not so good at is developing solutions and growing the revenue.”

**The Hole at the Centre**

One week after lunch with Middleton, I stop for lunch at Burger King. Just as Tim Hortons sums up Canadian values, whether real or imagined — inclusiveness, egalitarianism, frugality — Burger King seems to personify America, in all its brash, reckless glory.

There’s the freedom to indulge your most unhealthy appetites, even if they kill you. There’s the promise of plenty, symbolized by my Triple Whopper with Cheese, even if the calories are empty. And there’s that sense of entitlement, even manifest destiny; it’s the Burger King of the food court.

Perhaps the King has no clothes. BK is getting squeezed on one side by North America’s move to healthy eating choices and on the other by the craft burger craze. Within 10 minutes of my home is a burger joint that sells patties made of elk, bison and camel. In comparison, “flame-broiled” sounds a little old-fashioned.

Still, the first bite is delicious. The patty’s juices mix with the sweet and sour toppings and drip onto the paper wrapping. The cheese sticks to the roof of my mouth. I leave the restaurant, shot through with protein, feeling like I could conquer the world.

An hour later comes the crash. I want a nap. I want a big bowl of fruit and vegetables. My lunch was fun but there’s no great reason to return.

I’m reminded of something Alan Middleton said: “You know, Americans vote with their mouths, Canadians vote with their feet. When you cut back in the U.S., you notice it quickly. Americans will yell at you.

“Canadians are quieter. Canadians just walk away.”

Colin Ellis is the editor of D&A Magazine. With files from Craig Seeley of CPA Ontario. Interview requests placed to Tim Hortons were not returned.
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Textual analysis is becoming a tool for accountants, investors and litigators alike. BY Melissa Campeau
What is the semantic difference between the word **achieve** and the phrase **in line with**? How many times can you use the word **robust** without risk? Spurred by software and the Internet, researchers are breaking new ground in the academic field broadly known as **textual analysis**, parsing the diction, tone and style of written and verbal business communications for links to corporate and stock market performance.

When it comes to financial disclosure, there are plenty of standards and regulatory forces designed to enforce the accuracy of quantitative details, whether in annual reports, filings or even conference calls. But when it comes to the qualitative, such as the language in your typical MD&A, or the tone of the CEO at a shareholders’ meeting, the waters are considerably murkier.

While standard-setters have distinguished between **fundamental** qualitative characteristics (relevance and faithful representation) and **enhancing** characteristics (comparability, timeliness, verifiability and understandability), researchers are delving deeper, classifying words as positive, negative, neutral or uncertain, **modal** (see sidebar, “weasel words”) and, most worrisome to accountants and investors alike, litigious.

**Dem’s Fightin’ Words**

On April 21, 2009, U.S. aerospace giant Lockheed Martin released a public statement that included this confident quote from CFO Bruce Tanner: “Looking forward, I would expect to see revenue growth ... sequentially increasing quarter over quarter.” Just one month later, CEO Robert Stevens asserted the firm would “honour its commitment to double-digit growth for the year,” adding, “We have confidence in our ability to do that.”

But that May, Lockheed Martin posted Q2 results that looked nothing like those rosy predictions. Company stock tumbled nine per cent in a single day. Frustrated shareholders launched a securities fraud class-action lawsuit, claiming Tanner and Stevens knowingly made misleading statements. In early 2013, Lockheed Martin agreed to pay $19.5 million to settle the suit, resolving more than two years of litigation over qualitative language.

Whether or not managers and CFOs should be held accountable for the implications of descriptive information in a report is still a hotly debated subject, primarily in U.S. courts. For example, the statement, “Demand has been strong,” survived a motion to dismiss in a 2009 action against Smith & Wesson Holding Corp. But the statement, “Revenue and earnings growth outlook remains positive,” was dismissed as puffery and not held against Omnicare, Inc. in a 2009 lawsuit.

What is clear from research, however, is that lawyers are paying attention to the language and tone of financial disclosure, in all its guises, and using more than numbers to launch class-action lawsuits. If textual analysis began as a remote and even limited academic field, it has blossomed into a useful tool for risk mitigation.

**Analyzing Words**

Research into the impact of qualitative disclosure dates back at least as far as the mid-1980s. But in the last decade and a half, technology advances have made the linguistic software required to analyze the language of financial documents both more effective and more readily available. Further, broader online publication of reports, including conference call transcripts and SEC filings, means there is substantially more material available for researchers to review.

Researchers are tackling the intricacies of everything from the style of conference calls (Jenny Li Zhang at the Sauder School of Business at UBC) to the tone of restatements (Claudine Mangen at the John Molson School of Business at Concordia University, with Artyom Durnev, formerly of McGill University in Montreal) to the composition of useful word lists (Bill McDonald and Tim Loughran at the University of Notre Dame).

Paul C. Tetlock at the Columbia School of Business published two influential articles, in 2007 and 2008, examining the relationship between qualitative information in financial news stories — in particular, the use of negative and positive language — and market reactions. He found high levels of media pessimism predicted downward pressure on market prices, followed by a correction based on fundamentals. Secondly, and not surprisingly, very high or very low pessimism about particular stocks appeared to result in high trading volume. In short, he was able to quantify the idea that descriptive language — not just numerical data — has an immediate and substantial influence on investor decisions.

Even earlier, Mark Lang of the University of North Carolina and Russell Ludwig, currently at the Sauder School of Business in B.C., uncovered a link between the quantity of positive-language financial reporting and negative market reaction. Their research found firms that dramatically increased the quantity of their optimistic disclosures during the six months before an equity offering, compared with a control group of companies that kept a
steady pace of disclosures, experienced increased stock prices before the offering, but then suffered sharp declines when they announced their intent to issue equity. With the links between language and performance firmly established, University of Chicago Business School Professors Jonathan Rogers and Sarah Zechman, along with Andrew Van Buskirk from the Ohio State University, released a research paper in 2011 demonstrating a correlation between the tone of an organization’s financial report and its risk of shareholder litigation.

They examined 20 shareholder complaints, citing 294 communications, including earnings announcements, conference calls, press releases, media interviews, investor conferences and SEC filings. Earnings announcements were singled out most often in the complaints, with specific language mentioned in 18 of the 20 lawsuits. In addition, more than half the lawsuits’ damage periods began on an earnings announcement date, indicating that the first statement shareholders considered misleading was contained within the earnings announcement or conference call.

The authors measured the frequency of words deemed “optimistic” or “pessimistic” in passages cited in the suits, compared to the remainder of each document, and compared to language in reports by non-sued firms. Firms hit with lawsuits, they concluded, use “substantially more optimistic language in their earnings announcements than do non-sued firms.”

They also found that the particular passages named in the lawsuits were measurably more optimistic in tone than the rest of the language in the reports.

