

# **Alberta Accounting Bodies Amended Unification Plan**

April 17, 2013

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## **1. PREAMBLE TO THE AMENDED UNIFICATION PLAN**

- 1.1. The Council of ICAA, Board of Directors of CMA Alberta and the Board of Governors of CGA Alberta are proposing that these three accounting bodies unify to form one accounting body under the name of Chartered Professional Accountants of Alberta (which will be referred to as CPA Alberta) which is to be established by legislation. This document, to be referred to as the Amended Unification Plan is intended to outline the terms of that unification.
- 1.2. The Board of Directors of CMA Alberta and the Board of Governors of CGA Alberta have agreed to the unification of their two organizations by way of their May 2012 Unification Plan which is referred to herein as the Original Unification Plan.
- 1.3. The general intent of the Original Unification Plan is unchanged. Nonetheless, terms of the Original Unification Plan shall be amended to those outlined within this Amended Unification Plan if the ICAA reaches the Transition Stage of this Amended Unification Plan before July 31, 2013. In the event that the ICAA does not reach the Transition Stage by this date, the terms of the Original Unification Plan between CGA Alberta and CMA Alberta shall be unchanged by this agreement.

The Unification Agency for CGA Alberta and CMA Alberta has been established, and will be continuing to implement the items in the Transition Stage in accordance with the Original Unification Plan during the ICAA Consultation Stage.

- 1.4. This Amended Unification Plan will be placed before the Members of ICAA for approval before July 31, 2013, and will be actively recommended for that approval by the Council. Subject to that approval, the Board of each Unifying Body intends to proceed with the proposed unification as outlined in this Plan. This shall include requests to the Government of Alberta for enabling legislation and the associated regulations, bylaws, board resolutions and rules of professional conduct.
- 1.5. Before the Consolidation Stage, the Unification Agency or the Boards of the Unifying Bodies may, in their discretion, and if all parties are in agreement, amend or modify this Plan to give better effect to the stated objectives, which includes the ability to resolve, to delay, or not to proceed with the entire unification described herein, notwithstanding any Member approval. The Unification Agency or the Boards of the Unifying Bodies may take such steps in response to developments such as: a) unification activities occurring or not occurring in other jurisdictions, or b) significant changes in their perception of the risk exposure of Alberta CMAs and/or CGAs, and/or CAs or their stakeholders.
- 1.6. This Plan relates only to the business and authority of ICAA, CGA Alberta and CMA Alberta. Other related organizations in other jurisdictions, including the provincial, regional and national affiliates of each of the Unifying Bodies, are also engaged in discussions of unification arrangements.

- 1.7. Where any activity, process, program or goal contemplated in this Plan falls within the control of an organization related to the Unifying Bodies, the Unifying Bodies intend to cause or request the related organization(s) to give effect to the activity, process, program or goal contemplated in this Plan.
- 1.8. ICAA, CGA Alberta and CMA Alberta intend to continue to work within the broader unification discussions currently underway nationally.
- 1.9. References to "CPA" in this document are predicated on the assumption that the Unifying Bodies and the new unified organization can gain access to the usage of "CPA" and the related names described herein. The Boards of the Unifying Bodies may substitute another designation name and related names in the event that they are unable to gain this access or that the legislation flowing from this unification cannot include "CPA" and the related names.
- 1.10. The objective of the Unifying Bodies is to move towards a unified accounting profession, which the Unifying Bodies consider to be in the best interest of their respective Members and the public. This Plan is intended to guide future discussions about how the Unifying Bodies intend to consult with their respective Members, and to provide direction around how the Unifying Bodies propose to move towards unification throughout the stages outlined herein. The Unifying Bodies recognize that, so long as all parties to this Plan are in agreement, this Plan may be modified following discussions, and subject to legislative amendments. Subject to the agreement of all parties, this Plan is further subject to compliance with the enabling statutes of the Unifying Bodies and the proposed unified entity.
- 1.11. The Unifying Bodies acknowledge that they remain subject to certain agreements with respect to the confidentiality of matters associated with the implementation of this Plan. This Plan is intended to be released publicly to members of the Unifying Bodies and other stakeholders but matters with respect to the implementation of this Plan will remain confidential, as previously agreed, unless all of the Unifying Bodies agree otherwise.

## **2. MEMBER ENDORSEMENTS**

- 2.1. The members of CGA Alberta and CMA Alberta voted in favour of the Original Unification Plan. The purpose of this Amended Unification Plan is to outline the terms under which the ICAA will participate in the Unification and to seek and support the approval of the members of the ICAA.
- 2.2. As at the date of this Amended Unification Plan the Boards of CGA Alberta and CMA Alberta are not considering a further member vote on this Amended Unification Plan necessary as it makes no substantive changes to the Original Unification Plan and as the

amendments to that Original Unification Plan outlined herein involve the participation of the ICAA as contemplated in the Original Unification Plan.

- 2.3. A vote in favour of the Plan by the Members of the ICAA who are eligible to vote on such matters, and who do so in a voting arrangement established by the Council of the ICAA shall constitute an ICAA Member Endorsement of this Plan. The vote must be conducted in accordance with the bylaws of the ICAA. The voting arrangements, question(s), and threshold shall be established by the Council of the ICAA on a basis that is acceptable to the Unification Agency and the Boards of CGA Alberta and CMA Alberta.
- 2.4. Following a vote of the Members of the ICAA, the Council of the ICAA will undertake a Final Unification Vote at a meeting of the Council before July 31, 2013. Once a successful Final Unification Vote has been taken by the Council this Amended Unification Plan will proceed as outlined herein or as amended by agreement of all of the Boards of the Unifying Bodies.

