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 the Chartered Accountants and Certified Management Accountants in Manitoba have developed this proposal to outline information specific to the Manitoba Merger Proposal. While the fundamental elements of a merger are the same across Canada, the profession is governed under provincial/territorial statutes and certain matters must be agreed upon at that level.

The Manitoba Merger Proposal is supported by the CA Manitoba Council and CMA Manitoba Board and is consistent with the unification framework adopted in other jurisdictions.

At the national level, and in most provinces, merger proposals are being developed that would include merging all three professional accounting bodies. In Manitoba, the Certified General Accountants have decided not to participate in the discussions at this time. Therefore, this proposal deals with the merger of the CA and CMA professions.

In Manitoba, any decision to unify the profession requires consultation and engagement with many stakeholders.

As a member-based profession, the views of members are extremely important and will be a key factor to consider moving forward.

KEY STAKEHOLDERS
The key stakeholders are:

- Members of the accounting bodies;
- The public; and
- Employers, business community and educators.

CA Manitoba and CMA Manitoba will present the Unification Framework and Manitoba Merger Proposal to members and other key stakeholders and solicit input in three phases:

- Dialogue and consultation to establish a basis for input from each key stakeholder group. This will include town halls and employer meetings;
- Determining member views through an advisory vote; and
- Reporting on the outcome to government.

The leadership of CA Manitoba and CMA Manitoba look forward to a continued dialogue with our members, who are invited to provide feedback regarding this merger proposal.
GOVERNANCE

The new CPA profession in Manitoba would be governed through a strategic volunteer Board whose size, role, responsibilities, policies and procedures would reflect the best accepted corporate governance practices. Effective mechanisms would be implemented to ensure the rights of all members are protected in the decision-making model.

Board of Directors
It is proposed that the Board be comprised of 10 elected members of the profession and four public representatives. During the transition period, the Board would be slightly larger but would be reduced to 10 members within five years.

Term of Office
Terms of office would be two years, renewable for a maximum of three consecutive terms unless an individual is appointed a member of the Executive Committee.

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

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

First Board of Directors
The first Board would be formed as soon as the legislation creating the new professional body is enacted. We propose that the composition be established proportionately on the basis of the number of members in each of the merged bodies and include 15 elected members and four public representatives.

The first Board would be appointed by the existing Board/Council of the respective organizations, as follows:

<table>
<thead>
<tr>
<th>Members</th>
<th>Percent</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMA</td>
<td>1,713</td>
<td>37%</td>
</tr>
<tr>
<td>CA</td>
<td>2,881</td>
<td>63%</td>
</tr>
<tr>
<td>Total</td>
<td>4,594</td>
<td>100%</td>
</tr>
</tbody>
</table>

*As at December 31, 2011

To ensure continuity within the new profession, the majority of members of the first Board would be appointed among current members of the CA Council and CMA Board. All reasonable efforts would be made to ensure that the first Board is representative of the new membership.

Over time, appointed Board members would be replaced with elected members. The first Board election would be held after the second anniversary of the new legislation. To ensure continuity, one half of appointed board positions (five CPA, CA and three CPA, CMA) would be up for election. During the first election, the number of elected Board positions would be reduced by one. For each of the next two years the number of positions on the Board would be reduced by two.

The Chair and Vice Chair of the first Board would be appointed by and among the first directors. For the first four years, the positions of Chair and Vice Chair would alternate between the legacy professional bodies.

The first Executive Committee would be appointed by the first Board and would be composed of three CPA, CA Board members, two CPA, CMA Board members and one public representative. The size of the Executive Committee would be reduced from six to four as the size of the Board is reduced.

Transitional Steering Committee
Subsequent to the decision to merge the two bodies and prior to the enactment of legislation to create the new professional body, each professional body would continue to operate and be governed under its existing structure. The development and implementation of a plan for integration of the two bodies in Manitoba would be overseen by a Transitional Steering Committee with equal representation from the legacy bodies. The Transitional Steering Committee would be made up of three members appointed by each professional body, the CEO of each professional body and staff support as needed.
CERTIFICATION
CA Manitoba and CMA Manitoba support the new CPA certification program as described in the Unification Framework materials. The new CPA certification program structure and content would be developed nationally and delivered regionally for Manitoba students.

CA Manitoba and CMA Manitoba will monitor the development of the national certification program, and will consider how the legacy programs could be phased out. Program transition would ensure that students who begin in one of the legacy systems have an opportunity to finish.

REGULATORY PROCESSES
The provincial bodies are responsible for regulating the profession and protecting the public interest. CA Manitoba and CMA Manitoba are committed to moving towards common self-regulatory processes on a best practice basis including rules of conduct, practice inspection, complaints resolution and discipline consistent with other provincial bodies.

