



# Nova Scotia Merger Proposal for CA and CMA

July 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 Nova Scotia’s Chartered Accountants and Certified Management Accountants have developed this unification proposal that outlines key elements for a proposed provincial merger of the two organizations and that will also lead to the creation of a new Canadian accounting designation in Nova Scotia – the Chartered Professional Accountant (CPA). While the fundamental elements of the unification are consistent across Canada, the profession is governed by provincial/territorial statutes and, as such, there are matters that must be agreed upon at the provincial/territorial level.

This proposal is supported by the council of the Institute of Chartered Accountants of Nova Scotia (ICANS) and the board of CMA Nova Scotia, and is consistent with the national [Unification Framework](#).

As a member-based profession, the views of our members are extremely important. Also, as provincial regulatory bodies mandated to protect and serve the public interest, we need to understand and respect the views of employers and clients who are served by our members, the academic and business communities, as well as those of the provincial government. Decisions concerning significant changes in our profession, such as unification, ultimately require a decision by government.

## Key Stakeholders

Four key stakeholder groups have been identified for specific consideration to obtain their views and feedback regarding this proposed provincial unification:

- Members of both accounting bodies;
- The public;
- Consumers of accounting services and our education programs, including employers, registered students, and the academic and business communities; and,
- Government.

In the coming weeks, the two accounting bodies in Nova Scotia will be presenting the national Unification Framework and the Nova Scotia Merger Proposal to members and other key stakeholders. Views and feedback will be sought through:

- Dialogue and consultation with members, through town halls; employer meetings; and other forms of member engagement;
- Dialogue and consultation with key external stakeholder groups; and
- A member vote held by each accounting body to ascertain the overall view and support for this proposed unification which will be used in conjunction with other stakeholder feedback.

As explained below under *Decision Making Process*, the board/council of the two accounting bodies will each collect and assess this input, and will also consider the support for this merger in jurisdictions across Canada.

## Governance

The new CPA profession in Nova Scotia would be governed by a volunteer board whose size, roles, responsibilities, policies and procedures would be reflective of contemporary best-practices in governance. Mechanisms would be implemented to ensure the rights of all members are protected in the new decision-making model.

### Board of Directors

The board of directors would ultimately be comprised of ten (10) elected members-in-good-standing from the profession and up to two lay representatives.

### Term of Office

The terms of office for directors would be two years, renewable for a maximum of three 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 from among the directors for a one-year term, extendable for a second one-year term at the discretion of the board.

### Executive Committee

The Executive Committee would consist of board members appointed annually by the board.

### The First CPA Board of Directors

The first board of directors would be formed once legislation is enacted to create the new CPA professional body in Nova Scotia. To ensure continuity within the profession, new board members would be appointed by the existing board/council of the respective organizations and to the extent possible, from those members currently sitting on the ICANS council and CMA board. The first board would include ten (10) members with a composition using current estimates resulting in the following proportionate representation:

	Members	Percent	Positions
CA	2,001	60 %	6
CMA	1,336	40 %	4

The first Executive Committee, initially comprised of four directors, will, until the first election of the CPA board, consist of equal representation from the legacy bodies. The first board would appoint up to two lay representatives to serve with the ten (10) CPA members.

Over time, the board would be replaced with elected members from the CPA membership, regardless of their respective legacy designations.

The first election of the CPA board would be held during the year after the second anniversary of the new legislation taking effect, with four of the appointed board positions being up for election (two CPA, CA and two CPA, CMA). In the following year, another four appointed board positions would be up for election (two CPA, CA and two CPA, CMA). In the third, and final, transition year following the second anniversary of the new legislation taking effect, the remaining two appointed board positions would be up for election (two CPA, CA) thereby completing the transition to an elected board of directors comprised of ten (10) members of the CPA profession, plus up to two lay representatives.

### Transitional Steering Committee

Subsequent to a unification decision, and prior to the enactment of legislation to create the new professional body in Nova Scotia, each professional body will continue to operate and be governed under its existing structure. The development and implementation of a plan for integration of the two bodies in Nova Scotia would be overseen by a Steering Committee with equal representation from each professional body, including appointed members from each board/council, the CEO from each organization, and additional staff and/or trusted advisors as agreed to.

## Regulatory Processes

Each provincial/territorial body is responsible for regulating the profession and protecting and serving the public interest. Therefore, until new legislation is passed to create the new professional accounting body, members will continue to follow the acts, by-laws, codes of conduct, and policies as required by the existing professional bodies.

The new CPA body would move towards common self-regulatory processes, using best practices consistent with other provincial and international bodies as a guide. Such processes would include: rules of conduct; practice inspection; complaints resolution; professional development; and discipline.