Obfuscating Words
In addition to diction, syntax and tone, researchers are watching the length and readability of financial reports. In 2008, textual analysis researcher Feng Li, a professor at the Ross School of Business at the University of Michigan, published a study concluding that firms provide longer and less readable disclosures when they report losses or transitory gains, than when they report persistent income.

What’s more, he suggested that authors increase the complexity of their language in financial disclosures when performance is poor. “Managers may be opportunistically choosing the readability of annual reports to hide adverse information from investors,” Li wrote.

He noted that writers who used a higher frequency of future tense verbs tended to have persistently lower earnings, suggesting they were attempting to move the spotlight off the present and past, and onto the road ahead. The study also showed that profitable firms using more instances of causation words (such as “because,” “effect” and “hence”) had less persistent earnings as well. Li suggested, “People may spend more effort explaining what is going on if they try to cover up something.”

Kristina Rennekamp, a researcher with Cornell University, delved a little further into this topic with a paper published in 2011. Even though Li’s 2008 study found no link between complex language and stock prices, Rennekamp found obfuscating language in financial reporting did, in fact, have some effect on an audience. Her research found more readable language in financial reporting increased investors’ confidence in the truth of the information in the disclosure. She also found that investors predicted managers would provide less readable disclosures when news was bad. In short, direct and simple language bolstered trust, while complicated wording inspired some level of suspicion.

Rennekamp’s study defined a more readable document as one that used shorter sentences, engaged the active voice, avoided superfluous words, employed sentences that kept the subject, verb and object close together, used clear headings and included simple tables and bullet points.

Words of Caution
The cautionary list for authors of financial reports may appear long — watch your tone, keep frequency consistent, avoid embellishment, keep it simple — but most of the guidelines uncovered by this growing body of research are in line with common sense and basic elements of sound business management and good writing.

The qualitative aspect of financial disclosure isn’t the only, or even necessarily the most influential element affecting the market, investor decisions or litigation risk. But it does fall within the discretion of management, which offers a relatively direct opportunity for an organization to shape the communications it shares with the world.

What this growing body of research confirms, however, is a direct link between the qualitative language and valuation, litigation and the faith of investors. It is understandable that many managers, motivated to meet targets, collect bonuses and advance careers, are inclined to put a positive spin on a forecast or make disappointing news a little less obvious. But for the sake of investor relations — and to keep out of the courts — writers would be wise to keep their language clear and simple, and tone down the overly positive rhetoric.

Melissa Campeau is a freelance writer.
WEASEL WORDS
A modal word is one that attaches an expression of belief, attitude or obligation to a statement. In their paper, “When is a liability not a liability?” (2011), University of Notre Dame professors Bill McDonald and Tim Loughran distinguish between strong modal words (will, can) and weak modal words (might, could, perhaps, depends), which they call “weasel words.” The authors surmised that, after the implementation of SOX, managers increased their use of weasel words in response to greater legal liability.

POSITIVES AND NEGATIVES
As textual analysis has become more prolific and complex, word lists have become more sophisticated. Early lists categorized words as either “positive” or “negative” but didn’t always account for the specific needs of financial reporting. For example, non industry-specific lists considered a word such as division (an example of polysemy) to be negative, whereas its use in a financial report generally refers to a particular operation and would be considered neutral. McDonald and Loughran developed a word list with analysis of financial reporting in mind. Turn to page 40 for a small sample of words belonging to the “positive” and “negative” categories.

NEUTRALITY AND READABILITY
Research demonstrates the importance of avoiding excessive optimism in financial reporting and keeping text straightforward and readable. The following examples highlight differences in language and readability, and are based in part on the research conducted by Kristina Rennekamp of the Samuel Curtis Johnson Graduate School of Management at Cornell University.

OPTIMISTIC LANGUAGE
Smith Co. reported robust third quarter results that achieved the company’s expectations. Sales soared to $14.7 million, and earnings per share were $2.04, considerably higher than the low end of the company’s guidance range of $2.00 and $2.07. “We are extremely pleased with this quarter’s results,” said CEO John Smith. “I am very impressed with our retail sales growth of four per cent.

NEUTRAL LANGUAGE
Smith Co. reported second quarter results in line with the company’s overall expectations. Sales totaled $19.8 billion and earnings per share were $2.04, within the company’s guidance range of $2.00 and $2.09. “The second quarter results met our overall expectations,” said CEO John Smith. “Retail sales grew four per cent.”

LOW READABILITY
The figures below summarize revenue and earnings performance for the quarter ended March 31, 2008, as compared to March 31, 2007, for Smith Co., an international leader in the premium coffee category and renowned for its innovative social media branding initiatives and projects and distinctive marketing style, which today announced results for the quarter ended March 31.

HIGHER READABILITY
Smith Co., a leader in the premium coffee category and known for social media branding and distinctive marketing, today announced results for the quarter ending March 31, 2007. The figures below summarize revenue and earnings for the quarter ended March 31, 2008, compared to March 31, 2007.
Discussion
1. As McDonald and Loughran suggest, are CPAs in danger of “watering down” the impact of qualitative reporting due to the impact of increased regulations and a fear of risk exposure?

2. What steps can a CPA take to mitigate the risk of legal liability in qualitative statements such as the MD&A in annual reports?

Analysis
1. A one standard deviation change in net optimism (optimistic tone less pessimistic tone) is associated with a 52 per cent increase in the likelihood of being sued. Source: “Disclosure tone and shareholder litigation” (Rogers, Van Buskirk and Zechman, 2009).

2. The linguistic tone of Q&A discussions in conference calls is significantly more negative and less resolute in the afternoon hours relative to the morning hours. Source: “Oh What a Beautiful Morning! The Time of Day Effect on the Tone and Market Impact of Conference Calls” (Chen, Demers and Lev, 2013).

Recommended Reading
“The Use of Word Lists in Textual Analysis” (Loughran and McDonald), Social Science Research Network, July 2014.

“MD&A Disclosure and the Firm’s Ability to Continue as a Going Concern” (Mayew, Sethuraman and Venkatachalam), Social Science Research Network, August 2014.

“Processing Fluency and Investors’ Reactions to Disclosure Readability” (Rennekamp), Social Science Research Network, January 2011.
The Book Shelf
A round-up of recently published nonfiction titles related to accounting, business and finance.

Agile Selling
Get Up to Speed Quickly in Today’s Ever-Changing Sales World
Author: Jill Konrath
Imprint: Portfolio
Hardcover: 272 pages
Published: June 2014

Agile selling, according to sales strategist Jill Konrath, is the ability to quickly learn new information and then leverage it for maximum impact. Konrath deconstructs the learning process and maps the terrain of establishing situational credibility in direct and simple prose. When a competitor wins, agile sellers refuse to see themselves as losers. They see failure differently than anyone else, as part of a natural learning process. A good lesson for all readers, regardless of profession.