### **3. UNIFICATION STAGES**

- 3.1. The Unifying Bodies shall proceed in three stages. The dates of these stages described herein as follows:
  - 3.1.1. Consultation Stage - from the date of this Plan to the time a Final Unification Vote is passed.
  - 3.1.2. Transition Stage - from the conclusion of the Consultation Stage to the proclamation of provincial legislation which creates CPA Alberta, or a similar body which all three of the Boards of the Unifying Bodies have accepted. During this stage each of the existing Unifying Bodies will retain their existing responsibilities and authority under RAPA and their organization's regulations, bylaws, code of ethics and Board resolutions and policies, but the Unifying Bodies will begin the process of passing and delegating operating authority for their responsibilities to the Unification Agency.
  - 3.1.3. Consolidation Stage - from the proclamation of provincial legislation which creates CPA Alberta until a time decided upon by the Board of CPA Alberta.
- 3.2. As at the date of this Amended Unification Plan CGA Alberta and CMA Alberta have completed all steps of the Consultation Stage and have entered the Transition Stage. The ICAA undertakes that it will have entered the Transition Stage by July 31, 2013.

#### **4. UNIFICATION ACTIVITIES**

- 4.1. During the ICAA Consultation Stage, ICAA, CGA Alberta and CMA Alberta will jointly undertake the following activities:
  - 4.1.1. Plan development by the Unifying Bodies;
  - 4.1.2. Review and support ICAA communication efforts;
  - 4.1.3. Consultation and plan development with other provincial and national accounting bodies and other related organizations;
  - 4.1.4. Consultation with the Government of Alberta and its agencies, Alberta regulators and other Alberta professional bodies;
  - 4.1.5. Consultation with Alberta post-secondary institutions;
  - 4.1.6. Confidentially identify, analyze and discuss risk management issues of the Unifying Bodies;
  - 4.1.7. Undertake appropriate legal and other professional due diligence on the unification plans of each Unifying Body and of the Unification Agency and CPA Alberta;
  - 4.1.8. Participate in the development of a CPA national Affiliation;
  - 4.1.9. Develop a Student/Candidate Transition Policy and program;
  - 4.1.10. Support the development of a mid-tier certification as sought by the Unification Agency and CPA Alberta, with a view to continuing the national development effort, or in its absence, undertaking an Alberta specific initiative;
  - 4.1.11. Develop a shared policy statement on access to the profession along with an outline of how various access paths would be developed and deployed by the Unification Agency and CPA Alberta;
  - 4.1.12. Development of a detailed provincial proposal for approval by the Boards of the Unifying Bodies with respect to the following combined functions and roles of the Unification Agency and CPA Alberta:
    - a. Rules of Professional Conduct and practice standards applicable to CPA registrants;
    - b. Complaints inquiry and discipline processes;

- c. Continuing Professional Development minimum requirements;
- d. Qualification and continuing standards for registration for practicing Public Accounting, including requirements to be met either pre or post certification;
- e. Minimum professional liability insurance for public accounting and any other regulated activity;
- f. Practice Review rules and processes, including the establishment of education and experience qualifications to be met by practice reviewers appointed for the purpose of practice reviews and evaluation criteria used by the Practice Review Committee;
- g. Through direct CPA Alberta work or via collaboration in national CPA work, standards and rules for admission to the CPA Profession along with any associated credentials, recognitions and designations;
- h. Governance protocols of the Unification Agency and CPA Alberta Board including appropriate protections of principles important to ICAA, CGA Alberta, CMA Alberta and their Members;
- i. Policy for the operation of the Unification Agency and CPA Alberta Board and the delegation of authority to the CPA Alberta CEO and CPA Alberta standing board committees;
- j. Hiring plans and processes for the CPA Alberta CEO;
- k. Appointment processes to boards, committees and task forces of CPA Alberta and its associated organizations;
- l. Phase out of the individual education programs of the Unifying Bodies and implementation of the CPA Education Program.

4.2. During the Transition Stage, the Unifying Bodies will jointly undertake the following activities, to the extent permitted by legislation:

- 4.2.1. Soliciting support from the provincial government and members for the necessary changes to RAPA, Regulations and Bylaws so as to give effect to the unification described herein (or as amended by all three of the Unifying Bodies);
- 4.2.2. ICAA to join the Board, known as the Unification Agency, to undertake preparations for the transition from the Unifying Bodies to CPA Alberta when it is formed. The role of the Unification Agency shall include retaining the

services of a CEO for the transition and empowering that CEO with authority within the operating protocols agreed to by the Board to:

- a. facilitate the balance of the unification arrangements referred to herein;
  - b. design and deploy an organizational structure for the Transition Stage;
  - c. develop and begin the implementation of a 3 year strategic plan for the Unification Agency which shall be presented for review by the Unification Agency and recommended for approval to each of the ICAA Council, CMA Board and CGA Board in anticipation of CPA legislation;
  - d. develop and begin implementation of all operational policies of CPA Alberta;
  - e. plan and begin the unification of the operations of the three Unifying Bodies;
  - f. develop and begin the implementation of a cash budget and budget funding schedule for the Unification Agency for a period covering the Transition Stage, including cash funding requirements from the Unifying Bodies, and submit that budget for approval by, and commitments from the Unifying Bodies.
- 4.2.3. Preparing the applicable proposals for changes in relationships with international accounting bodies with whom the Unifying Bodies have formal relationships, unless this function is currently performed by the designation's national organization;
- 4.2.4. Delivering modified student/candidate recruiting programs and maintaining all relationships with post-secondary institutions with a view to transitioning the career interests and understanding of all students/candidates seeking to become designated accountants, to the CPA designation, regardless of whether they will do so through existing legacy programs or the CPA program;
- 4.2.5. Plan the combination and rationalization of all activities, assets, and personnel of the Unifying Bodies, including budgets and supporting fees for future operations;
- 4.2.6. Begin, as appropriate, the combination and rationalization of all activities, assets, and personnel of the Unifying Bodies,