## Membership Fees/Dues

Members of each accountancy body pay dues annually. The intent would be to harmonize the Nova Scotia provincial fees of CPA members within a two-year period. National fees would be addressed by the national legacy bodies.

## Integration of Operations

The combined organization that would oversee the profession for Nova Scotia members would be managed through a model that reflects best accepted practices, processes, and management structure of ICANS and CMA Nova Scotia.

The creation of a new CPA organization would require experienced and talented employees to maintain continuity and to also ensure that the CPA becomes the pre-eminent, internationally recognized Canadian accounting designation. Successful unification would initially require utilizing existing staff from each of the two legacy organizations, appointing individuals whose education, experience, and qualifications best match the requirements of the various positions.

## Decision Making Process

The primary task for the two accounting bodies in Nova Scotia will be to engage members and other key stakeholders, to obtain their views on the Unification Framework and the Nova Scotia Merger Proposal.

The process, as it relates to each of the key stakeholder groups, will be as follows:

### Members

- A significant engagement effort will be undertaken to inform and seek input from members. The leadership of both organizations will host town halls and employer meetings where the Unification Framework and Nova Scotia Merger Proposal will be presented. A full schedule of these meetings will be posted on the provincial/regional websites and will also be communicated through various electronic means.
- Members who are not able to attend the town halls or employer meetings are encouraged to visit the websites of their respective organizations (i.e. CA or CMA) as well as the national website at [www.CPACanada.ca](http://www.CPACanada.ca). Alternatively, feedback can be directed to the Chief Executive Officer of their respective professional organization.
- Given the significance of the members' stake in this matter, a member vote will be held to ascertain the overall view and support for this proposed unification. We anticipate the vote taking place in September 2012.

### Public

- Provincial regulators, including the Nova Scotia Securities Commission and the Public Accountants Board of Nova Scotia, will be asked to provide input and feedback on the Unification Framework and Nova Scotia Merger Proposal.
- Lay representatives, who represent the public interest and participate in the accounting profession's governance and regulatory processes, will also be asked their views on the Unification Framework and this Nova Scotia Merger Proposal.

## Consumers

- Consumers of accounting services and employers of accountants will be engaged to determine their views on the unification of the profession.
- Accounting firms are one of the primary consumers of our education programs. Their views on these proposed changes are important and will be sought.
- Post-secondary educators have a significant stake in the profession and it will be important to know their views.
- Registered students will be invited to contribute their feedback and views through various means which may include Town Halls and employer meetings.

## Government

- The Government of Nova Scotia will be invited to express its views on the Unification Framework and this Nova Scotia Merger Proposal in the context of professional regulation.
- Each of the bodies will assess the stakeholder feedback received including the results of their member vote. As well, the results of merger initiatives in other provinces will be reviewed and considered. The board/council of each body will then independently decide whether to approve a provincial merger. If a recommendation to merge is issued by both bodies, a formal submission would be drafted and submitted to the Nova Scotia government. The formal submission would include the results of the consultation process and member vote, as well as terms of the proposed provincial merger of the bodies.

## Transition

If support for the Unification Framework and Nova Scotia Merger Proposal is obtained, and a commitment to proceed with new legislative changes is received from the government, the two accounting bodies in Nova Scotia will work with government officials to draft legislation that could be passed in the next year or two. Also, if support and commitment is obtained, the accounting bodies would immediately commence the planning and implementation of the integration plan for both organizations.

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

As noted in the *Regulatory Processes* section above, existing self-regulatory processes of the two bodies will be maintained until the new legislation is passed.

Should provincial legislation be put in place, all current members in good standing of each legacy body would be granted the CPA designation. Members would then begin to use the CPA designation in conjunction with their existing designation as follows:

### Members – First 10 Years:

First and last name, CPA, CA  
First and last name, CPA, CMA

*Use of the CPA designation or the legacy designation on its own would not be permitted.*

### Members – After 10 Years:

First and last name, CPA, CA  
First and last name, CPA, CMA

OR

First and last name, CPA

*Use of the legacy designation on its own would not be permitted.*

## Fellowship

Members who currently hold the FCMA and the FCA designations will continue to be Fellows in the new profession.

## Firm Names and Signing of Assurance Reports

The use of “Chartered Professional Accountants” following a firm name would be preferred; however, including the legacy accounting designation as well would be permitted.

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## Significant Benefits for Members

- Best positions the profession to protect the public by ensuring professional accounting and assurance services meet a uniformly high and consistent level of ethical and practice standards.
- Protects and enhances the value of your designation in an increasingly competitive global environment.
- Contributes to the sustainability and prosperity of the Canadian accounting profession.
- Governs the accounting profession in an effective and efficient manner.

## Questions / Comments?

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

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