Clash!
How to Thrive in a Multicultural World
Authors: Hazel Rose Markus, Alana Conner
Imprint: Plume
Paperback: 320 pages
Published: June 2014

Delving into the cultural divides of the 21st century, cultural psychologists Markus and Conner explain how our cultural backgrounds impact us, which in turn influence how we parent, govern and run our lives. Markus and Conner believe that as people, we clash(!) when our different selves intersect or collide. The authors focus on the issues we encounter in our schools, workplaces and relationships and how we can solve them. Markus and Conner also wrote Clash! 8 Cultural Conflicts that Make Us Who We Are.

Commit to Win
How to Harness the Four Elements of Commitment to Reach Your Goals
Author: Heidi Reeder
Imprint: Hudson Street Press
Hardcover: 256 pages
Published: May 2014

A challenging exploration of the psychology behind commitment — the key to reaching any goal — by an associate professor at Boise State University who teaches courses in communication and commitment. Mixing business stories with references to B.F. Skinner and Howard Becker, Reeder prescribes a compelling framework for success, including a four-element formula for implementing true commitment in your life, based on treasures, troubles, contributions and choices. Recommended for readers of Succeed and The Willpower Instinct.

Would you like to be a book reviewer?
If you’ve ever wanted to try your hand at book reviews, we have an opportunity for you. D&A Magazine will begin publishing critical book reviews in 2015. We will provide you with a list of titles to choose from, guidelines to follow, and examples of book reviews. All reviews will be overseen and edited as necessary by editorial staff at D&A prior to publication. To express your interest and receive more information, please email Dana Newton (dnewton@cpaontario.ca) at CPA Ontario.
The Book Shelf

Derivatives
A Guide to Alternative Investments

Author: David M. Weiss
Imprint: Portfolio
Hardcover: 320 pages
Published: August 2014

Credit Default Swaps. Asset-Backed Securities. The language of the Great Recession is still fascinating, like the code to a great mystery. David M. Weiss, former VP of global operations at Goldman Sachs, attempts to decode the language for mere mortals in a book that many Chartered Professional Accountants will find enlightening, especially if you work in the finance industry or follow the markets. An important addition to any accounting and financial bookshelf.

Driving Honda
Inside the World’s Most Innovative Car Company

Author: Jeffrey Rothfeder
Imprint: Portfolio
Hardcover: 320 pages
Published: August 2014

The Honda Accord and Honda Civic are two of the most recognizable car models in Canada. How did a small Japanese motorcycle maker grow into a global giant, with its affordable, innovative cars in driveways around the world? From Tokyo to Alabama, Jeffrey Rothfeder explores the management principles behind the “Honda Way”: Embrace Paradox; Real Place, Real Part, Real Knowledge; and Respect Individualism. Especially recommended for opponents of Six Sigma thinking.

Flash Boys
A Wall Street Revolt

Author: Michael Lewis
Imprint: Norton
Hardcover: 304 pages
Published: March 2014

The most widely read business writer of our time tackles an arcane topic, high-frequency trading, and turns it into a complex morality tale with a Canadian at its centre. The author of Liar’s Poker, Moneyball, and Boomerang is always entertaining. Who else would begin his book with an epigraph from Omar Little, a fictional character on the HBO drama The Wire? Like Moneyball before it, coming soon to a theatre near you.

Invisibles
The Power of Anonymous Work in an Age of Relentless Self-Promotion

Author: David Zweig
Imprint: Portfolio
Hardcover: 256 pages
Published: June 2014

It must surely be a failure of Western society that we lavish so much attention on c-suite executives and ignore the highly skilled professionals who do their jobs so perfectly that they’re “invisibles.” In this original, contrarian salute to competency, author Zweig interviews professionals from the worlds of engineering, medicine, diplomacy and even pop music, to tell the stories of the folks who really hold the world together. You might be one yourself.
**Never Be Closing**
*How to Sell Better Without Screwing Your Clients, Your Colleagues, or Yourself*

Author:  Tim Dunne, Tim Hurson  
Imprint:  Portfolio  
Hardcover:  272 pages  
Published:  June 2014

“Always Be Closing” or “ABC” has become a cultural touchstone since first uttered from a sneering Alec Baldwin in *Glengarry Glen Ross*. Authors Hurson and Dunne turn the catchphrase on its head in *Never Be Closing*, a vigorous argument in favour of building ongoing sales relationships that lead to ongoing sales and sustainable business models. Anecdotal and engaging, *Never Be Closing* is about building better customers, not ripping them off.

**Small Move, Big Change**
*Using Microresolutions to Transform Your Life Permanently*

Author:  Caroline L. Arnold  
Imprint:  Penguin Group Canada  
Hardcover:  272 pages  
Published:  January 2014

Wall Street tech leader Caroline Arnold explores “microresolutions”: small behavioural changes that are pivotal to the success of personal improvement. With nearly 90 per cent of personal resolutions failing, Arnold has developed a set of rules to encourage sustainable change, one micro-step at a time, while warning against moving on until readers have mastered the previous change. The author also includes real-life examples and identifies the science behind them.

**Thanks for the Feedback**
*The Science and Art of Receiving Feedback Well*

Author:  Douglas Stone, Sheila Heen  
Imprint:  Viking  
Hardcover:  368 pages  
Published:  March 2014

Authors Stone and Heen delve into an element of conversation dreaded by most in their professional and personal lives — and provide some interesting statistics: “Across the globe, 825 million work hours — a cumulative 94,000 years — are spent each year preparing for and engaging in annual reviews.” The book is not meant to be a pre-performance review pep talk; it uncovers why receiving feedback is difficult and provides a framework to help use feedback as fuel for growth.

**The First 20 Hours**
*How to Learn Anything ... Fast*

Author:  Josh Kaufman  
Imprint:  Penguin Group Canada  
Hardcover:  288 pages  
Published:  May 2014

Whether the “10,000 Hour Rule” is accurate or not, everyone can agree that it takes a great deal of time to learn to do anything well. Author Josh Kaufman lays out his approach to acquiring any skill quickly. Having personally tested his method, Kaufman shows how to go from not knowing anything about a personal skill to being able to perform it well in just 20 hours of focused, deliberate training.
### The Emperor Far Away

**Title:** The Emperor Far Away

**Author:** David Eimer

**Imprint:** Portfolio

**Hardcover:** 320 pages

**Published:** July 2014

“...the mountains are high and the emperor is far away.” So goes the ancient Chinese adage that, in the hands of David Eimer, wisely reveals realities different than modern China we see on the nightly news. Formerly the China correspondent for the Sunday Telegraph, Eimer tours the vast expanses beyond China’s glittering megacities, where modernity is still challenged by the traditions of the country’s 55 official ethnic minorities. A must-read for Sinophiles.

