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Dear Mr. Rees, Mr. Bennett, and Mr. Ruth:

National Unification Framework and BC Provincial Merger Proposal

This letter is a response to your February 9, 2012 request for comments on the national Unification Framework and BC Provincial Merger Proposal. We appreciate the opportunity to comment on potential impacts of the merger on the capital markets. We offer comments on five public interest issues relating to the capital markets.

Oversight of licenses to sign audit reports
There must be appropriate oversight over granting and maintaining practice licenses to ensure that only those members with appropriate audit and accounting qualifications sign audit reports. The principles for the proposed merger appear to support this goal.

High quality code of conduct applicable to all audits
We support the goal of a single high quality code of conduct applicable to all audits of public companies in Canada. Currently, different accounting designations have different rules of professional conduct. Some of these rules are currently being reviewed and potentially strengthened in important areas such as auditor independence. If the merger proceeds, we recommend that the merged profession continue the work of the Independence Task Force of the CICA’s Public Trust Committee in developing a code of conduct that incorporates high quality standards appropriate for Canada’s capital markets.
Canadian input to the development of international standards
Canadian stakeholders must have the opportunity to provide meaningful input to the
development of International Financial Reporting Standards (IFRS) and International
Standards on Auditing because these standards are very important to our capital markets.
One benefit cited for a merged profession in Canada is that a larger, more cohesive voice
would ensure the Canadian accounting profession continues to effectively influence
international standard setting bodies. We support the goal of effective stakeholder
consultation and influence of the development of international standards. Specifically,
we continue to hold the views expressed in a comment letter dated October 7, 2010 from
the CSA Chief Accountants Committee on the Canadian Accounting Standards Board’s
Strategic Plan for 2011 – 2014, which included the following:

a) “We strongly support the Board’s plan to continue to support the application of IFRS
as issued by the IASB for publicly accountable enterprises. We agree that the Board has
a continuing responsibility to carry out due process before adopting any new standards,
including facilitating the participation of Canadians in the standards development work of
the IASB. We also agree with the Board’s intention to cooperate with the IASB through
staff-to-staff contacts and to closely monitor IASB initiatives for issues of particular
concern to Canadians. We think the Board has a critical role in ensuring the input of
Canadian stakeholder groups into the IASB standard-setting processes.

b) “We commend the Board for creating the IFRS Discussion Group as a forum for
identifying and discussing issues arising in the application of IFRS in Canada. We
encourage the Board to continue this forum.”

With regards to assurance standards, we agree with the assertion in the Canadian
Auditing and Assurance Standards’ Boards strategic plan for 2010 – 2013 that:
“A strong Canadian standard-setting capability is important in two particular contexts:
(a) to respond to the needs of Canadian stakeholders in the domestic environment; and
(b) to present a Canadian viewpoint at the international standard-setting table.”

Regulation of the practice of accounting and transparency of qualifications
Securities legislation requirements for financial reporting impact many parties including
preparers of financial statements, certifying officers, boards of directors, auditors, and
investors. The national Unification Framework notes that accountants across Canada are
subject to different qualification processes, codes of conduct, inspection and disciplinary
regimes operated under 40 different government bodies. Effective regulation of the
practice of accounting and transparency of qualifications help promote compliance with
financial reporting requirements in securities legislation.
We support the proposals for:
(a) a certification program that draws on the strengths of the existing programs and is at least as rigorous as all existing programs, and
(b) a common code of conduct, regulations and the practice of public accountancy.

Proposal for using the new designation
We support the proposal for members to use their current designation in combination with the new designation (Chartered Professional Accountant or “CPA”) during a transition period. This approach may provide useful information to stakeholders during the transition period.

If you have any questions about this letter, please do not hesitate to contact us.

Yours truly,

Brenda M. Leong
Chair and CEO

cc: Marcus Gill, Acting ED, FCSP
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