- 4.2.7. Plan and begin the implementation of control over all associated activities and bodies controlled by the Unifying Bodies to the collective control of CPA Alberta. Where the control of the associated activities or body is held by a party related to the Unifying Body, the transfer will be supported as is applicable in the circumstances;
  - 4.2.8. Execute plans to mitigate and manage risks and liabilities identified in the Consultation or Transition Stages;
  - 4.2.9. Identify liabilities and plan for the assumption of identified liabilities by CPA Alberta at the Consolidation Stage;
  - 4.2.10. Develop a schedule of Member Dues and Member Fees based on the expected budget for CPA Alberta;
  - 4.2.11. Plan phase out or integration (as applicable and relevant) of related provincial and/or regional related entities;
  - 4.2.12. Seek legal and professional advice, as appropriate, with respect to the implementation of the approved Unification Plan.
  - 4.2.13. Consult with international accounting bodies with whom the Unifying Bodies have formal relationships;
- 4.3. During the Consolidation Stage, CPA Alberta will undertake or complete the following activities:
- 4.3.1. Complete all transition and consolidation activities from the Consultation and Transition Stages;
  - 4.3.2. Finalize all of the regulatory and contractual changes necessary to give effect to this unification and to begin the effective operation of CPA Alberta in accordance with its strategic plan to undertake the unification of the operations of all Unifying Bodies;
  - 4.3.3. Complete the implementation of the CPA Education Program and discontinue existing educational programs in accordance with plans and commitments to do so;
  - 4.3.4. Phase out and/or integrate, where relevant and planned, related provincial and/or regional related entities;
  - 4.3.5. Implement the applicable changes in relationships with international accounting bodies with whom CPA Alberta will have formal relationships;
  - 4.3.6. Execute a search for and appoint a CEO of CPA Alberta;

- 4.3.7. Empower the CPA Alberta CEO within Board Policies to:
  - a. execute the unification arrangements referred to herein;
  - b. deploy the CPA Alberta organizational structure;
  - c. develop business plans consistent with the 3 year strategic plan for CPA Alberta;
  - d. implement all operational policies of CPA Alberta;
  - e. unify operations of the three Unifying Bodies.
- 4.3.8. Combine and rationalize all activities, assets, and personnel of the Unifying Bodies;
- 4.3.9. Transfer control of all associated activities and bodies controlled by the Unifying Bodies to the collective control of CPA Alberta.

## **5. CPA ALBERTA MEMBER APPROVAL TIMING**

- 5.1. Where approval of members is required (and not already held at the date of this Amended Unification Plan) for matters associated with unifying the Unifying Bodies, these approvals will be sought from the Members of the three Unifying Bodies and any such member approval if given by the Members of all three Unifying Bodies, will be taken as an approval of the members of CPA Alberta.

## **6. TRANSITION STAGE FUNDING AND TRANSFERS**

- 6.1. It is the intention of the Unifying Bodies that they will contribute equally, as and when financing is required, within an operating and financing agreement to be established by all parties.

## **7. BREAK FEE**

- 7.1. The Unifying Bodies intend that a Break Fee Agreement for \$500,000 will be signed by each Unifying Body within 30 days of entering the Transition Stage and it will be subject to the terms and conditions of an escrow agreement. CGA Alberta and CMA Alberta have already signed such an agreement.
- 7.2. The ICAA undertakes that, subject to the terms of this Amended Unification Plan, it will become a party to the aforementioned escrow agreement between CGA Alberta and CMA Alberta on the same terms as the current escrow agreement currently in place

between CGA Alberta and CMA Alberta, or on terms which are agreeable to both CGA Alberta and CMA Alberta (such agreement shall not be unreasonably withheld).

## **8. MEMBER HONOURS, DESIGNATIONS AND RECOGNITIONS**

8.1. All members honours, designations and recognitions of the Unifying Bodies (e.g. Fellowship awards, life memberships, service honours) will be continued in CPA Alberta. These shall include awards given by the Unifying Bodies and/or their national organizations and will include items such as:

8.1.1. FCMA, FCGA, FCA

8.1.2. Life Memberships

8.1.3. Life Honours or Lifetime Achievement Awards

8.1.4. Honourary Memberships

8.2. The Unifying Bodies intend that the awards will be carried forward with their current titles and/or economic effect indefinitely with respect to the Members involved. Beyond that, decisions as to new awards or the relabeling or supplementary labeling of existing awards will be a matter for deliberations and decisions by CPA Alberta and/or the national CPA body, as applicable in the circumstances.

8.3. Where the recognition involved is controlled by an associated entity, such as a National Body, CPA Alberta will take all reasonable steps to see the recognition extended or to replace it with a suitable Alberta honour where such an extension cannot be reasonably accomplished.