### The Glitter Plan

**Title:** How We Started Juicy Couture for $200 and Turned It into a Global Brand

**Author:** Pamela Skaist-Levy, Gela Nash-Taylor, Booth Moore

**Imprint:** Gotham

**Hardcover:** 256 pages

**Published:** May 2014

It’s easy to deride Juicy Couture, but you can’t dismiss a global brand that was launched for $200 and sold for $250 million. For all their gossipy, name-dropping prose, the authors reveal the same management techniques you find in the Harvard Business Review: identify your market, cultivate your contacts, build your brand. Sure, Juicy has imploded, just like so many clothing brands before it, but that’s why they call it the fashion business. A fun book for a short-haul flight.

### Centered Leadership

**Title:** Leading with Purpose, Clarity, and Impact

**Author:** Joanna Barsh with Johanne Lavoie

**Imprint:** Crown Business

**Hardcover:** 288 pages

**Published:** March 2014

Ever wondered why some people rise to the top and stay while equally talented people never make it? Joanna Barsh and her colleagues provide an answer in a book that outlines what makes some people able to achieve greatness. There are five dimensions to centered leadership: framing, connecting, engaging, energizing and meaning. Using one at a time will show incremental change but if used together they result in lasting change.

### Creativity, Inc.

**Title:** Overcoming the Unseen Forces that Stand in the Way of True Inspiration

**Author:** Amy Wallace, Ed Catmull

**Imprint:** Random House Canada

**Hardcover:** 368 pages

**Published:** April 2014

Pixar Animation co-founder Ed Catmull tells the story of Pixar’s rise to greatness. Long revered for its creative culture, Pixar has developed ways to remove impediments to creativity in the workplace. Recommended for business leaders who know there is a vast difference between being creative in the workplace and building sustainable organizational creativity. The authors lay out the philosophies behind Pixar’s success and provide previously unavailable access to the “nerve centre” of Pixar Animation.
Invent It, Sell It, Bank It!
Make Your Million-Dollar Idea into a Reality

Author: Lori Greiner
Imprint: Ballantine Books
Hardcover: 288 pages
Published: March 2014

Crowned the “Queen of QVC,” Lori Greiner, successful entrepreneur and shark on ABC’s Shark Tank, reveals the secrets of her success story. Focused on the principle that million-dollar ideas start as solutions to everyday problems, Greiner walks readers through the process of moving ideas into concepts and prototypes into production, covering important stages such as marketing, patent protection, manufacturing and sales.

Money
The Unauthorized Biography

Author: Felix Martin
Imprint: Doubleday Canada
Hardcover: 336 pages
Published: March 2014

A history of money and monetary policy that challenges traditional notions. The author traces the growth of currency from Mesopotamia and Ancient Greece to the diversity of modern monetary systems. In this accessible book, Martin shows us how we got to the state of our current currency problems through a gradual misunderstanding of money, and how we can turn the situation around.

Scaling Up Excellence
Getting to More without Settling for Less

Author: Robert I. Sutton, Huggy Rao
Imprint: Random House Canada
Hardcover: 304 pages
Published: February 2014

Inspired by a seven-year project that focused on uncovering pockets of exemplary performance in organizations, Scaling Up Excellence explains what it takes to build and spread exemplary performance as an organization grows. Focused on a common issue coined “the problem of more,” the authors identify common scaling issues identified with a diverse set of organizations. Learn how the best teams, leaders and organizations develop with this innovative look at a common organizational issue.

Who Gets Promoted, Who Doesn’t, and Why
12 Things You’d Better Do if You Want to Get Ahead

Author: Donald Asher
Imprint: Ten Speed Press
Hardcover: 208 pages
Published: May 2014

After spending 20 years coaching ambitious careerists, Donald Asher has launched the second edition of his book to reinforce the key he has discovered to climbing the corporate ladder: working smarter, not harder. Asher emphasizes lessons from the first edition, such as “don’t go over your boss’s head without her permission,” while introducing two new themes: women in the workplace and career stalls.
Learn how the experts maximize cash refunds and/or tax credits for eligible expenditures on R&D.

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Dear Advisor

The Case of the Retired CPA
Not all retired CPAs are exempt from CPD

The Dear Advisor series helps members become better informed about the provisions of the Member’s Handbook, including various bylaws, regulations and ethical requirements under the Rules of Professional Conduct and related Council Interpretations (CIs).

Dear Advisor:
I have been retired for a number of years. I recently ran into an old colleague of mine who is also retired. He tells me that even though I am retired, I still need to do continuing professional development (CPD). Is he correct? All I am doing is volunteering on the board of the local hospital and sitting on its finance committee.

Surprised in Sudbury

Dear Surprised:
Even though retired members may not be actively employed or earning income, they may be providing services that require them to meet certain CPD requirements, as outlined in Bylaw 4.14 Professional Development and Regulation 4-5 Continuing Professional Development.

CPD Exemptions for Retirees
Generally, retired members are exempt from CPD requirements as long as they have ceased full-time practice, full-time employment or full-time business activity; they are not licensed to practise public accounting; and they do not provide any “Reliance Services.” There is also an age plus years of aggregate membership criteria — the combination of both must equal or exceed 85.

Retired members who provide any Reliance Services or who have a public accounting license are subject to CPD requirements. As defined in the Regulation, “Reliance Services means activity undertaken by a member where it is reasonable to believe that another party is relying on the member’s skills as a member and includes, but is not limited to:

- serving on the board or governing body of a reporting issuer as defined in Rule of Professional Conduct 204;
- serving on the board or governing body of a public interest entity;
- providing accounting services to the public; and
- providing other professional service(s) for which the member is remunerated and the gross annual revenue from such service(s) exceeds $25,000.”

You are serving on the board of a hospital, which would be considered to be a “public interest entity” as defined in this Regulation, since a hospital has both a social responsibility and a high degree of outside interest in it from large numbers and diverse classes of stakeholders. As such, your colleague is likely correct that you still need to meet CPD requirements. However, the good news is that they may be reduced requirements. Also, your involvement on the Board and its finance committee likely contribute to you meeting some, if not all, of these requirements.

CPD Requirements
The minimum requirements that members must meet, unless otherwise exempt, are 20 hours annually and 120 hours in every three-year period, at least 50 per cent of which shall consist of verifiable CPD. (Note that there are transitional provisions in the Regulation to align the triennial reporting periods of all three legacy bodies).

There are no exemptions for any retiree with a public accounting licence, or serving on the board of a reporting issuer, or earning gross annual revenue in excess of $75,000 from providing accounting services to the public or other professional services. Retired members who serve on the board or governing body of a public interest entity, or who earn gross annual revenue of between $25,000 and $75,000, must meet CPD requirements as well, but the hourly requirements are reduced by 50 per cent to a minimum of 10 hours annually and 60 hours in each three-year reporting periods, 50 percent of which must be verifiable.

Your attendance at board and committee meetings may qualify as verifiable CPD. With the exception of members with public accounting licences (PALS), who per the PAL Regulation 9-1 need to take CPD in areas related to competencies needed to provide public accounting services, members can undertake CPD in activities that are relevant and appropriate to their work and professional responsibilities. Committee meeting agendas likely include matters that have significant intellectual or practical content, which would meet the verifiable criteria. Similarly, some preparation time for the meetings may in some circumstances qualify as verifiable CPD. For instance, did you need to meet with auditors in preparation for the finance committee meeting? Note also that time preparing and reading meeting materials may also qualify as unverifiable CPD.

