



# TIME TO SECURE OUR FUTURE

## Uniting the Canadian Accounting Profession

### CA CMA CGA BC MERGER PROPOSAL JANUARY 2012

## VISION

To be the pre-eminent, internationally recognized, Canadian accounting designation and business credential that best protects and serves the public interest.

## OVERVIEW

The leadership of BC's professional accountants—Chartered Accountants, Certified Management Accountants, and Certified General Accountants—has developed this proposal: It outlines key elements for a proposed merger of these three provincial organizations and the creation of a new accounting designation in BC, Chartered Professional Accountant (CPA).

A national merger discussion is also underway; however, the profession is governed under provincial/territorial statutes, and certain matters must be agreed upon at the provincial level.

This proposal is supported by the ICABC Council, the CMA BC Board, and the CGA-BC Board and is consistent with the national unification framework.

As a member-based profession, the views of our members are extremely important. As provincial regulators charged with protecting and serving the public interest, we also need to understand and respect the views of the employers and clients our members serve, as well as the views of the provincial government.

The decision concerning changes to the profession requires the enactment of legislation; therefore, a decision to merge will require the input of and support from the provincial government.

## KEY STAKEHOLDERS

The key stakeholders are:

- Members of the accounting bodies;
- The public;
- Government; and
- Employers, business community and other consumers.

The three bodies are presenting the national Unification Framework and BC Merger Proposal to members and other key stakeholders and are soliciting input through:

- Dialogue and consultation with key external stakeholder groups;
- Dialogue and consultation with members, including town halls and employer meetings; and
- Focus groups and surveys to quantify both member and other stakeholder views on the merger.

The three bodies will collect and assess this input, as well as evaluate the support for the merger in jurisdictions across Canada. The Boards and Councils of each of the three bodies will consider this feedback and draft a formal submission to the BC government regarding the merger of the three accounting bodies. Members will be surveyed and asked to endorse any proposed recommendations going forward to government. The final submission to government will reflect the results of the survey.

***The leadership of BC's professional accountants look forward to a continued dialogue with our members, who are invited to provide feedback regarding this merger proposal.***

# GOVERNANCE

BC's new CPA profession would be governed by a volunteer Board. The size, roles, responsibilities, policies, and procedures would be in line with best practices for corporate governance. Mechanisms would also be put in place to ensure the rights of all members were protected in the decision-making model.

## The New CPA Profession's Board of Directors

Once the transitional period is completed, the CPA Board would be comprised of 15 CPAs elected by the membership, and public representatives appointed by the provincial government. Appropriate consideration would be given to Board diversity.

## Term of Office

Terms of office would be three years, renewable for a maximum of two consecutive terms. Exceptions to this term limit would be made for individuals appointed to the Executive Committee.

## Board Chair

The Chair of the Board would be elected by, and from among the Board directors, for a one-year term.

## Executive Committee

The Executive Committee would consist of Board directors appointed annually by the Board.

## Interim Board of Directors

The first Board of Directors would be formed once BC's CPA legislation is enacted. To ensure continuity within the new profession, new Board members would be appointed from members sitting at that time on the CA Council, the CMA Board and the CGA Board.

The composition would be proportionate to the number of members in each of the legacy bodies, appointed by the existing Board/Council of the respective organizations, as follows:

	Members	Percent	Positions
CA	11,006	42%	6
CMA	4,755	18%	3
CGA	10,319	40%	6
<b>Total</b>	<b>26,080</b>	<b>100%</b>	<b>15</b>

Over time, interim Board members would be replaced with elected CPA members regardless of their legacy designations. The first Board election would be held after the second anniversary of the new legislation taking effect, and one third of appointed board positions (two CPA, CA, one CPA, CMA, and two CPA, CGA) would be up for election in that and each of the following two years.

## Transitional Steering Committee

Prior to the enactment of CPA legislation, each professional body would continue to operate and be governed under its existing structure.

Once a timetable for integration has been established, a Transitional Steering Committee (TSC) with equal representation from the legacy bodies would oversee the merger of the three organizations. The TSC would be made up of three members appointed by each professional body, the CEO of each professional body, and staff support as needed.

# EDUCATION

The provincial bodies will monitor the evolution of the national pre-certification program, and will consider how the legacy education programs could be phased out. Program transition would ensure that students who begin in one of the legacy systems have an opportunity to finish or bridge into the new CPA program.

Details about the new certification program can be found in the national Unification Framework materials, which have been released and can be found on the websites of the ICABC, CMA BC, and CGA-BC.

# MEMBER DUES

Members in each accountancy body are charged dues each year. National fees differ substantially and would need to be harmonized by the national bodies. At the provincial level, the dues of each body are close to equal. Efforts would be made to equalize the fees of CPA members within a five-year period.

## REGULATORY PROCESSES

Currently the provincial accountancy bodies are responsible for regulating the profession and protecting and serving the public interest. The new CPA body would move towards common self-regulatory processes, using best practices consistent with other provincial bodies as a guide. Such processes would include: rules of conduct; practice inspection; complaints resolution; professional development; and discipline.

Until provincial CPA legislation is passed, members would continue to follow the by-laws, regulations, and rules of their legacy bodies; the current regulatory processes of each body would be maintained.

## INTEGRATING OPERATIONS

Management of the CPA organization would reflect and take into account the best accepted practices, processes, and management structure of the ICABC, CMA BC and CGA-BC.