## **9. REGULATORY MATTERS**

9.1. All regulatory activities in the Unifying Bodies associated with matters such as the review of Public Accounting Firms or professional service providers or the operation of complaint review and discipline processes shall be continued through the Consultation, Transition and Consolidation Stages. The transfer of these processes and the associated authority will be sought in changes proposed to the Government of Alberta for legislation and any associated Regulations or Bylaws. Until that transfer is completed, the Unifying Bodies will begin delegating authority to the Unification Agency subject to suitable operating agreements, and subject to the legal and documented authority of the Unifying Bodies to undertake such delegation.

9.2. The Unifying Bodies intend that the regulation of Public Accounting in Alberta will be undertaken in accordance with the following principles:

- 9.2.1. Within a common framework, which is harmonized nationally among CPA organizations, which addresses entrance and continuance standards, and ensures compliance with professional standards.
- 9.2.2. Within an organization or structure controlled by CPA Alberta. The input and participation of other stakeholders will be sought as deemed appropriate by CPA Alberta, but ultimate control of policy and operational decisions will rest with CPA Alberta.
- 9.2.3. The regulation system may include tiered or focused authorizations for practicing public accounting as set by CPA Alberta.
- 9.2.4. The regulation system will recognize a variety of registration categories, establish access for a variety of members and will include registration requirements accommodating different education, experience, and competencies that are relevant to the type and size of engagements that are being offered to the public.
- 9.2.5. The regulation system will operate in a manner which respects the obligations of CPA Alberta and the Government of Alberta to other organizations which are the subject of trade agreements of the Government of Alberta or agreements of CPA Alberta.

## **10. LEGACY PROTECTION PRINCIPLES**

- 10.1. The Unifying Bodies acknowledge the following legacy protection principles which each Unifying Body undertakes to implement through Board governance, decisions, and oversight of management and operations.
  - 10.1.1. Member support and services - A major reason to undertake the unification of the accounting profession is to enhance member support and services in an efficient and effective manner. During the Transition Stage, the Unification Agency and the Boards of each Unifying Body will identify and, where practical, implement coordinated supports and services. At the beginning of the Consolidation Stage and beyond, all members of CPA Alberta will have access to all available member services and supports without differentiation between legacy designation holders and/or members who qualified through the CPA program.
  - 10.1.2. Professional Practice Standards and Enforcement –
    - a. The ultimate goal of a unified accounting profession is to protect the public through the development and enforcement of professional, practice and ethical standards for individuals and entities regulated

by the current Unifying Bodies or CPA Alberta. The base for the CPA Alberta Rules of Professional Conduct should be those agreed upon nationally plus modifications to reflect certain provisions or structures of the CA Rules, the CGA Code and CMA Rules. These standards will maintain and enhance the highest current standards

- b. During the Transition Stage, the Unification Agency will review the existing professional and practice standards defined in RAPA or the regulations, bylaws and policies of the Unifying Bodies, their national organizations, the national unified organization and international standards in order to develop the most appropriate standards and enforcement for individuals and entities regulated by CPA Alberta in the following areas:
  - i. Rules of professional conduct and practice standards;
  - ii. Qualification criteria to become a designated accounting professional through Canadian and international professional education programs;
  - iii. Qualification criteria to register and maintain the registration of a public accounting firm or professional service provider;
  - iv. Professional Liability Insurance requirements for public accounting and any other regulated activity;
  - v. Continuing professional development minimum requirements for all Members;
  - vi. Practice review of public accounting firms and professional service providers;
  - vii. Complaint review, investigation and discipline;
  - viii. Brand promotion;
  - ix. Member service and support;
  - x. Relationships with regulators; and
  - xi. Other areas of policy or operations within CPA Alberta.

#### 10.1.3. Branding –

- a. One of the fundamental principles in the unification of the accounting profession is to brand the CPA designation. The approach to branding

will be based on transferring brand value in the Alberta marketplace from each of the CA, CMA and CGA designations to the CPA brand shortly after legislation is proclaimed. All board members and management of the existing Unifying Bodies, and ultimately CPA Alberta, are committed to supporting the CPA brand. This requires ceasing branding the CA, CGA and CMA designations during the Transition Stage. Some "normal course" use and minor, informational branding of the existing designations may be necessary during the Transition Stage to continue to attract students/candidates to the accounting profession and to maintain presence in the business and post-secondary communities.

- b. During the Transition Stage, Unifying Body branding initiatives will be disclosed to the Unification Agency and any other Unifying Body. If concerns are identified by Members or the Board of a Unifying Body, amendments will be recommended to the relevant Board. That Board will be expected to take reasonable steps to resolve the branding/promotion concerns of the Members or Board of the Unifying Body or the Unification Agency.

10.1.4. Operational Prohibitions - During the Transition Stage and in the subsequent Consolidation Stage (as applicable) the Boards of the Unifying Bodies, the Unification Agency and/or of CPA Alberta, and their agents or employees, shall not undertake, support or acquiesce in certain prohibited activities which may have a deleterious impact on any member of a Unifying Body or CPA Alberta. These prohibited activities shall include:

- a. Supporting or promoting a Legacy Designation, a holder of a Legacy Designation, or students/candidates from a Legacy Designation positively or negatively relative to one or more other Legacy Designations.
- b. Undertaking any measure which will impede the access of a Legacy Designation holder to any part of the profession where the Legacy Designation holder had access to the part of the profession involved prior to the unification (this shall include employment with CPA Alberta). Where changes are made in practice or ethical standards in response to environmental or legislative change, it shall be acceptable for CPA Alberta or the Unifying Body to create an economically viable and responsive access route and program for those Legacy Members impacted. Economic viability here shall be assessed from the perspective of the three Unifying Bodies involved and the Legacy Member involved.