Time spent on routine matters, however, is unlikely to qualify as learning — either verifiable or unverifiable. Remember to keep some documentation to support your participation in this learning activity, such as the agenda, a copy of the minutes or meeting materials, or your notes from the meeting.

Note that retirees still need to complete the annual compliance declaration annually, whether or not they are eligible for a partial or full exemption from CPD requirements.

Advisor

INFORMATION AND GUIDANCE
For additional guidance from Dear Advisor, go to the Practice Matters web page in the Firms/ATOs section at cpaontario.ca and click on the Articles link. Members, students and firms should also refer to the CPA Ontario Member’s Handbook in the Resources section of CPA Ontario’s website for the complete wording of Bylaws, Regulations, Rules of Professional Conduct, and related CIs.

For further guidance, members are encouraged to contact a Practice or Member Advisor:
Phone: 416-962-1841, ext. 4456 or 1-800-387-0735, ext. 4456
Email: practiceadvisory@cpaontario.ca or memberadvisory@cpaontario.ca.
Advisory News

New Assurance Standard: CSRS 4460
REPORTS ON SUPPLEMENTARY MATTERS ARISING FROM AN AUDIT OR A REVIEW ENGAGEMENT

Are you a regulator or funder who wants more information relating to an entity than is required to be included in the financial statements? Or are you the public accountant receiving these requests and, if so, do you know how to respond?

Requests for information supplementary to financial statements are common for certain types of not-for-profit organizations, where, for instance, a third party may request a report on a questionnaire or a report on certain items of interest. Some of these requests were previously referred to as “derivative reporting,” although upon closer scrutiny, many of the requests were not derivative in nature and should instead have been treated as a separate engagement.

A new related services standard, Canadian Standard on Related Services (CSRS) 4460, Reports on Supplementary Matters Arising from an Audit or a Review Engagement, has been issued to provide assistance on how to respond to these requests and whether the other reporting responsibility can be fulfilled. CSRS 4460 is effective for reports dated on or after April 1, 2016.

As a result of the issuance of CSRS 4460, changes have been made to a number of other standards, including:

- AuG-13, Special Reports on Regulated Financial Institutions, has been withdrawn.
- Examples of reports relating to the amount of gross sales that had been included in Section 9100, Reports on the Results of Applying Specified Auditing Procedures to Financial Information Other than Financial Statements, have been removed.
- Some amendments have been made to both AuG-17, Transactions or Conditions Reportable under the “Well-Being Reporting Requirement” in Federal Financial Institutions Legislation, and AuG-18, Criteria for Non-Derivative Reports Issued Under Subsection 295(5) of “An Act Respecting Trust Companies and Savings Companies” in Québec, including the adoption of the terminology used CSRS 4460.

Guidance to raise awareness of the issuance of CSRS 4460 and to provide assistance in its application is being developed.

Practice Resources
CPA CANADA UPDATES TO PRINT AND WEB PUBLICATIONS

The following is a summary of new and recently updated resources available through CPA Canada's website at cpacanada.ca.

PRACTITIONERS TOOLKIT
Are you looking at setting up a public accounting practice? Are you looking for guidance as you move through the life cycle of your practice? If so, you may have the following questions:

- What do you need to do to start your own practice?
- What resources will you need?
- How can you make your firm grow?
- What is the best way to manage succession in your firm?

The free, online Practitioners Toolkit is designed to assist CPAs who are contemplating public practice and also those who already run small and medium-sized public practices. The Toolkit's life cycle approach is designed to help you understand what's involved in setting up and managing a small practice by providing valuable resources, tools and advice. The Toolkit is available at www.cpacanada.ca/practitionerstoolkit.

NEW AUDIT & ASSURANCE ALERTS
CPA Canada has developed new Audit & Assurance Alerts to provide non-authoritative guidance on both CAS 600, Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors), and CAS 540, Auditing Accounting Estimates, including Fair Value Accounting Estimates, and Related Disclosures. They are listed below. These Alerts can be found at cpacanada.ca, in the Business and Accounting Resources section, by clicking on “Audit and assurance,” then “Canadian auditing standards (CAS).”

CAS 600 Alert
Two new Alerts on CAS 600 address the challenges for auditors in complying with the requirements of group audits involving components located in emerging markets. The first Alert provides guidance to raise awareness about challenging aspects of group audits. It discusses the requirements related to determining the type of work to be performed on components and determining component materiality.

The second Alert provides guidance for practitioners to increase their understanding about challenging aspects of group audits involving components located in emerging markets. This Alert may also be of interest to any practitioner who performs audits of entities that are located in emerging markets.

CAS 540 Alert
A new Alert addressing CAS 540 raises awareness about the challenges of meeting the requirements for auditing accounting estimates. This Alert provides guidance to practitioners on understanding management's process for making accounting estimates, assessing whether accounting estimates have high estimation uncertainty and whether those estimates are significant risks, and identifying possible management bias when reviewing the judgments and decisions made by management in making accounting estimates.

MANUALS FOR PUBLIC PRACTITIONERS
With the integration of CGA Canada and CPA Canada (effective October 1, 2014), there are now two CPA Canada publications relating to professional engagements with clients: the Public Practice Manual (PPM) and the Canadian Professional Engagement Manual (C-PEM).

Both provide valuable guidance on performing effective and efficient assurance and compilation engagements. Neither manual is mandated for use by CPA Ontario. Practitioners are, however, expected to perform professional services in accordance with generally accepted standards of the profession. In some cases, manuals provide very useful guidance and tools to assist...
with understanding and documenting the application of those standards.

Efforts are currently underway at CPA Canada to develop a new resource that will blend the strengths of both legacy publications. The PPM will complete its final subscription cycle in 2015-16, while C-PEM will publish its final edition in 2015. The new resource is expected to be launched in the fall of 2016.

For any other questions or comments, please email PPM inquiries to ppm@cga-canada.org and C-PEM inquiries to cpem@cpacanada.ca.

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doug@bouffordca.com

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Pursuant to the Unification Agreements between CGA Ontario, CMA Ontario and CPA Ontario, CPA Ontario has primary regulatory jurisdiction over all members post-unification. However, until new legislation is in place, legacy tribunals may continue to render certain decisions.

