TIME TO SECURE OUR FUTURE

Uniting the Canadian Accounting Profession

CA CMA CGA SASKATCHEWAN MERGER PROPOSAL

MARCH 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 Saskatchewan's professional accountants – Chartered Accountants, Certified Management Accountants, and Certified General Accountants – has developed this proposal to define specific information related to a proposed provincial merger. While the fundamental elements of a merger are the same across Canada, the profession is governed under provincial/territorial statutes.

This proposal is supported by the ICAS Council, the CMA SK Council, and the CGA SK Board and is consistent with the National Unification Framework.

VALUE PROPOSITION

"What's In It For Me?"

Keep what you have already earned
Members would retain the use of their existing designations of which they are justifiably proud.

Receive a new designation with international recognition
Members would receive the Chartered Professional Accountant (CPA) designation; CPA is the most widely held accounting designation in the world.

Greater access to professional resources
A larger, stronger profession would provide more extensive and targeted services to members such as professional development and training.

Elimination of duplicated efforts of accounting bodies
Combining the three provincial accounting bodies into one would result in more efficient, cost-effective administration and regulation of the profession.

"What's In It For The Accounting Profession?"

Uniformly high and consistent ethical and practice standards
The public is better protected when all professional accountants and the services they deliver are subject to a common standard.

A made in Canada response to increased competition
A merged profession can better react to the entry into Canada by foreign accounting bodies.

Greater influence globally
A single Canadian accounting profession of over 170,000 members would have the size and resources to contribute substantially to international accounting organizations and initiatives.

A single point of entry for aspiring professional accountants
Attracting talented students and transitioning those with foreign accounting credentials is simpler with one certification program.

USE OF DESIGNATIONS

Once provincial legislation is in place, all current members in good standing of each legacy body would be granted the CPA designation. Members must 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
First and last name, CPA, CGA

Use of the CPA or 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
First and last name, CPA, CGA
OR
First and last name, CPA

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

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.

GOVERNANCE

Saskatchewan's new CPA profession would be governed by a volunteer Board. The size, roles, responsibilities, policies and procedures would be reflective of best practices for corporate governance and provincial regulations.

Transitional Steering Committee

Subsequent to a decision to merge the bodies and prior to the enactment of CPA legislation, 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 bodies would be overseen by a Transitional Steering Committee (TSC) with equal representation from the legacy bodies. 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.

The TSC would remain accountable to the Councils/Board of the organizations, and operate according to Terms of Reference approved by the three bodies. Responsibilities of the TSC would include such priorities as:

- hiring of CEO for new CPA organization,
- working with government on legislation and bylaws,
- developing an effective governance structure,
- determining education delivery, and
- determining initial funding requirement of the new CPA body.

CPA Board of Directors

The first Board of Directors would be formed once CPA legislation is enacted. To ensure continuity within the new profession, to the extent possible new Board members would be appointed from the existing Councils/Board of ICAS, CMA SK and CGA SK. The initial board, which is based on current member representation, would consist of:

- 7 CPA, CA
- 5 CPA, CMA
- 2 CPA, CGA and
- 2 public representatives.

Over time, initial Board members would be replaced with elected CPA members with appropriate competencies and experience. The first Board election would be held after the second anniversary of the new legislation taking effect.

Once the transitional period is completed, the CPA Board would be comprised of 11 CPAs elected by the membership, and 2 public representatives appointed by the provincial government.

Potential Milestones

Terms of Office

Terms of office would be two years, renewable for a maximum of one consecutive term. Exceptions to this term limit would be based on the governance model adopted by the new CPA board.

Board Chair

The Chair of the Board would be elected by, and from among the Board members, for a one-year term. The first Chair of the Board would continue to serve as a member of the Board to complete a two year term.

Executive Committee

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

EDUCATION

PRE-CERTIFICATION

The proposed national CPA pre-certification program draws on the strengths of each of the legacy programs, and ensures a consistent professional education experience for all aspiring CPAs. Details of the program accompanied the release of the national unification framework and can be found at www.cpacanada.ca or the websites of the provincial bodies.

Delivery of the certification program is a provincial responsibility, however, efforts would be made to collaborate with other provinces to develop a regional delivery model. Post secondary institutions in Saskatchewan would continue to deliver pre-requisite courses required to gain entrance into the program.

Transition of students in existing legacy programs would be coordinated to ensure that students who have begun a legacy program have an opportunity to finish it or otherwise bridge into the new CPA program.

A separate program would be developed for individuals who aspire to a career in accountancy but not as a certified CPA. It would have distinct entrance, education and assessment requirements and include a bridging process to the appropriate stage of the CPA pre-certification program. These individuals would be registered with and regulated by the CPA organization, and therefore would be subject to the CPA rules of conduct.

POST-CERTIFICATION

Continuing professional education for members of the CPA body would combine the best legacy programs and new programs to create learning opportunities that match the diversity of the membership. Cooperation with the national and other provincial bodies would ensure sufficient breadth and leverage economies of scale. Post designation specialty programs, developed nationally, will offer members the opportunity to enhance their expertise and advance their careers.

MEMBER DUES

Members in each accounting body pay dues each year to the national and provincial bodies. National dues among the legacy bodies differ substantially and a plan to harmonize these dues would be developed by the national legacy bodies. All members would pay the same provincial dues regardless of their legacy designation.

REGULATORY PROCESSES

Currently, the provincial accounting bodies are responsible for regulating their respective professions and protecting and serving the public interest. The new CPA body would adopt 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 bylaws, regulations, and rules of their legacy bodies; the current regulatory processes of each body would be maintained.

DECISION MAKING PROCESS

A key task for the three bodies is engaging members and other key stakeholders to gauge the level of support for the Unification Framework and Saskatchewan Merger Proposal. In addition, members of each accounting body will have the opportunity to express their overall view on the proposals through a formal member vote.

Each of the three 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 Councils/Board of the three bodies will then independently decide whether to approve a provincial merger. If a recommendation to merge is issued by all three bodies, a formal submission would be drafted and submitted to the Saskatchewan 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. The provincial government would then be in a position to determine whether it is prepared to proceed with enabling legislation.

The key stakeholders in Saskatchewan have been identified as:

Members

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

- Input from members and students will be gathered through town hall meetings and employer meetings. At each meeting, attendees will have the opportunity to ask questions and provide comments. A schedule of meetings will be posted on the websites of the ICAS, CMA SK, and CGA SK.
- Members will also be encouraged to provide their input via email or phone calls to the provincial bodies.

Public

- Public representatives are appointed to the Board to represent the interests of the public and ensure effective governance and regulation. Their views on the Unification Framework and Saskatchewan Merger Proposal in the context of public interest will be important.
- Meetings will be held with employers and members of the business community to solicit feedback.

Government

- The Government of Saskatchewan will be invited to express their view on the Unification Framework and Saskatchewan Merger Proposal in the context of professional regulation.

Consumers/Educators

- Consumers of accounting services and employers of accountants will be asked their views on unification.
- Post-secondary educators have a significant stake in the profession and it will be important to know their views.

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

QUESTIONS / COMMENTS?

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

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