- c. Promoting any accounting designation other than the Canadian CPA. This shall include references to Members within the communications of CPA Alberta or the Unifying Bodies.
- d. Supporting the development or expansion of any education or professional development program which is focused on a group of Members who are differentiated by their Legacy Designation. This will preclude neither the support of the Legacy Designation education programs while they are being operated pending the introduction of the new CPA Education Program, nor the adaptation of any program to Member needs based on specific Member competency and experience.
- e. Representing directly or implicitly to any party or government that the competence and skills of one Legacy Member (or group of Legacy Members) are superior or inferior to another based solely on the Legacy Designation(s) involved.
- f. Sustaining the role of a Legacy Body or Member in any function while precluding access to that function by another Legacy Designation Member based solely upon the specific Legacy Designation involved. This does not preclude the need to temporarily maintain predecessor names (e.g. the "CICA Handbook") pending the legislative or regulatory steps necessary to re-label functions with a reference to the applicable CPA Body.

## **11. DESIGNATION USAGE**

11.1. The Unifying Bodies undertake that they will only promote the CPA designation and will not promote the Legacy Designations in the Consolidation Stage and beyond. Subject to the content of RAPA or any successor legislation, the prevailing bylaws, regulations and Board policy, as they then exist, the following rules of Designation Usage will apply.

11.2. Individuals - A Member of a Unifying Body may:

- 11.2.1. utilize their Legacy Designation without restriction during the Transition Stage and beyond, so long as that Member remains a member in good standing of the Legacy Body and/or CPA Alberta during that timeframe, or
- 11.2.2. utilize CPA from the commencement of the Consolidation Stage and beyond so long as the relative Legacy Designation is appended thereto, in the style (for example) of "CPA, CA", "CPA, CGA" or "CPA, CMA".

The requirement at 11.2.2 that a member include the Legacy Designation with “CPA” may continue for that member’s lifetime but the member may cease using the Legacy Designation with “CPA” 10 years from the beginning of the Consolidation Phase.

Those CPA Alberta members who do not hold a Legacy Designation at the beginning of the Consolidation Stage will be prohibited from using any Legacy Designation unless they have completed a Legacy Designation program within a period of time determined by the Unification Agency Board. A transition plan will be developed by the Unification Agency Board for students currently registered in Legacy Designation programs or completing the CPA Program prior to legislation being proclaimed.

11.3. Public Accounting Firms - Consistent with the CPA branding strategy, CPA Alberta and the Unifying Bodies intend that Public Accounting firms will be eventually replacing their reference to a Legacy Designation (where such a reference is used) with a reference to "CPA" or "Chartered Professional Accountant". Public Accounting Firms will be permitted to represent themselves to the public in the following styles:

11.3.1. Public Accounting Firms Registered with a Legacy Body - At the commencement of the Consolidation Stage such firms may represent themselves to the public in the following styles:

- a. Chartered Professional Accountant alone - Permitted style is Chartered Professional Accountant.
- b. Tagged - For a period no longer than five years after commencement of the Consolidation Stage permitted styles include:
  - i. Chartered Professional Accountant, Certified Management Accountant for firms registered with CMA Alberta at the date of Consolidation;
  - ii. Chartered Professional Accountant, Certified General Accountant for firms registered with CGA Alberta at the date of Consolidation;
  - iii. Chartered Professional Accountant, Chartered Accountant for firms registered with ICAA at the date of Consolidation;
  - iv. Legacy alone - For a period no longer than 5 years after commencement of the Consolidation Stage permitted styles include:
    1. For firms registered with CMA Alberta at the date of Consolidation:

- Certified Management Accountant
    - 2. For firms registered with CGA Alberta at the date of Consolidation:
      - Certified General Accountant
    - 3. For firms registered with ICAA at the date of Consolidation:
      - Chartered Accountant.
- 11.4. Firms initially registered with CPA Alberta or a Unifying Body beyond the date when the Consolidation Stage commences may only refer to "Chartered Professional Accountant" when signing all assurance and audit reports. These firms shall be prohibited from referring to themselves as a Legacy Designation firm.
- 11.5. Rules in place for naming firms of members of more than one Unifying Body will be continued during the Consultation and the Transition Stage. Naming rules for such firms will be established and promulgated early in the Consolidation Stage.

## **12. ALBERTA POST-SECONDARY INSTITUTIONS**

- 12.1. The Unifying Bodies and CPA Alberta intend generally to maintain those positive relationships which they enjoy with Alberta post-secondary educational institutions. Subject to the ultimate control of the CPA Alberta organization over the standards of the CPA profession, CPA Alberta will take reasonable steps to communicate to, and consult with these institutions on its plans, needs and expectations.
- 12.2. Financial and other relationships among Alberta Post-secondary institutions, the Unifying Bodies, and organizations related to the Unifying Bodies will be reviewed during the Transition Stage with a view to continuing those commitments from CPA Alberta which are consistent with the following criteria:
- 12.2.1. Supporting the creation of useful new knowledge which is relevant to stakeholders of the Unifying Bodies and CPA Alberta;
  - 12.2.2. Supporting the research and teaching efforts of Members of the Unifying Bodies and CPA Alberta;
  - 12.2.3. Contributing effectively to the public policy deliberations of governments and institutions, principally in Alberta, and in areas which are relevant to CPA Alberta and its stakeholders;

- 12.2.4. Supporting the recruiting, teaching and development of students/candidates of CPA Alberta and the Unifying Bodies.
- 12.3. All public usage of the Legacy Designations in areas such as post-secondary institutions will be converted to the usage of CPA in as expeditious a manner as the Unifying Bodies and/or CPA Alberta can reasonably undertake.