Bonnie McCourt, CGA
Address: Town of Saugeen Shores (Port Elgin)
Year of Admission: 2000
Tribunal: CGA Ontario Professional Conduct Tribunal
Date of Decision: June 15, 2014
Rule/Regulation: Code of Ethical Principles and Rules of Conduct – Principle on Deceptive Information.
Conduct: By filing a false declaration, the Member breached the Code of Professional Ethics Regulations and in breach of the Independent Consulting CMAs Offering Services to the Public Regulations.
Finding: By his conduct, the Member is guilty of misleading, whether by statement or omission.
Penalty: Through ratification of the Statement of Facts and Resolution, the Professional Conduct Tribunal imposed the following penalties:
1. Reprimand
2. Audit of the Member’s CPD Declaration for compliance with Continuing Professional Development (CPD) requirements for 2012.
3. Publication of the terms of resolution in print and online and the full resolution on the CGA Ontario website.
4. Practice Review by CMA Ontario for a period of twenty-four (24) months at the member’s own expense
5. Audit of the Member’s CPD Declaration for the calendar years 2014, 2015, and 2016
6. Publication of the decision and Order on CGA Ontario’s website and publication to the membership.

Full decision: https://www.cgaontario.org/protectingthepublic/disciplineproceedings/ordersdispositionsofthedisciplineteam.aspx

Michael Stead, CPA, CGA
Address: City of Toronto
Year of Admission: 1990
Tribunal: CGA Ontario Professional Conduct Tribunal
Date of Decision: July 14, 2014
Rule/Regulation: Code of Ethical Principles and Rules of Conduct – Principle on Deceptive Information.
Conduct: The Member filed a false declaration of compliance with Continuing Professional Development (CPD) requirements for 2012.
Finding: By filing a false declaration, the Member breached the Code Principle on Deceptive Information, which states that members shall not be associated with any information that the member knows, or ought to know, to be false or misleading, whether by statement or omission.
Penalty: The penalty originally imposed by the Discipline Committee was modified on appeal.
The Appeal Committee imposed the following penalties:
1. Six (6) month suspension of membership
2. Reprimand
3. $8,500 fine
4. Practice Review by CMA Ontario for a period of twenty-four (24) months at the member’s own expense
5. Publication of the decision and Order on CGA Ontario’s website and publication to the membership.

Full decision: http://www.cga-ontario.org/applications/discipline/default.aspx

Joseph Shuen Chuen Chan, CPA, CGA
Address: City of Toronto (North York)
Year of Admission: 1991
Tribunal: CGA Ontario Professional Conduct Tribunal
Date of Decision: July 14, 2014
Rule/Regulation: Code of Ethical Principles and Rules of Conduct – Principle on Deceptive Information.
Conduct: The Member filed a false declaration of compliance with Continuing Professional Development (CPD) requirements for 2012.
Finding: By filing a false declaration, the Member breached the Code Principle on Deceptive Information, which states that members shall not be associated with any information that the member knows, or ought to know, to be false or misleading, whether by statement or omission.
Tribunal imposed the following penalties:

**Facts and Resolution, the Professional Conduct Tribunal**

1. Reprimand
2. Audit of the Member’s CPD Declaration for the calendar years 2014, 2015 and 2016
3. Publication of the terms of resolution in print and online and the full resolution on the CGA Ontario website.

Full decision: [http://www.cga-ontario.org/applications/discipline/default.aspx](http://www.cga-ontario.org/applications/discipline/default.aspx)

**David Choi, CGA**

**Address:** City of Mississauga  
**Year of Admission:** 1994  
**Tribunal:** CGA Ontario Professional Conduct Tribunal  
**Date of Decision:** July 14, 2014

**Rule/Regulation:** Code of Ethical Principles and Rules of Conduct – Principle on Deceptive Information

**Conduct:** The Member filed a false declaration of compliance with Continuing Professional Development (CPD) requirements for 2012.

**Finding:** By filing a false declaration, the Member breached the Code Principle on Deceptive Information, which states that members shall not be associated with any information that the member knows or ought to know, to be false or misleading, whether by statement or omission.

**Penalty:** Through ratification of the Statement of Facts and Resolution, the Professional Conduct Tribunal imposed the following penalties:

1. Reprimand
2. Audit of the Member’s CPD Declaration for the calendar years 2014, 2015 and 2016
3. Publication of the terms of resolution in print and online and the full resolution on the CGA Ontario website.

Full decision: [http://www.cga-ontario.org/applications/discipline/default.aspx](http://www.cga-ontario.org/applications/discipline/default.aspx)

**John William Morgan, CPA, CA**

**Address:** City of Toronto  
**Year of Admission:** 1971  
**Tribunal:** CPA Ontario Discipline Committee  
**Date of Decision:** July 15, 2014

**Rule/Regulation:** Rules of Professional Conduct: Rule 206.1 – Compliance with Professional Standards

**Conduct:** The Member performed audits of the financial statements for two clients, and a review of the financial statements for one client, which contained numerous deficiencies and lack of documentation in the working paper files.

**Finding:** The Member was found guilty of failing to perform his professional services in accordance with generally accepted standards of practice of the profession.

**Penalty:**

1. Reprimand  
2. $7,500 fine  
3. Five (5) professional development courses  
4. Twenty-four (24) months of supervised practice  
5. Reinvestigation by the Professional Conduct Committee following the period of supervised practice  
6. Publication of the Decision and Order  
7. $12,500, cost of CPA Ontario hearing.

As a result of the Member’s failure to comply with the Order, his membership and public accounting licence were suspended, and subsequently revoked on September 16, 2014.

Full decision: [https://ebusiness.cpaontario.ca/discipline/Alphaindex.cfm](https://ebusiness.cpaontario.ca/discipline/Alphaindex.cfm)

**Laurel Clarry, CGA**

**Address:** Town of Cobourg  
**Year of Admission:** 1990  
**Tribunal:** CGA Ontario Professional Conduct Tribunal  
**Date of Decision:** July 14, 2014

**Rule/Regulation:** Code of Ethical Principles and Rules of Conduct – Principle on Deceptive Information

**Conduct:** The Member filed a false declaration of compliance with Continuing Professional Development (CPD) requirements for 2012.

**Finding:** By filing a false declaration, the Member breached the Code Principle on Deceptive Information, which states that members shall not be associated with any information that the member knows or ought to know, to be false or misleading, whether by statement or omission.

**Penalty:** Through ratification of the Statement of Facts and Resolution, the Professional Conduct Tribunal imposed the following penalties:

1. Reprimand
2. Audit of the Member’s CPD Declaration for the calendar years 2014, 2015 and 2016
3. Publication of the terms of resolution in print and online and the full resolution on the CGA Ontario website.

Full decision: [http://www.cga-ontario.org/applications/discipline/default.aspx](http://www.cga-ontario.org/applications/discipline/default.aspx)

**Tina McLeod, CPA, CGA**

**Address:** City of St. Catharines  
**Year of Admission:** 2008  
**Tribunal:** CGA Ontario Professional Conduct Tribunal  
**Date of Decision:** August 29, 2014

**Rule/Regulation:** Code of Ethical Principles and Rules of Professional Conduct: Rule 101 – Discrediting; Rule 102 – Unlawful Activity; Rule 108 – Conduct Unbecoming and Rule 607 – Reporting of Professional Misconduct, Unlawful Activity or Conduct Unbecoming; Principles on Trust and Duties and Due Care and Professional Judgment

**Conduct:** While engaged in a position of trust, the Member misappropriated $32,000 from her employer to pay off her personal credit card accounts. The Member was convicted of and sentenced for one count of Fraud Over $5,000 in the Ontario Court of Justice. She failed to inform CGA Ontario of the criminal charges against her.