The creation and operation of the CPA organization would require experienced and talented employees to maintain continuity. Successful unification would initially require utilizing the existing staff of the legacy organizations, and individuals whose education, experience, and qualifications best match the requirements would be appointed to the respective positions.

## ROLE OF GOVERNMENT

Using the decision making process outlined on the next page, the three accountancy bodies will collect the views of all key stakeholders, including members, on the Unification Framework and BC Merger Proposal.

Responsibility for collecting and compiling this information rests with the ICABC, CMA BC, and CGA-BC. Following the receipt of all feedback, a report will be prepared and the Boards and Councils of the three organizations will review the information and decide whether to approach the government with a recommendation to merge. The government would then be in a position to determine whether it is prepared to proceed with legislation.

No steps would be taken to enact a provincial transition plan until a commitment to proceed with legislation was received from government.

## TRANSITION

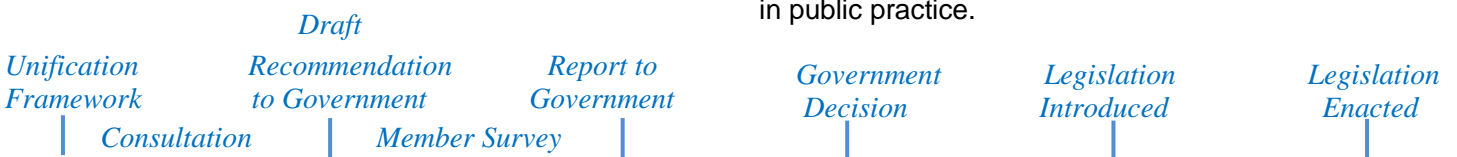
If a commitment to proceed with legislation is received from the government, the ICABC, CMA BC, and CGA-BC will work with government officials to draft legislation to be included in the legislative calendar at the earliest opportunity. In addition, the ICABC, CMA BC, and CGA-BC will commence planning and implementing the integration of their respective organizations.

The existing levels of member services are expected to be maintained or expanded during the transition phase. To the extent possible, members of each legacy body would be granted access to the member services of the other bodies on equal terms.

As noted in the regulatory processes section above, existing processes would be maintained until legislation of the new professional body is passed.

Once provincial legislation is in place, current members would be granted the CPA designation. Members will use the CPA designation in conjunction with their existing designation for ten years, after which time it would be optional to include the legacy designation in addition to the CPA designation. Consideration will be given to developing a reasonable transition period for implementation, including specific guidance to members in public practice.

### Potential Milestones



# DECISION MAKING PROCESS IN BC

A key task for the three bodies is engaging members and other key stakeholders regarding the Unification Framework and BC Merger Proposal in order to gauge the level of support.

The three bodies will collect and assess the input received during the consultation, as well as assess the support for the merger in jurisdictions across Canada. The Boards and Councils of each of the three bodies will consider this feedback and draft a formal submission to the BC government regarding the merger of the three accounting bodies. Members will be surveyed and asked to endorse any proposed recommendations going forward to government. The final submission to government will reflect the results of the survey.

The key stakeholders in BC have been identified as:

## Members

It will be important to engage members in BC, and their views will be communicated to government. The following process will be undertaken:

- January-March: Input from members and students will be gathered through surveys, focus groups, town hall meetings, and firm meetings in order to gauge overall support for the merger, as well as key elements of the proposals. At each town hall and firm meeting, attendees will have the opportunity to ask questions and provide comments. A schedule of town hall meetings will be posted on the websites of the ICABC, CMA BC, and CGA-BC.
- An online presentation will be available for those members not able to attend in-person meetings. Members will also be encouraged to provide their input via email or phone calls to the provincial bodies.

## Public

- Financial regulators, such as the BC Securities Commission, will be asked to provide input on the Unification Framework.
- Public representatives, who represent the public interest and participate in our governance and regulatory processes, will also be asked their views on the Unification Framework and BC Merger Proposal.

## Government

- The Government of BC will be invited to express its view of the Unification Framework and BC Merger Proposal.

## Consumers

- Consumers of accounting services and employers of accountants will be asked their views on unification.
- Accounting firms are one of the primary consumers of our education programs and are regulated by the profession. Their views on the proposed changes are important.
- Post-secondary educators have a significant stake in the profession and it will be important to know their views.

# 4 WAYS UNIFICATION BENEFITS OUR MEMBERS

- To protect and enhance the value of your designation in an increasingly competitive international environment.
- To contribute to the sustainability and prosperity of the Canadian accounting profession.
- To govern the accounting profession in an effective and efficient manner.
- To be better positioned to protect the public by ensuring all professional accounting and assurance services meet a uniformly high and consistent level of ethical and practice standards.

## QUESTIONS / COMMENTS?

To learn more or have your questions addressed or comments considered, please contact:

**ICABC ([www.ica.bc.ca](http://www.ica.bc.ca))**

[Viewpoint@ica.bc.ca](mailto:Viewpoint@ica.bc.ca)

604-681-3264 or 1-800-663-2677

**CMA BC ([www.cmabc.com](http://www.cmabc.com))**

[cmabc@cmabc.com](mailto:cmabc@cmabc.com)

604-687-5891 or 1-800-663-9646

**CGA-BC ([www.cga-bc.org](http://www.cga-bc.org))**

[merger@cga-bc.org](mailto:merger@cga-bc.org)

604-732-1211 or 1-800-565-1211