### **13. PROFESSIONAL EDUCATION CERTIFICATION**

- 13.1. As at the date of this Plan, the Unifying Bodies have agreed to a Certification Education Program that will follow the following guiding principles:
  - 13.1.1. Be, and be recognized as, at least as rigorous as all current programs.
  - 13.1.2. Require an undergraduate degree and specific prerequisite business and accountancy courses for admission to the professional education program.
  - 13.1.3. Include a post-graduate professional education program developed nationally and delivered provincially/regionally.
  - 13.1.4. Culminate in a comprehensive multi-day final evaluation.
  - 13.1.5. Appeal to the broadest possible group of potential candidates, including post-secondary graduates with non-business degrees, immigrants and career changers. The program would be attractive to all those individuals interested in developing and enhancing their business and accountancy skills.
  - 13.1.6. Appeal to employers for the development of accountancy and business skills in a high quality, cost effective professional program.
  - 13.1.7. Meet or exceed all International Federation of Accountants (IFAC) standards for education, assessment and practical experience.
  - 13.1.8. Meet or exceed the requirements of the leading global accounting bodies, ensuring the new profession can maintain existing and establish new Mutual Recognition Agreements (MRAs).
- 13.2. The Unifying Bodies have further resolved with respect to professional education:
  - 13.2.1. The CPA Alberta pre-certification program content will be based on the national CPA pre-certification education program.
  - 13.2.2. The delivery of CPA Alberta pre-certification education will be controlled by CPA Alberta and CPA Alberta will participate in, and support its delivery.

## **14. POST-CERTIFICATION**

- 14.1. Offering relevant, timely and affordable on-going professional development to membership is a critical service, allowing for growth and attainment of career building skills while meeting the professional development standards as set forth by the profession. The Unifying Bodies have agreed to the following:
- 14.1.1. During the Transition and Consolidation Stages, common programs, standards and delivery processes will be sought and developed for regional and national post-designation education.
  - 14.1.2. Post-designation education will be developed and delivered within a framework modeled similarly to that for Pre-Certification education, adhering to the CPA competency framework.
  - 14.1.3. Post-designation programs will offer contemporary, leading edge, and evolving career options and opportunities, in Canada and abroad, to CPA members.
  - 14.1.4. Delivery methods for post-designation programs will utilize leading edge technology to ensure equal access for all members, regardless of geographic limitations.
  - 14.1.5. Where appropriate, industry specific post-designation programs will be developed and delivered that meet the specific needs of the Alberta marketplace.

## **15. CPA ALBERTA UNIFICATION AGENCY COMPOSITION**

- 15.1. During the Transition Stage the Unification Agency is responsible for overseeing the implementation of the unification Plan approved by each of CA, CMA and CGA Boards and accepted by the Members of the Unifying Bodies. Consequently, the Unification Agency will, during the Transition Stage, review and make recommendations to each Board on transition policies and operations.
- 15.2. During the Transition Stage, the Unification Agency will be comprised of the following members:
- 15.2.1. Three Public Members who have been appointed by the Province of Alberta to the Boards of the Unifying Bodies; one from the Board of each Unifying Body as designated by the Board of the applicable Unifying Body.
  - 15.2.2. Holders of Legacy Designations of the Unifying Bodies as follows:

- a. 3 CMA Legacy Designation holders selected by the CMA Alberta Board at the beginning of the Transition Stage;
  - b. 3 CGA Legacy Designation holders selected by the CGA Alberta Board at the beginning of the Transition Stage; and
  - c. 3 CA Legacy Designation holders selected by the ICAA Council at the beginning of the Transition Stage.
- 15.3. The Chair of the CPA Alberta Board during the Consolidation Stage will be elected by a majority vote of the CPA Alberta Board and will hold the CMA or CGA Legacy Designation in year 1 and 2. The Vice-Chair will be elected by a majority vote of the CPA Alberta Board.
- 15.4. Notwithstanding the composition of the Unification Agency during the Consultation and Transition Stages, any vote of the Unification Agency must be unanimous in order to pass, when the matter to be voted on includes matters associated with any of the following:
  - 15.4.1. The appointment of the CEO of CPA Alberta and matters associated with the employment arrangements of, and delegation of authority to that CEO;
  - 15.4.2. Any agreements with respect to CPA Alberta Board membership at any stage of this plan;
  - 15.4.3. Any amendment to terms agreed to herein which are intended to protect the interest of Members or employees of the Unifying Bodies.; and
  - 15.4.4. Any amendment to terms agreed to herein (including 10.1.2) which are intended to protect the public through Professional Practice Standards and Enforcement.
- 15.5. After the Consolidation Stage begins, it is the intention of the Unifying Bodies that the target composition of the Board of CPA Alberta will be amended as follows, subject to the enabling legislation of CPA Alberta:
  - 15.5.1. Board membership will ultimately be comprised of 3 members appointed by the Government of Alberta, 9 members elected from the membership at large of CPA Alberta to 3 year staggered terms, and the CEO of CPA Alberta (as an ex officio, non-voting Board member).
  - 15.5.2. Elected board members will hold a term of 3 years, renewable once (an appointment to the Board of CPA Alberta prior to Consolidation, or membership on a Unifying Body board, shall not be included in or counted in this term limit) .