**Finding:** By her conduct, the Member breached both the Rules of Professional Conduct and provisions of the Code of Ethical Principles.

**Penalty:**

1. Revocation of membership  
2. Reprimand  
3. $6,000 fine  
4. Publication on CGA Ontario’s website, publication to the membership and local newspaper.

Full decision: [http://www.cga-ontario.org/applications/discipline/default.aspx](http://www.cga-ontario.org/applications/discipline/default.aspx)

**Melissa Romolo, CGA**

**Address:** City of Mississauga  
**Year of Admission:** 2006  
**Tribunal:** CGA Ontario Competence Tribunal  
**Date of Decision:** August 5, 2014

**Rule/Regulation:** Code of Ethical Principles and Rules of Professional Conduct: Rule 301 – Competence; Rule 302 – Professional Development; Rule 516 – Professional Liability Insurance; Rule 610 – Requirement to Reply in Writing, Principles on Trust and Duties and Due Care and Professional Judgment

**Conduct:** The Member failed to: carry out the work she was retained to do, return client documents, respond to client inquiries, fulfill her professional development requirements, obtain mandatory professional liability insurance for the 2013/2014 year, respond to requests from CGA Ontario, honour the trust of her clients and practice due care and professional judgment.

**Finding:** By her conduct, the Member failed to meet the standards of professional competence and breached both the Rules of Professional Conduct and provisions of the Code of Ethical Principles.

**Penalty:**

1. Revocation of membership  
2. Reprimand  
3. $5,000 Fine  
4. Publication on CGA Ontario’s website, industry publication chosen by CGA Ontario and local newspaper  
5. $2,000, cost of CGA Ontario hearing  
6. Return of CGA Ontario and CGA Canada membership certificates.

Full decision: [http://www.cga-ontario.org/applications/discipline/default.aspx](http://www.cga-ontario.org/applications/discipline/default.aspx)

Note: Individuals who were not members in good standing with their legacy body on the date of unification were not eligible for admission to membership in CPA Ontario and were not granted the CPA designation.
Appointments

Dianne Adshead, CPA, CMA
President, Ontario Association of Community Futures Development Corporations

Ann Davis, FCPA, FCA
Chair, Board of Directors, Women's College Hospital Foundation

Chris Dickson, CPA, CA
Board of Directors, Kemptville District Hospital

David Ferguson, FCPA, FCA
Board of Directors and Audit Committee, Hydrogenics Corporation

Barry Laver, CPA, CA
Chair, Board of Governors, Havergal College

William Loucks, CPA, CA
Board of Directors, Highbank Resources Ltd.

Kameshwar Mishra, CPA, CGA
Director and Treasurer, Indo-Canada Ottawa Business Chamber

John O’Neill, CPA, CGA (Retired)
Compliance Audit Committee, Town of Collingwood

Dave Zanin, CPA, CGA
Advisory Board of Directors, Noble Health Works.

Awards & Recognition

Christine Henderson, FCPA, FCA, was named one of Canada’s top female entrepreneurs by PROFIT and Chatelaine magazines.

Lee Fournier, CPA, CA, of BMO Nesbitt Burns, and Candace Markovich, CPA, CMA, of the Mason Group, were recognized for their career success by Distinctive Women Magazine.

Marlene Grant, CPA, CGA, was officially inducted into the National Wall of Role Models on June 7, 2014, at the Black Canadians Awards.

Frank Mensink, FCPA, FCA, FCGA, was recognized as a 2014 recipient of the Waterloo Award, in recognition of his considerable contribution to the Waterloo community.

Daniel Zeghal, FCPA, FCGA, is the recipient of CGA Ontario’s 2014 The Lorna Henderson Outstanding Mentor Award.

The following Chartered Professional Accountants were recipients of CGA Ontario’s Distinguished Service Award:

Joanne Beaton, CPA, CGA
Sarosh Contractor, CPA, CA, CGA
Dharam (Danny) Rai, CPA, CGA

The following Chartered Professional Accountants were recipients of their respective legacy organization’s fellowship award:

Monique Arnold, FCPA, FCGA
Patricia Barbato, FCPA, FCA, FCGA
Brian James Berry, FCPA, FCMA
Anna-Marie Christian, FCPA, FCMA
Jim Daley, FCPA, FCMA
Andrew Grainger, FCPA, FCGA
Genevieve Grenier, FCPA, FCMA
Rai Nandan, FCPA, FCGA
Kurt Schobel, FCPA, FCMA
Langeswaran Tharmalingam, FCPA, FCGA

Life Members for 2014 were recently announced. Due to space limitations, D&A Magazine is unable to print the full list of Life Membership recipients. The list is available at cpaontario.ca.

Degrees & Designations

Dom Cianflone, FCPA, FCMA. Certified Management Consultant (CMC).

New Positions

Sarah Bartal, CPA, CA
Financial Analyst, The Conference Board of Canada

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Alex Briganti
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Rose Femia
905.738.5758 ext. 239
r.femia@fazzaripartners.com
In Memoriam

CPA Ontario has received, with regret, notification of the passing of the following members, as of October 3, 2014:

- Peter Aarts, CPA, CMA, Strathroy
- Alexander James Adams, CPA, CA, Toronto
- Beant Singh Bhatti, CPA, CGA, Caledon East
- Peter Robert Birnie, CPA, CA, New Liskeard
- Kathleen Black, CPA, CMA, Cookstown
- Eric Butt, CPA, CGA, Forest
- John Michael Carty, FCPA, FCA, Kitchener
- Norman Lee Clark, CPA, CA, Clemmons, NC, USA
- Donald Keyworth Cowley, CPA, CA, Waterloo
- Thomas Casimer Dabrowski, CPA, CA, Waterloo
- Frederick Edward Davies, CPA, CA, Etobicoke
- Edward J. D’Souza, CPA, CMA, North York
- Kathryn Durham, CPA, CA, St. George, Brant
- Robert John Geddes, CPA, CA, Thunder Bay
- James Gordon Gibson, CPA, CA, York Mills
- William Edward Goodfellow, FCFA, PCFA, London
- Stewart Hamilton, CPA, CA, Toronto
- William Charles Hayward, CPA, CMA, Goderich
- Bryce McClelland Hunter, CPA, CA, Toronto
- John William Jago, CPA, CA, Brantford
- John Ernest Jasenec, CPA, CA, Oakville
- Kenneth George William Johnston, CPA, CA, Scarborough
- Breen Vincent Donald Keenan, FCPA, FCA, Sudbury
- Norman George MacMillan, CPA, CA, Guelph
- Pamela McCarthy, CPA, CGA, Windsor, NS
- Clarence Stewart McLaren, CPA, CA, Ottawa
- Thomas Homer Michael, CPA, CA, Cote St. Luc, QC
- Toshikatsu Miki, CPA, CA, Mississauga
- Gregory Mills, CPA, CA, Brampton
- Sam Patterson, CPA, CA, New Brunswick
- Donald Campbell Ross, CPA, CA, Burlington
- Marvin Jay Shore, CPA, CA, Thornhill
- Donald Walton Shugar, CPA, CA, Toronto
- Dennis Shukla, CPA, CGA, Brampton
- Wayne Patrick Skrynnyk, CPA, CA, London
- Dushri Srinathan, CPA, CA, Toronto
- John Barry Ward, CPA, CA, London
- Linda Deveaux, CPA, CGA
  Controller, Cam-Scott Transport
- Adnan Hussain, CPA, CGA
  Director, Client Management, RBC Investor & Treasury Services
- Mark Moore, CPA, CA
  Chief Financial Officer and Vice-President, The Boiler Inspection and Insurance Company of Canada