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

INTEGRATION OF OPERATIONS
The combined organization would be managed through a model that reflects the best accepted practices, processes and management structure of both CA Manitoba and CMA Manitoba.

The creation and operation of the new organization would require experienced and talented employees to maintain continuity. Successful unification would initially require at least the same total staff of the existing organizations. While roles and responsibilities may change, every effort would be made to retain the current staff of CA Manitoba and CMA Manitoba. In selecting the roles and responsibilities for the staff in the new organization, individuals whose education, experience and qualifications best match the requirements would be appointed to the respective positions.

In addition, human resource policies, practices, compensation and benefits would be harmonized within the new organization.

MEMBER DUES
In both provincial organizations, members are charged dues that result in a break even position each year. Fees currently differ at the national level and a harmonized process would be determined by the national bodies. At the provincial level, fees are more in line between the two organizations, with a differential of $72. Over a five year period, efforts would be made to equalize the provincial fees of CPA members.

Current Fees
Note: The special education assessment that is included in the dues of CA members will end in 2014 once the Institute’s pledge in support of the Asper School’s Executive Development Centre has been finalized. This assessment will not be passed on to CMA members.
DECISION MAKING PROCESS IN MANITOBA

A key task for CA Manitoba and CMA Manitoba is engaging members and other key stakeholders in order to establish their views on the Unification Framework and Manitoba Merger Proposal.

The key stakeholders in Manitoba have been identified as:

Members

It will be important to engage members in Manitoba. It is proposed that the following process be undertaken:

- A significant engagement effort to inform and seek input from members will be undertaken throughout early 2012. The leadership of the CA Manitoba and CMA Manitoba organizations will present the Unification Framework and Manitoba Merger Proposal at scheduled town hall meetings. At each meeting, attendees will be asked to complete a short survey which will allow CA Manitoba and CMA Manitoba to compile member views on the various aspects of the initiative. A schedule of town hall meetings will be posted on the websites of CA Manitoba and CMA Manitoba.
- Members who are not able to attend a town hall meeting are encouraged to contact CA Manitoba or CMA Manitoba to discuss the Unification Framework and Manitoba Merger Proposal. Alternately, written feedback can be provided to icam@icam.mb.ca or cmamb@cma-canada.org.
- Given the significance of the members’ stake in this matter, members will also be asked to express an overall view as to whether they would support the CA Council and CMA Board in making a merger recommendation to the government. The process to obtain member views will be a member advisory vote in early 2012.

Public

- The Government of Manitoba will be invited to express their view of the Unification Framework and Manitoba Merger Proposal in the context of their current approach to professional regulation.
- Financial regulators such as the Manitoba Securities Commission will be asked to provide input on the Unification Framework.
- Public representatives are appointed to represent the public and participate in our governance and regulatory processes. Their view on the Unification Framework and Manitoba Merger Proposal in the context of the public interest will be important to our members and government.

Employers, Business Community and Educators

- Employers of accountants, including accounting firms that are regulated by the profession, will be engaged to determine their views on unification.
- The business community as represented by managers, owners, professionals and executives will be consulted to obtain their reaction to unification.
- Post secondary educators have a significant stake in the profession and it will be important to know their views.

ROLE OF GOVERNMENT

The task of the accounting bodies will be to collect the views of all key stakeholders, including members, on the Unification Framework and Manitoba Merger Proposal through the decision making process previously outlined. Responsibility for collecting and compiling this information belongs with CA Manitoba and CMA Manitoba. Following the receipt of all feedback, a report will be prepared for the Minister of Finance. The government would then be in a position to determine whether they are prepared to proceed with legislation.
The provincial government would consider this input in the context of their public policy objectives; their position on how the profession in Manitoba should align with the profession in the rest of Canada; and their view on the way the profession should be regulated going forward.

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, CA Manitoba and CMA Manitoba will work with government officials to draft legislation that could be passed as early as 2013. In addition, CA Manitoba and CMA Manitoba will commence planning and implementing the integration of the organizations.

All reasonable efforts would be made to ensure that the existing levels of member services are 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 body on equal terms.

Transition for students currently in legacy qualification programs would be well defined and clearly communicated to candidates and other stakeholders on a timely basis.

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

Post-unification we would be promoting in all of our branding efforts the new CPA designation, therefore, the use of legacy designations on their own would be discouraged. Ultimately, provincial legislation will dictate whether legacy designations may continue to be used on their own once the new legislation is passed.

UNIFICATION OBJECTIVES

To protect and enhance the value of your designation in an increasingly competitive environment.

To govern the accounting profession in an effective and efficient manner.

To contribute to the sustainability of the Canadian accounting profession.

To ensure all professional accounting and assurance services meet a uniformly high and consistent level of ethical/practice standards.

QUESTIONS / COMMENTS?

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

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