15.5.3. The Chair of CPA Alberta will be elected by the Board of CPA Alberta to a one year term, renewable for a second term, by majority of the Board. The intended Chair will be identified by the Board at a minimum of one year prior to the commencement of their term.

15.6. The Board of CPA Alberta, when this Plan enters the Consolidation Stage, shall be based on the proportionate size of the membership. The elected Board as appointed by the Unifying Bodies during the Transition Stage will be appointed and additional members from the boards of the Unifying Bodies will be selected to bring the elected number to twelve.

- After year one, three of the originally appointed members' terms will end, keeping the proportionality of the appointed members from the Unifying Bodies the same with three seats up for election to be filled from candidates from the CPA Alberta membership with no preference given to candidates of any particular Legacy Designation.
- After year two, three of the remaining originally appointed members terms will end, keeping the proportionality of the appointed members from the Unifying Bodies the same with three seats up for election to be filled from candidates from the CPA Alberta membership with no preference given to candidates of any particular Legacy Designation.
- After year three, all of the remaining originally appointed members terms will end, with three seats up for election to be filled from candidates from the CPA Alberta membership with no preference given to candidates of any particular Legacy Designation.
- At Consolidation, each of these Board members will be assigned to a board term (by consensus or by lot) so that each of the Unifying Body appointed Board members shall retain its proportionality. With respect to the three (3) members of the Board who will be appointed by the Government, the Government will be asked to appoint members in office or who have held office within the existing Boards.

- The items above are illustrated in the chart below:

Year	Legacy CA	Legacy CMA	Legacy CGA	New CPA body (no preference to legacy designation)	Public member appointed by government	Total
1	4	3	2	0	3	12
2	3	2	1	3	3	12
3	2	1	0	6	3	12
4	0	0	0	9	3	12

- 15.7. Any vacated Board terms may be replaced by an appointment by the Board of CPA Alberta from the membership of CPA Alberta on the understanding that any member so appointed may only hold office until the next annual Board election and must maintain the proportionality of the legacy designations as noted above.
- 15.8. In any election, newly elected/re-elected Board members will be assigned to terms in declining order based upon the number of votes polled.
- 15.9. Notwithstanding the composition of the Board of CPA Alberta during the first year, during the Consolidation Stage and beyond, any vote of the Board must be passed by unanimous vote in favour, when the matter to be voted on includes matters associated with any of the following:
- 15.9.1. The appointment of the CEO of CPA Alberta and matters associated with the employment arrangements of, and delegation of authority to that CEO.
  - 15.9.2. CPA Alberta Board membership at any stage of this plan.
  - 15.9.3. Matters intended to protect the interest of Members or employees of the Unifying Bodies.
  - 15.9.4. Matters intended to protect the public (including 10.1.2) through Professional Practice Standards and Enforcement.

## 16. UNIFYING BODY EMPLOYEES

- 16.1. Nothing in this Plan is intended to compromise or modify the rights of employees of the Unifying Bodies. The rights involved shall include those covered under specific or implied contracts of employment with a Unifying Body.

- 16.2. The Boards formally declare their intent to search for the best qualified employees for CPA Alberta notwithstanding the relationship that an employee may have with a Unifying Body or (where applicable) the Legacy Designation of the employee involved.
- 16.3. Each Board of a Unifying Body shall meet its contractual obligations to its employees and this shall include at least suitable outplacement and advisory services to all terminated Unifying Body employees.
- 16.4. Contractual or common law rights which employees of a Unifying Body may possess when beginning any employment with CPA Alberta will be continued without compromise into that employment relationship with CPA Alberta, subject to any amended formal employment contracts which are mutually agreed for renegotiation between the employee and CPA Alberta .

## **17. DEFINITIONS**

- 17.1. The following terms as used in the Plan shall have the meanings described herein:
  - 17.1.1. Affiliates: bodies with whom a Unifying Body has a contractual relationship (such as an Affiliation Agreement) and which utilize the same Legacy Designation as that Unifying Body.
  - 17.1.2. Affiliation Agreement: an agreement between Canadian accounting bodies having the same accounting designation.
  - 17.1.3. Board: the Council of ICAA, the Board of Governors of CGA Alberta, or the Board of Directors of CMA Alberta, as the context implies.
  - 17.1.4. Board of Directors: the Board of Directors of CMA Alberta.
  - 17.1.5. Board of Governors: the Board of Governors of CGA Alberta.
  - 17.1.6. Board of CPA Alberta or CPA Alberta Board: Board of Directors of CPA Alberta.
  - 17.1.7. Council or ICAA Council: the Council of ICAA.
  - 17.1.8. Break Fee: A payment by one Unifying Body to another when the paying party seeks to withdraw from this Unification Plan. The terms of the Break Fee arrangement will be the subject of a separate specific contract between the Unifying Bodies.
  - 17.1.9. Bylaws: the bylaws of each of the Unifying Bodies.
  - 17.1.10. CA Rules: ICAA Rules of Professional Conduct and Related Guidelines