Newsworthy

Peter Gilgan, FCPA, FCA, announced a donation of $30 million to St. Michael’s Hospital in Toronto. Gilgan, founder of Oakville-based Mattamy Homes, announced the donation in September. It is the largest single donation in St. Michael’s 122-year history and will support the construction of a new patient care tower at the corner of Queen and Victoria Streets.

Rob McLeese, CPA, CA, hosted the second annual Cobble Beach Concours d’Elegance, an elite car show featuring several hundred million dollars worth of rare classic cars from private collections, at the Cobble Beach Golf Links in Kemble, Ontario in September. McLeese, the founder and president of Access Capital Corp., co-founder and president of Cobble Beach, and the president and CEO of American Consumer Industries (ACI), was profiled in the Globe and Mail on September 5, 2014.

Mark Murphy, CPA, CA, and spouse Mandie Murphy are about to open their own brew house and retail outlet in Toronto’s east end. The couple cofounded the baseball-themed Left Field Brewery in 2013 and were profiled in the Globe and Mail on October 16, 2014.

Promotions

Patricia Elliot-Spencer, CPA, CMA
General Manager, Community and Corporate Services, City of Barrie

Dimitri Gadakis, CPA, CMA
Senior Finance Analyst, TD Bank

Tim Jackson, CPA, CA
Executive Vice-President, Corporate & Community Development, MaRS Discovery District

Hersh Joshi, CPA, CA
Vice-President, Taxation, Ontario Teachers’ Pension Plan

Diane McNulty, CPA, CA
Managing Director, Resources Global Professionals

Grace Lee Reynolds, CPA, CA
Chief Financial Officer, MaRS Discovery District

Paul Weissman, CPA, CA
President and Chief Executive Officer, Venngo Inc.

In Memoriam

Peter Aarts, CPA, CMA, Strathroy
Alexander James Adams, CPA, CA, Toronto
Beant Singh Bhatti, CPA, CGA, Caledon East
Peter Robert Birnie, CPA, CA, New Liskeard
Kathleen Black, CPA, CMA, Cookstown
Eric Butt, CPA, CGA, Forest
John Michael Carty, FCPA, FCA, Kitchener
Norman Lee Clark, CPA, CA, Clemmons, NC, USA
Donald Keyworth Cowley, CPA, CA, Waterloo
Thomas Casimer Dabrowski, CPA, CA, Waterloo
Frederick Edward Davies, CPA, CA, Etobicoke
Edward J. D’Souza, CPA, CMA, North York
Kathryn Durham, CPA, CA, St. George, Brant
Robert John Geddes, CPA, CA, Thunder Bay
James Gordon Gibson, CPA, CA, York Mills
William Edward Goodfellow, FCFA, PCFA, London
Stewart Hamilton, CPA, CA, Toronto
William Charles Hayward, CPA, CMA, Goderich
Bryce McClelland Hunter, CPA, CA, Toronto
John William Jago, CPA, CA, Brantford
John Ernest Jasenec, CPA, CA, Oakville
Kenneth George William Johnston, CPA, CA, Scarborough
Breen Vincent Donald Keenan, FCPA, FCA, Sudbury
Norman George MacMillan, CPA, CA, Guelph
Pamela McCarthy, CPA, CGA, Windsor, NS
Clarence Stewart McLaren, CPA, CA, Ottawa
Thomas Homer Michael, CPA, CA, Cote St. Luc, QC
Toshikatsu Miki, CPA, CA, Mississauga
Gregory Mills, CPA, CA, Brampton
Sam Patterson, CPA, CA, New Brunswick
Donald Campbell Ross, CPA, CA, Burlington
Marvin Jay Shore, CPA, CA, Thornhill
Donald Walton Shugar, CPA, CA, Toronto
Dennis Shukla, CPA, CGA, Brampton
Wayne Patrick Skrynnyk, CPA, CA, London
Dushri Srinathan, CPA, CA, Toronto
John Barry Ward, CPA, CA, London
Hockey has always been a passion of mine but at the end of the day it’s a business.

Sure Shot
Chartered Professional Accountant
Joe Resnick on life as an NHLPA agent

I was heavily involved in sports as a kid. When my best friend was drafted into the OHL and later into the NHL, I got to see what his agent did and was intrigued by how he interacted with clients. That inspired me to become an agent and eventually open my own agency, Top Shelf Sports Management Inc., in 2007 with my partner, John Thornton.

What’s my average day like? During the hockey season, I usually check line scores first thing in the morning to see how my clients did the night before. I’ll speak to them and sometimes chat with the team’s GM. I also have the junior draft so I’ll speak to junior teams, scouts and GMs about prospective clients. In the evenings, I’m probably at an arena.

In the summer, I focus on signings, the NHL Draft and free agency. It’s a 24/7, 365-day job. With a boutique base, I can spend extra time on my clients.

During last year’s Stanley Cup finals, I had two clients on the LA Kings (Tanner Pearson and Jake Muzzin) and one on the New York Rangers (Rick Nash). It was stressful!

Name three Top Shelf Sports Management clients. Rick Nash, Jake Muzzin and Logan Couture.

What’s the Top Shelf Sports Management philosophy? Quality over quantity. Top Shelf is a service business.

What’s your favourite team? I grew up a Leafs fan. Now I just root for the teams my clients are on.

Who will win the Stanley Cup this year? I don’t know. Hopefully a team I have a client on.
Daniel Mancini
Bachelor of Accounting
(Honours Co-op)
UFE Honour Roll.

Goals
Accounting firm partner, teacher, mentor.

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Like Daniel Mancini, who was on the honour role for the 2013 UFE. Upon graduation, Daniel was hired by his co-op employer and is now mentoring the next generation of accountants.

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