- 17.1.11. CAs: members of the Institute of Chartered Accountants of Alberta pursuant to RAPA or any successor legislation.
- 17.1.12. Candidate: an individual who is registered in a professional program with a Unifying Body.
- 17.1.13. CICA: Canadian Institute of Chartered Accountants.
- 17.1.14. CGA Alberta: Certified General Accountants' Association of Alberta.
- 17.1.15. CGA Code: CGA Alberta: CGA Alberta Code of Ethical Principles and Rules of Conduct.
- 17.1.16. CGAC and CGA Canada: Certified General Accountants Association of Canada.
- 17.1.17. CGAs: members of Certified General Accountants' Association of Alberta pursuant to RAPA or any successor legislation.
- 17.1.18. CMA Alberta: Society of Management Accountants of Alberta.
- 17.1.19. CMA Rules: CMA Alberta Code of Ethics and Rules and Guidelines of Professional Conduct.
- 17.1.20. CMAs: members of the Society of Management Accountants of Alberta pursuant to RAPA or any successor legislation.
- 17.1.21. Continuing Professional Development or CPD: refers to programs, courses, or focused communications designed to increase and maintain the depth and scope of the professional competency of Members of a Unifying Body.
- 17.1.22. CPA: Chartered Professional Accountant as that term will be defined in legislation. The only other CPA recognized will be Certified Public Accountants from the USA. Their use of CPA will be modified by a state and country qualifier such as "CPA (NY,US)". Note: In the event that the title "CPA" is not secured as intended by the Unifying Bodies, the title which the unified entity will use should be read herein as a replacement for "CPA".
- 17.1.23. CPA Alberta: Chartered Professional Accountants of Alberta or other organization established pursuant to legislation following the unification of ICAA, CGA Alberta and CMA Alberta.
- 17.1.24. CPA Canada: Chartered Professional Accountants of Canada or other national organization established following a unification of accounting organizations.
- 17.1.25. CPA Education Program: the certification education program created by the Unifying Bodies as part of the unification process.

- 17.1.26. Final Unification Vote: a vote designated as such and undertaken by the Board of each Unifying Body for the purposes set out herein.
- 17.1.27. ICAA: Institute of Chartered Accountants of Alberta.
- 17.1.28. Legacy Designation: refers to the designation of CA held by a Chartered Accountant, CGA held by a Certified General Accountant or CMA held by a Certified Management Accountant.
- 17.1.29. Legacy Education Program: the certification education program of a Unifying Body.
- 17.1.30. Legacy Member: a Member holding a Legacy Designation or, depending on the context, a Member who has become the holder of a CPA designation by virtue of a Legacy Designation.
- 17.1.31. Legacy Member Protection Principles: those principles referred to in this Plan for the protection of Legacy Members following the unification of ICAA, CGA Alberta and CMA Alberta.
- 17.1.32. Member: an individual who holds a CA, CGA or CMA, and is a member in good standing of a Unifying Body. A reference to a Member does not include students/candidates.
- 17.1.33. Member Approval or Member Endorsement: the formal affirmation of the Members of a Unifying Body in a process prescribed by the Board of the Unifying Body.
- 17.1.34. Member Dues: those annual amounts assessed to a Member of CPA Alberta or a Unifying Body as a condition of continuing membership in the relative body. Member Dues are in an amount which is generally equal for all Members of that body.
- 17.1.35. Member Fees: amounts assessed to Members of CPA Alberta or a Unifying Body in amounts which vary depending upon the service or activity involved. Such fees are not assessed to all Members.
- 17.1.36. MRA or Mutual Recognition Agreement: refers to agreements that the Unifying Bodies have with international accounting organizations and which CPA Alberta or CPA Canada will eventually have with these bodies at the completion of the unification plan herein.
- 17.1.37. National Body or National Bodies: CGAC, CMAC and/or CICA as applicable in the context.

- 17.1.38. Plan or Unification Plan: this Amended Alberta Accounting Bodies Unification Plan dated effective April 17, 2013.
- 17.1.39. Public Accounting: the practice of or offering to provide one or more of the following services to the public, whether for reward or not:
- an assurance engagement;
  - a specified auditing procedures engagement;
  - a compilation engagement;
  - an accounting service insofar as it involves summarization, analysis, advice, counsel about or interpretation of accounting but excluding record keeping and an accounting service which is incidental to the provider's primary occupation which is not accounting;
  - forensic accounting, financial investigations or financial litigation support services;
  - advice, counsel or interpretation with respect to taxation matters; and
  - preparation of a tax return or other statutory information filing if prepared in conjunction with any serviced referred to above.
- 17.1.40. Public Accounting Firm: a firm authorized by a Unifying Body or by CPA Alberta to practice Public Accounting in Alberta.
- 17.1.41. Public Member: a member of a Board of a Unifying Body appointed by the Government of Alberta under RAPA or any successor legislation. A Public Member may not be a current or past holder of a Legacy Designation or a CPA.
- 17.1.42. RAPA: *Regulated Accounting Profession Act of Alberta*, R.S.A. 2000, c. R-12 as amended from time to time.
- 17.1.43. Regulations: RAPA Chartered Accountants Regulation, RAPA Certified Management Accountants Regulation and RAPA Certified General Accountants Regulation.
- 17.1.44. Student: an individual who is registered in a pre-certification education program with a Unifying Body.
- 17.1.45. Unification Agency: the entity created by the Unifying Bodies during the Transition Stage defined herein.

- 17.1.46. Unifying Body: the Institute of Chartered Accountants of Alberta, the Certified General Accountants' Association of Alberta or the Society of Management Accountants of Alberta Society, as is applicable in the context.
- 17.1.47. Unifying Bodies: refers to the Institute of Chartered Accountants of Alberta, the Certified General Accountants' Association of Alberta and the Society of Management Accountants of Alberta.

DATED at the City of Calgary, in the Province of Alberta, effective the 17<sup>th</sup> day of April, 2013.